

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Additional Funding for Electronic Benefits Transfer Service (EBTS)
Department: Human Services **Dept. Approval by:** *Will K.L.* **Date:** 10-15-2010
Priority Number: DI-1 **OSP Approval:** *Ann Renaud* **Date:** 10-15-2010

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	3,240,500	3,322,180	0	3,322,180	3,328,692	640,810	3,969,502	0	3,969,502	650,614
	FTE	6.1	7.0	0.0	7.0	7.0	0.0	7.0	0.0	7.0	0.0
	GF	908,963	889,747	0	889,747	893,003	185,194	1,078,197	0	1,078,197	188,027
	CF	842,299	890,707	0	890,707	890,707	185,194	1,075,901	0	1,075,901	188,027
	RF	0	0	0	0	0	0	0	0	0	0
	FF	1,489,238	1,541,726	0	1,541,726	1,544,982	270,422	1,815,404	0	1,815,404	274,560
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	908,963	889,747	0	889,747	893,003	185,194	1,078,197	0	1,078,197	188,027
(7) Office of Self Sufficiency, (C) Special Purpose Welfare Programs, (6) Electronic Benefits Transfer Services	Total	3,240,500	3,322,180	0	3,322,180	3,328,692	640,810	3,969,502	0	3,969,502	650,614
	FTE	6.1	7.0	0.0	7.0	7.0	0.0	7.0	0.0	7.0	0.0
	GF	908,963	889,747	0	889,747	893,003	185,194	1,078,197	0	1,078,197	188,027
	CF	842,299	890,707	0	890,707	890,707	185,194	1,075,901	0	1,075,901	188,027
	RF	0	0	0	0	0	0	0	0	0	0
	FF	1,489,238	1,541,726	0	1,541,726	1,544,982	270,422	1,815,404	0	1,815,404	274,560
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	908,963	889,747	0	889,747	893,003	185,194	1,078,197	0	1,078,197	188,027

Non-Line Item Request: None
Letternote Revised Text for FY 2010-11: None
Letternote Text Requested for FY 2011-12: Office of Self Sufficiency: g Of this amount, it is estimated that \$637,044-\$822,205(L) shall be from local funds...; h Of this amount, \$204,679 shall be from the Temporary Assistance for Needy Families Block Grant, \$35,575 shall be from Child Care Development Funds, and \$4,304,472-\$1,575,150 shall be from various sources of federal funds.
Cash or Federal Fund Name and COFRS Fund Number: Cash Funds shall be from local funds
Reappropriated Funds Source, by Department and Line Item Name: None
Approval by OIT? Yes: No: **N/A:**
Schedule 13s from Affected Departments: None

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CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Colorado Department of Human Services
Priority Number:	DI-1
Change Request Title:	Additional Funding for Electronic Benefits Transfer Service (EBTS)

SELECT ONE (click on box):

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-12

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 of Human Services is requesting \$640,810 total funds (\$185,194 Net General Fund) for FY 2011-12 and a total of \$650,614 (\$188,027 Net General Fund) for FY 2012-13 to address the projected shortfall for the cost of the Electronic Benefits Transfer Service (EBTS). This request will be used to pay the monthly fees charged by the Department's EBTS vendor, JP Morgan. No program administrative costs will be paid with these funds.

General Description of Request:

This request outlines the additional funding needed to support the Electronic Benefits Transfer Service. The EBTS is the mechanism through which public assistance benefits are distributed to clients and providers. As mandated in Title IV of the Food, Conservation, and Energy Act of 2008 (also referred to as the 2008 Farm Bill), the EBTS replaced the paper-based system of food stamp coupons.

As defined in the Colorado Department of Human Services Code 26-2-104, C.R.S. (2010) the EBTS distributes public assistance benefits and cash payments for services electronically by utilizing the Colorado QUEST Card and/or Automated Clearing House

(ACH) direct deposit options for eligible clients and service providers. Colorado's EBTS delivers benefits for the Food Stamp Program, also referred to as the Supplemental Nutritional Assistance Program (SNAP); Temporary Assistance for Needy Families (TANF); Old Age Pension (OAP); Aid to the Needy Disabled (AND); Aid to the Blind (AB); Low-Income Energy Assistance Program (LIEAP); Child Care; and Child Welfare and Subsidized Adoption. The Food Stamp Program, a federal entitlement program comprises the largest percentage of EBTS transactions.

The Department directs and oversees the program operations and contracts with a private vendor, JP Morgan Electronic Financial Services, for the provision of benefits to qualified recipients through an electronic card, similar to a credit or debit card. The Department pays the vendor a monthly fee to load authorized benefits onto the card each month. The fees vary depending on the type of benefit being added and whether multiple benefit types are added. Additional monthly fees are charged for Point of Sale (POS) device rental and check writing fees. These additional fees remain fairly static and are not affected by the increased caseloads.

As a result of the downturn in the economy, public assistance caseloads have risen, hitting unprecedented numbers over the past 24 months. This has resulted in an increase in the monthly EBTS costs of approximately 2.0% each month over the prior month. It is projected that the caseloads will continue to increase for at least an additional eighteen month time period beyond May 2010. Therefore the current level of funding is not sufficient to support the required EBTS operations. From July 2008 to June 2010, the authorized monthly food assistance and cash assistance cases invoiced increased from 145,506 cases to 215,011. As a result, the monthly vendor invoice increased by 54.8% from \$198,672 in July 2008 to \$307,496 in June 2010. Caseloads continue to rise each month and a shortfall of approximately \$1.8M is being projected for EBTS services for FY 2010-11 and \$2.7M for FY 2011-12.

Table 1 on the following page provides a comparison of the EBTS actual and projected average monthly case count and cost for FY 2007-08 through FY 2011-12.

Table 1
Electronic Benefits Transfer Service
Comparison of Annual Case Volume and Vendor Costs

	FY 2007-08	FY 2008-09	Percent Inc./Dec. Over Prior FY	FY 2009-10	Percent Increase Over Prior FY	FY 2010-11	Percent Inc./Dec. Over Prior FY	FY 2011-12	Percent Increase Over Prior FY
(A)Average Case Volume Per Month	143,048	164,220	15%	203,110	24%	245,118	21%	302,827	24%
(B)Average Vendor Expense Per Month	\$232,828	\$225,582	(3%)	\$288,015	28%	\$253,305	(12%)	\$257,607	2%
(C)Annual Vendor Expense	\$2,793,936	\$2,706,988	(3%)	\$3,456,183	28%	\$3,039,655	(12%)	\$3,091,282	2%
(D)Annual Vendor Contractual Amount from EBTS Appropriation	\$2,450,472	\$2,450,472	0%	\$2,450,472	0%	\$2,450,472	0%	\$2,450,472	0%
(E)Vendor Expense in Excess of Appropriation (D – E)	\$343,464	\$256,516		\$1,005,711		\$589,183		\$640,810	

NOTE: FY 2010-11 and FY 2011-12 amounts and the corresponding percentages are projections.

As a proactive measure and in an attempt to address the immediate shortfall in FY 2010-11 as well as in subsequent years, the Department has entered into negotiations with JP Morgan requesting a reduction in the monthly fees assessed to load benefits onto the card each month. The negotiations have been favorable and contingent upon execution of an amended contract between the State and JP Morgan, this new pricing would result in a significant decrease in the projected shortfalls discussed previously. Assuming that the amended contract is effective November 1, 2010, and based upon the same increased caseload projections discussed above, the new pricing would reduce the projected shortfalls by approximately 67 percent to \$589,183 for FY 2010-11 and by approximately 77 percent to \$640,810 for FY 2011-12.

The EBTS appropriation for FY 2009-10 was not sufficient to cover the billings from the EBTS vendor. However, the State of Colorado received funding from the FFY 2010 Department of Defense (DoD) Appropriations bill that allocated monies to states for administrative expenses related to the SNAP program. The Department was able to use \$900,000 of these funds to cover the FY 2009-10 EBTS costs shortfall resulting from the increased caseload.

Consequences if Not Funded:

As defined by the Food, Conservation, and Energy Act of 2008 (also known as the 2008 Farm Bill), the EBTS is the required mechanism for delivering benefits for the federally mandated Food Assistance Program, an entitlement program. Therefore, the EBTS program costs are required to be paid. If these costs are not paid, clients will not receive their food and cash assistance payments and the State will be out of compliance with the Federal law. Not only would non-compliance result in potential sanctions or disallowance of administrative reimbursement, it would result in a great disservice and inconvenience to our clients.

Calculations for Request:

Summary of Request FY 2011-12	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$640,810	\$185,194	\$185,194	\$0	\$270,422	0.0
(7)Office of Self Sufficiency, (C)Special Purpose Welfare Programs,(6)Electronic Benefits Transfer Service	\$640,810	\$185,194	\$185,194	\$0	\$270,422	0.0

Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$650,614	\$188,027	\$ 188,027	\$0	\$274,560	0.0
(7)Office of Self Sufficiency, (C)Special Purpose Welfare Programs,(6)Electronic Benefits Transfer Service	\$650,614	\$ 188,027	\$ 188,027	\$0	\$274,560	0.0

Assumptions for Calculations:

Over the past two years, the monthly EBTS costs have been increasing at a rate of approximately 2.0% each month over the previous month. It is anticipated that caseloads and costs will continue to increase at this rate for at least 18 months through December 2011, at which time costs may level off.

Based upon the previous two-year pattern, a two percent increase was applied monthly from June 2010 through December 2011, resulting in a case count increase of 43 percent from 215,011 to 307,087. For the same period, the program costs were increased by 42 percent from \$307,496 in June 2010 to \$437,471 in December 2011. In anticipation of an improvement in the economy starting in January 2012, it is projected that the monthly case counts may level off to approximately 313,230 cases with a corresponding monthly cost of \$445,836. Based upon current funding levels, these projections illustrate shortfalls of \$1.8M at the close of FY 2010-11 and \$2.7M at the close of FY 2011-12.

The Department has entered into negotiations with JP Morgan requesting a reduction in the monthly fees assessed to load benefits onto the card each month. Contingent upon execution of an amended contract between the State and JP Morgan effective November 1, 2010, and based upon the same increased caseload projections discussed above, the new pricing would reduce the projected shortfalls by approximately 67 percent to \$589,183 for FY 2010-11, by 77 percent to \$640,810 for FY 2011-12, and to \$650,614 for FY 2012-13.

Illustrated below are calculations for the FY 2011-12 and FY 2012-13 shortfalls using the reduced pricing negotiated with JP Morgan.

Benefit Category	Old Cost Per Case Month (CPCM) Pricing	New Cost Per Case Month (CPCM) Pricing
Food Assistance	\$1.461	\$0.85
Cash Assistance	\$0.797	\$0.64
Combined	\$1.937	\$0.96
Client Direct Deposit	\$0.10	\$0.10
Provider Direct Deposit	\$0.10	\$0.10

A. Methodology for calculating the projected shortfall of \$640,810 for FY 2011-12:

1. The June 2011 projected case volumes for each of the benefit categories are multiplied by 1.02 to account for the projected 2% monthly increase. The result is the projected case volumes for July 2011 for each of the benefit categories.

Food Assistance	196,666 cases X 1.02 = 200,600
Cash Assistance	19,123 cases X 1.02 = 19,505
Combined	34,360 cases X 1.02 = 35,048
Client Direct Deposit	14,963 cases X 1.02 = 15,262
Provider Direct Deposit	7,574 cases X 1.02 = 7,725

2. The projected July 2011 case volumes for each of the benefit categories are multiplied by the corresponding cost per case month (CPCM) fee. The result is the projected total cost for cases in each case category for the month of July 2011.

Food Assistance	200,600 cases X \$0.85 = \$170,510
Cash Assistance	19,505 cases X \$0.64 = \$ 12,483
Combined	35,048 cases X \$0.96 = \$ 33,646
Client Direct Deposit	15,262 cases X \$0.10 = \$ 1,526
Provider Direct Deposit	7,725 cases X \$0.10 = \$ 772

3. The projected costs of the case categories are then totaled. The result is the total projected CPCM fee to process benefits for the month of July 2011.

Food Assistance	\$170,510
Cash Assistance	\$ 12,483
Combined	\$ 33,646
Client Direct Deposit	\$ 1,526
Provider Direct Deposit	<u>\$ 772</u>
Total	\$218,937

4. The additional monthly costs (POS device rental and check writing fees) are then added to the total from #3 above. The result is the total projected invoice amount for the month of July 2011.

Total CPCM Fee	\$218,937
+ POS Device Rental	\$ 18,837
+ Check Writing Fee	<u>\$ 400</u>
Total July Invoice	\$238,174

5. Steps 1 – 4 above are repeated for the months of August 2011 through December 2011.
6. Beginning in January 2012, the monthly caseloads do not increase by 2 percent, but level off in all benefit categories as listed below:

Food Assistance	225,908 cases
Cash Assistance	21,966 cases
Combined	39,469 cases
Client Direct Deposit	17,187 cases
Provider Direct Deposit	8,700 cases

7. Beginning in January 2012, with the stable case load volumes listed above, steps 2 – 4 above are repeated for each subsequent month through June 2012.
8. The July 2011 projected total invoice amount is subtracted from the FY 2011-12 appropriation of \$2,450,472. For each subsequent month, the monthly invoice amount is subtracted from the contract balance from the previous month. At the end of FY 2011-12, a shortfall of \$640,810 is projected.

B. Methodology for calculating the projected shortfall of \$650,614 for FY 2012-13:

1. From July 2012 to June 2013, the projected caseloads continue to remain stable at the amounts listed below:

Food Assistance	225,908 cases
Cash Assistance	21,966 cases
Combined	39,469 cases
Client Direct Deposit	17,187 cases
Provider Direct Deposit	8,700 cases

2. Consistent with the amended contract and effective July 2012, the CPCM amounts are adjusted as shown in column three of the chart below.

Benefit Category	Old Cost Per Case Month (CPCM) Pricing	New Cost Per Case Month (CPCM) Pricing
Food Assistance	\$0.85	\$0.85
Cash Assistance	\$0.64	\$0.52
Combined	\$0.96	\$0.84
Client Direct Deposit	\$0.10	\$0.10
Provider Direct Deposit	\$0.10	\$0.10

3. The projected July 2012 case volumes for each of the benefit categories are multiplied by the corresponding cost per case month (CPCM) fee. The result is the projected total cost for cases in each case category for the month of July 2012.

Food Assistance	225,908 cases X \$0.85 = \$192,022
Cash Assistance	21,966 cases X \$0.52 = \$ 11,422
Combined	39,469 cases X \$0.84 = \$ 33,154
Client Direct Deposit	17,187 cases X \$0.10 = \$ 1,719
Provider Direct Deposit	8,700 cases X \$0.10 = \$ 870

4. The projected costs of the case categories are then totaled. The result is the total projected CPCM fee to process benefits for the month of July 2012.

Food Assistance	\$192,022
Cash Assistance	\$ 11,422
Combined	\$ 33,154
Client Direct Deposit	\$ 1,719
Provider Direct Deposit	<u>\$ 870</u>
Total	\$239,187

5. The additional monthly costs (POS device rental and check writing fees) are then added to the total from #3 above. The result is the total projected invoice amount for the month of July 2012.

Total CPCM Fee	\$239,187
+ POS Device Rental	\$ 18,837
+ Check Writing Fee	<u>\$ 400</u>
Total July Invoice	\$258,424

6. Steps 1 – 4 above are repeated for the months of August 2012 through June 2013.
7. The July 2012 projected total invoice amount is subtracted from the FY 2012-13 appropriation of \$2,450,472. For each subsequent month, the monthly invoice amount is subtracted from the contract balance from the previous month. At the end of FY 2012-13, a shortfall of \$650,614 is projected.

Impact on Other Government Agencies: Not Applicable

Cost Benefit Analysis: Federal Law requires that the EBTS is the mechanism for delivering benefits for federally mandated entitlement programs. If the EBTS program costs are not paid, clients will not receive their food and cash assistance payments and the State will be out of compliance with the Federal Law.

Implementation Schedule:

Task	Month/Year
Amendment to Current Contract prepared	April – May 2011
Contract Awarded/Signed	June 2011

Statutory and Federal Authority:

USDA, Food and Nutrition Service Code of Federal Regulations, Title 7 (Agriculture), Chapter II – Food and Nutrition Service, Part 274 – Issuance and Use of Coupons, Section 274.12 –Electronic Benefit Transfer issuance system approval standards.

(a) General. This section establishes rules for the approval, implementation and operation of Electronic Benefit Transfer (EBT) systems for the Food Stamp Program as an alternative to issuing food stamp coupons. By October 1, 2002, State agencies must have EBT systems implemented statewide, unless the Secretary provides a waiver for a State agency that faces unusual barriers to implementing an EBT system.

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

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

*USDA, Food, Conservation, and Energy Act of 2008 (also referred to as the 2008 Farm Bill), Title IV, Section 4115 – De-obligation of Food Stamp Coupons
Phases out food stamp coupons as legal tender. As of the date of enactment no more coupons may be issued. No more coupons may be redeemed as of one year after the date of enactment (June 17, 2009).*

26-2-104. C.R.S (2010) Public Assistance Programs – Electronic Benefits Transfer Service – Rules.

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

Performance Measures:

Program	Performance Measure	Outcome	FY-2007-08	FY-2008-09	FY 2009-10	FY 2010-11	FY 2011-12
			Actual	Actual	Actual	Approp.	Request
Food & Energy Assistance Programs	Achieve a Food Stamp combined payment error rate less than the national average.	Benchmark	<5.00%	<5.00%	<5.00%	<5.00%	<5.00%
		Actual	3.32%	2.72%	TBD		

This Decision Item and EBTS operations support the Federal regulation (cited in the Statutory and Federal Authority section above) requiring the Department to ensure benefits are made available to recipients within Federally required time frames.

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Additional Funding for Food Assistance Administration
 Department: Human Services Dept. Approval by: *[Signature]* Date: 10-12-2010
 Priority Number: DI-2 OSPB Approval: *[Signature]* Date: 10-13-10

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	0	0	0	0	0	4,715,280	4,715,280	0	4,715,280	4,715,280
	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	2,357,640	2,357,640	0	2,357,640	2,357,640
	CF	0	0	0	0	0	0	0	0	0	0
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	2,357,640	2,357,640	0	2,357,640	2,357,640
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	0	0	0	0	0	2,357,640	2,357,640	0	2,357,640	2,357,640
(7) Office of Self Sufficiency, (C) Special Purpose Welfare Programs, (9) Office of Self Sufficiency and Independence - Food Assistance [New Line]	Total	0	0	0	0	0	4,715,280	4,715,280	0	4,715,280	4,715,280
	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	2,357,640	2,357,640	0	2,357,640	2,357,640
	CF	0	0	0	0	0	0	0	0	0	0
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	2,357,640	2,357,640	0	2,357,640	2,357,640
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	0	0	0	0	0	2,357,640	2,357,640	0	2,357,640	2,357,640

Non-Line Item Request: None
 Letternote Revised Text for FY 2010-11: None
 Letternote Text Requested for FY 2011-12: None
 Cash or Federal Fund Name and COFRS Fund Number: Federal Funds shall be from U.S. Department of Agriculture
 Reappropriated Funds Source, by Department and Line Item Name: None
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: None

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CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Colorado Department of Human Services
Priority Number:	DI-2
Change Request Title:	Additional Funding for Food Assistance Administration

SELECT ONE (click on box):

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-12

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 Colorado Department of Human Services (CDHS) is requesting \$4,715,280 total funds, including \$2,357,640 General Fund in additional funding for the administrative costs incurred by the counties related to the Food Assistance Program, for FY 2011-12 and FY 2012-13 only. This request is necessary to cover the administrative costs of the Food Assistance Program, which has been faced with unprecedented caseload growth due to the downturn in the economy. The State share of this request is 50% of the total cost, or \$2,357,640. The Department is requesting these funds separate and apart from the County Administration Appropriation so that funds can be allocated specifically to counties with the greatest increase in Food Assistance caseload, with the expectation of continued improvement in meeting federal standards for the timely processing of Food Assistance applications.

General Description of Request:

The Food Assistance Program, currently referred to as the Supplemental Assistance Nutrition Program on the national level following the passage of the 2008 Farm Bill (formerly known as the Food Stamp Program), provides low-income households with the

ability to purchase food at authorized retailers throughout the state. Households must apply and meet gross and net income tests in order to be determined eligible for benefits. The actual benefit amount made available to qualified households is paid for with federal funding. Administrative costs of the program are reimbursed by USDA, Food and Nutrition Services at a rate of 50%.

Beginning in 2008 and mirroring a national trend, the Food Assistance Program in Colorado began to experience unprecedented growth in the number of households applying for and receiving benefits in response to the downturn in the economy. From March 2008 through December 2009, the rate of growth averaged at a 2% increase each month over the prior month. Over the past 12 months, the rate of growth continues, but has slowed to a continuous 1.5% growth in caseload over the prior month. The cumulative effect over a 30-month time period, beginning in March 2008, is that the State now serves just over 76,000 additional households, representing 171,000 additional individuals, and a 70% increase in monthly caseload. Additionally, households need benefits for longer periods of time than was true in previous years when the national average recidivism rate was nine months. As individuals struggle to find employment or experience reductions in pay and hours, more households are requesting continued aid through the reapplication process when their certification period is nearing expiration. This is contributing to the increased workload at the county in addition to the volume of new applications being received.

Table 1 on the following page demonstrates the increase in the number of households in Colorado receiving food assistance benefits statewide for the last several years. Caseload is synonymous with the household numbers.

Table 1: Food Assistance Program Count of Monthly Households Receiving Benefits Statewide								
Month	FFY07	FFY08	FFY09	FFY10	FY10 Actual % growth over prior month	FY10 Actual % growth over prior year	FY10 Actual % growth compared with FY2007	FFY11-Projected 1.5% growth monthly
October	107,246	106,171	118,268	161,463	2%	37%	51%	191,176
November	107,310	105,758	120,177	164,963	3%	37%	54%	194,043
December	106,819	106,650	126,433	169,691	3%	34%	59%	196,954
January	107,675	107,477	128,928	171,933	1%	33%	60%	199,908
February	105,909	107,526	132,221	173,361	1%	31%	64%	202,907
March	108,180	109,460	137,870	177,596	2%	29%	64%	205,951
April	107,251	109,834	141,583	179,103	1%	27%	67%	209,040
May	107,081	109,629	144,655	180,396	1%	25%	68%	212,175
June	107,499	111,185	149,089	182,250	1%	22%	70%	215,358
July	106,485	111,816	151,621	183,440	1%	21%	72%	218,588
August	106,226	112,263	154,928	185,567	1%	20%	75%	221,867
September	105,105	115,093	158,115	188,351	estimated			225,195
Total	1,282,786	1,312,862	1,663,888	2,118,114	estimated			2,493,162
Monthly Average for the year	106,899	109,405	138,657	176,510	estimated			207,764
Percentage Increase over prior year		2%	27%	27%	estimated			18%

Data Source: FNS-388 Report

Projecting forward, CDHS anticipates completing the current federal year with a monthly average caseload growth of 27% over the prior year, and an additional 18% growth in FY 2011-12. Comparing the actual food assistance administrative costs for FY 2009-10 to those from FY 2007-08 demonstrates an increase of \$8,842,007 during that time period. This increase in administrative costs has been mitigated for FY 2009-10 and FY 2010-11 by ARRA Food Assistance funding of \$962,254 and \$1,128,757 passed on to the counties, respectively, and by \$2,243,895 of Department of Defense funds in FY 2010-11. The ARRA funds will be spent down entirely by September 30, 2010 and Department of Defense funding for food assistance administration will be spent down prior to the expiration date of September 30, 2011. These additional sources of funds will not be available in FY 2011-12 at a time when Colorado's food assistance caseload is expected to be almost double the June 2008 caseload.

The State of Colorado continues to fall short of the federally required timeliness standard for processing food assistance applications and faces a potential withholding of federal funding if required timeframes are not met. Additionally, CDHS is currently working toward an Amended Stipulation and Order of Settlement in the lawsuit filed against the Department of Human Services in 2005 on behalf of plaintiffs who claim to not receive benefits timely. Although the Department has been able to demonstrate increased improvement in timely processing of 9% through use of the ARRA since April 2009 and DOD funding since February 2010, county offices have still not been able to keep up with increasing demands.

When August 2010 is compared with May 2008, there is a 78.73% increase, or 8,110 new applications taken monthly at the local offices. USDA, Food and Nutrition Services rules require that only merit system staff perform the function of determining eligibility. This prohibits the state or county from hiring staff from a private company or temporary service to process the increased workload. The function must be performed by merit system employees.

Table 2 on the following page shows a history of the Colorado Food Assistance Quality Assurance Timely Processing Rate since Federal Year 2005.

Table 2: Processing History	
Federal Year	Colorado's QA Timely Processing Rate
FY05	63.39%
FY06	65.57%
FY07	70.67%
FY08	74.16%
FY09	81.15%
FY10 (thru 03/10)	82.58%

CDHS is requesting that these new funds be appropriated to a temporary new line (two years only) titled Office of Self-Sufficiency and Independence Appropriation instead of the current County Administration Appropriation. The County Administration appropriation includes funding for several self-sufficiency programs, so the additional Food Administration Program funding cannot be tied directly to specific program activity at the county level. The Colorado Benefits Management System intake process evaluates a client's eligibility for all Human Services programs, so the food assistance portion of the caseload can only be determined through the federal Department of Cost Allocation approved Random Moment Sampling (RMS) methodology.

RMS statistically validates the portion of the County Administration Appropriation that is attributable to food assistance. However, since 91% of the increased caseload resides in eighteen of the sixty-four counties, the Department is seeking funding that can be allocated to those counties most in need based on caseload growth and timeliness. Additionally, counties in receipt of these funds will be required to operate under business processes that have proven to increase timely processing, including conducting phone

interviews for new and on-going applications as well as establishing task based operations in lieu of assigned caseloads for certain eligibility functions. Continued funding for these counties would be contingent upon documented improvement in timely processing through an agreed upon plan.

Consequences if Not Funded:

The consequences of not granting this request will be detrimental to the continued operation of the Food Assistance Program beyond July 2011 with federal funds expiring in September 2011. Through the use of ARRA and DOD funds, the State was able to show a 9% improvement in the timely processing of cases, rising from 74.67% in April 2009 to 82.58% in March 2010, with the highest improvement month of October 2009 at 85.71%.

Without additional funding from the State, continued costs would need to be covered with county funds, assuming that property values remain sufficiently stable to generate the necessary increase in property tax revenue. Reducing and/or delaying services to client is not an option under federal law.

County Departments of Human Services are facing decreased revenues largely as a result of decreased property tax collections with little opportunity to find additional sources of revenue. This funding shortfall impacts the counties' ability to adequately staff for the increase in caseload. Colorado risks withholding of federal funds if the State fails to show continued improvement in the timeliness requirement for processing food assistance cases as well as any penalties that may be imposed in the pending litigation.

Calculations for Request:

Summary of Request FY 2011-12	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
(7)Office of Self-Sufficiency, (C)Special Purpose Welfare Programs, (9)Office of Self Sufficiency and Independence – Food Assistance [New Line]	\$4,715,280	\$2,357,640	\$0	\$0	\$2,357,640	0.0

Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
(7)Office of Self-Sufficiency, (C)Special Purpose Welfare Programs, (9)Office of Self Sufficiency and Independence – Food Assistance [New Line]	\$4,715,280	\$2,357,640	\$0	\$0	\$2,357,640	0.0

Summary of Request FY 2013-14	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
(7)Office of Self-Sufficiency, (C)Special Purpose Welfare Programs, (9)Office of Self Sufficiency and Independence – Food Assistance [New Line]	\$0	\$0	\$0	\$0	\$0	0.0

Table 3: Projected Funding Needs of the Food Assistance Program for a 12-Month Period		
Assumptions and Projected Costs		<i>Formula</i>
Projected Caseload Increase for FY 2011-12	38,898	(A)
Average Cases Per Month for a Food Assistance Eligibility Worker	350	(B)

Additional Workers Needed to Process Increased Caseload	111	(C)=(A) / (B)
Average Annual Gross Salary for County Worker	\$29,112	(D)
Total Annual Gross Salary Amount	\$3,231,432	(E)=(D) x (C)
Average Annual Employee Benefit Amount	\$7,715	(F)
Total Annual Employee Benefit Amount	\$856,365	(G)=(F) x (C)
Average Annual Operating Expense for County Worker	\$5,653	(H)
Total Annual Operating Expense	\$627,483	(I)=(H) x (C)
Total Projected Need	\$4,715,280	(J)=(E)+(G)+(I)

Assumptions for Calculations:

The assumptions for the calculations are outlined here in their order on Table 3 of the Calculation for Request section.

Increased Caseload (A): The projected caseload increase was determined by taking the actual caseload for August 2010 and projecting what the caseload would be as of June 2012 based on the assumption that the caseload increases by 1.5% each month. The projected caseload amount for July 2011 is subtracted from the projected caseload as of June 2012 to arrive at the total projected increase for FY 2011-12 (257,486 – 218,588 = 38,898).

Average Cases Per Month for a Food Assistance Eligibility Worker (B): This is the reasonable caseload standard.

Additional Workers Needed to Process Additional Caseload (C): This is determined by dividing the increased caseload by the average caseload per worker (38,898 / 350 = 111).

Average Annual Gross Salary for County Worker (D): This is the average annual gross salary for a Food Assistance eligibility worker in the 10 largest counties in the State.

Total Annual Gross Salary Amount (E): This is the average annual gross salary for a county worker multiplied by the additional 111 workers needed (\$29,112 x 111 = \$3,231,432).

Average Annual Employee Benefit Amount (F): Based on county data, an additional expense of 26.5% of the base salary must be included for benefits such as Social Security, Medicare, Health Insurance, Unemployment and Workers Compensation (\$29,112 x .265 = \$7,715).

Total Annual Employee Benefit Amount (G): This is the average annual employee benefit amount multiplied by the additional 111 workers needed (\$7,715 x 111 = \$856,365).

Average Annual Operating Expense for County Worker (H): This is the calculated operating expense for a county worker as provided by OSPB when requesting additional staff.

Total Annual Operating Expense (I): This is the employee operating expense amount multiplied by the additional 111 workers (\$5,653 x 111 = \$627,483).

Total Projected Need (J): This is the total annual gross salary amount, plus the total annual employee benefit amount, plus the total employee operating expense amount.

Impact on Other Government Agencies: N/A

Cost Benefit Analysis: Not applicable, as this request is being driven by an increased caseload related to public assistance for food assistance.

Implementation Schedule:

Task	Month/Year
Funding Available for Allocation to Eligible Counties	July 1, 2011

Statutory and Federal Authority:

*26-1-108 (2), C.R.S. (2010) Powers and duties of the executive director - rules.
The rules issued by the executive director pertaining to this title shall be binding upon the several county departments, providers, vendors, and agents of the state department.*

*26-1-111 (1) C.R.S. (2010) Activities of the state department under the supervision of the executive director.
The state department, under the supervision of the executive director, is charged with the administration or supervision of all the public assistance and welfare activities of the state, including but not limited to assistance payments, food stamps, social services, child welfare services, rehabilitation, and programs for the aging and for veterans, which activities, as enumerated are declared to be state as well as county purposes.*

Performance Measures:

Program	Performance Measure	Outcome	FY-2007-08	FY-2008-09	FY 2009-10	FY 2010-11	FY 2011-12
			Actual	Actual	Actual	Approp.	Request
Food & Energy Assistance Programs	Increase the percentage of food assistance applications processed within the thirty-day federal guidelines.	Benchmark	95.00%	95.00%	95.00%	95.00%	95.00%
		Actual	74.16%	81.15%	82.58% *		

* Through March 2010

**Schedule 13
Change Request for FY 2011-12 Budget Request Cycle**

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Reallocation of Resources and Funding Increase for Emergency Placements in Community Services for People with Developmental Disabilities Program Costs

Department: Department of Human Services
Priority Number: S-2, DI-3

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

Date: 10-20-10
Date: 10-21-10

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	328,722,926	349,912,049	7,995,086	357,907,135	350,766,076	7,465,064	358,231,140	0	358,231,140	7,465,064
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	18,521,576	19,733,109	(4,708,322)	15,024,787	19,737,601	(6,129,032)	13,608,569	0	13,608,569	(6,129,032)
	CF	0	30,798,715	0	30,798,715	30,883,095	0	30,883,095	0	30,883,095	0
	RF	310,201,350	299,380,225	12,703,408	312,083,633	300,145,380	13,594,096	313,739,476	0	313,739,476	13,594,096
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	310,201,350	299,380,225	12,703,408	312,083,633	300,145,380	13,594,096	313,739,476	0	313,739,476	13,594,096
	MGF	155,100,676	114,693,880	4,898,250	119,592,130	150,053,086	6,797,048	156,850,134	0	156,850,134	6,797,048
	NGF	173,622,252	134,426,989	189,928	134,616,917	169,790,687	668,016	170,458,703	0	170,458,703	668,016
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Program Costs, Adult Comprehensive Services for 66 General Fund and 4,221.0 Medicaid resources	Total	255,829,750	269,004,046	2,418,625	271,422,671	269,741,044	2,951,723	272,692,767	0	272,692,767	2,951,723
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	1,550,603	1,650,459	(1,237,844)	412,615	1,654,981	(1,650,459)	4,522	0	4,522	(1,650,459)
	CF	0	30,798,715	0	30,798,715	30,883,095	0	30,883,095	0	30,883,095	0
	RF	254,279,147	236,554,872	3,656,469	240,211,341	237,202,968	4,602,182	241,805,150	0	241,805,150	4,602,182
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	254,279,147	236,554,872	3,656,469	240,211,341	237,202,968	4,602,182	241,805,150	0	241,805,150	4,602,182
	MGF	127,139,574	83,315,741	1,422,829	84,738,570	118,616,418	2,301,091	120,917,509	0	120,917,509	2,301,091
	NGF	128,690,177	84,966,200	184,985	85,151,185	120,271,399	650,632	120,922,031	0	120,922,031	650,632

**Schedule 13
Change Request for FY 2011-12 Budget Request Cycle**

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Reallocation of Resources and Funding Increase for Emergency Placements in Community Services for People with Developmental Disabilities Program Costs

Department: Department of Human Services **Dept. Approval by:** **Date:**

Priority Number: S-2, DI-3 **OSPb Approval:** **Date:**

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Program Costs, Adult Supported Living Services for 692 General Fund and 3,262.5 Medicaid resources											
Total		44,974,958	52,317,915	431,585	52,749,500	52,434,974	358,872	52,793,846	0	52,793,846	358,872
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GF		7,575,159	7,974,941	(269,154)	7,705,787	7,974,941	(358,872)	7,616,069	0	7,616,069	(358,872)
CF		0	0	0	0	0	0	0	0	0	0
RF		37,399,799	44,342,974	700,739	45,043,713	44,460,033	717,744	45,177,777	0	45,177,777	717,744
FF		0	0	0	0	0	0	0	0	0	0
MCF		37,399,799	44,342,974	700,739	45,043,713	44,460,033	717,744	45,177,777	0	45,177,777	717,744
MGF		18,699,900	22,171,487	269,154	22,440,641	22,230,016	358,872	22,588,888	0	22,588,888	358,872
NGF		26,275,059	30,146,428	0	30,146,428	30,204,957	0	30,204,957	0	30,204,957	0
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Program Costs, Case Management for 3,713 General Fund and 8,294.5 Medicaid resources											
Total		21,501,608	22,370,389	94,703	22,465,092	22,370,389	103,879	22,474,268	0	22,474,268	103,879
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GF		2,979,204	3,888,010	(51,833)	3,836,177	3,888,010	(69,111)	3,818,899	0	3,818,899	(69,111)
CF		0	0	0	0	0	0	0	0	0	0
RF		18,522,404	18,482,379	146,536	18,628,915	18,482,379	172,990	18,655,369	0	18,655,369	172,990
FF		0	0	0	0	0	0	0	0	0	0
MCF		18,522,404	18,482,379	146,536	18,628,915	18,482,379	172,990	18,655,369	0	18,655,369	172,990
MGF		9,261,202	9,206,652	56,776	9,263,428	9,206,652	86,495	9,293,147	0	9,293,147	86,495
NGF		12,240,406	13,094,662	4,943	13,099,605	13,094,662	17,384	13,112,046	0	13,112,046	17,384

**Schedule 13
Change Request for FY 2011-12 Budget Request Cycle**

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Reallocation of Resources and Funding Increase for Emergency Placements in Community Services for People with Developmental Disabilities Program Costs

Department: Department of Human Services

Dept. Approval by:

Date:

Priority Number: S-2, DI-3

OSP Approval:

Date:

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
(9) Services for People with Disabilities, (A)	Total	6,416,610	6,219,699	5,050,173	11,269,872	6,219,669	4,050,590	10,270,259	0	10,270,259	4,050,590
Community Services for People with Developmental Disabilities, (2) Program	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Costs, Family Support Services	GF	6,416,610	6,219,699	(3,149,491)	3,070,208	6,219,669	(4,050,590)	2,169,079	0	2,169,079	(4,050,590)
	CF	0	0	0	0	0	0	0	0	0	0
	RF	0	0	8,199,664	8,199,664	0	8,101,180	8,101,180	0	8,101,180	8,101,180
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	0	8,199,664	8,199,664	0	8,101,180	8,101,180	0	8,101,180	8,101,180
	MGF	0	0	3,149,491	3,149,491	0	4,050,590	4,050,590	0	4,050,590	4,050,590
	NGF	6,416,610	6,219,699	0	6,219,699	6,219,669	0	6,219,669	0	6,219,669	0

Non-Line Item Request: None

Letternote Text Requested for FY 2010-11: ^b Of this amount ~~\$305,993,944~~ \$318,697,317 shall be from Medicaid funds transferred from the Department of Health Care Policy and Financing and \$481,488 shall be transferred from the Division of Vocational Rehabilitation. These amounts reflect the assumption that \$2,432,000 shall be received by community providers from consumers associated with post eligibility treatment of income assessments.

Letternote Text Requested for FY 2011-12: ^b Of this amount ~~\$305,993,944~~ \$319,588,007 shall be from Medicaid funds transferred from the Department of Health Care Policy and Financing and \$481,488 shall be transferred from the Division of Vocational Rehabilitation. These amounts reflect the assumption that \$2,432,000 shall be received by community providers from consumers associated with post eligibility treatment of income assessments.

Cash or Federal Fund Name and COFRS Fund Number:

Reappropriated Funds Source, by Department and Line Item Name: Medicaid Funds - Health Care Policy and Financing

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

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

STATE OF COLORADO FY 2011-12 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13 Change Request for FY 2011-12 Budget Request Cycle											
Decision Item FY 2011-12		Base Reduction Item FY 2011-12			Supplemental FY 2010-11			Budget Amendment FY 2011-12			
Request Title:		DHS - Reallocation of Resources and Funding Increase for Emergency Placements in Community Services for People with Developmental Disabilities Program Costs									
Department:		Health Care Policy and Financing			Dept. Approval by: John Bartholomew			Date: November 1, 2010		10/20	
Priority Number:		NP-2 (DHS DI-3)			OSPB Approval:			Date: 10-21-10			
	Fund	1	2	3	4	5	6	8	9	10	
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	317,386,097	305,993,911	12,703,408	318,697,319	306,759,066	13,594,096	320,353,162	0	320,353,162	13,594,096
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	121,716,080	117,481,180	4,898,250	122,379,430	152,840,386	6,797,048	159,637,434	0	159,637,434	6,797,048
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	541,738	427,007	0	427,007	539,150	0	539,150	0	539,150	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	195,128,279	188,085,724	7,805,158	195,890,882	153,379,530	6,797,048	160,176,578	0	160,176,578	6,797,048
(6) Department of Human Services Medicaid-Funded Programs; (G) Services for People with Disabilities - Medicaid Funding, Community Services for People with Developmental Disabilities, Program Costs	Total	317,386,097	305,993,911	12,703,408	318,697,319	306,759,066	13,594,096	320,353,162	0	320,353,162	13,594,096
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	121,716,080	117,481,180	4,898,250	122,379,430	152,840,386	6,797,048	159,637,434	0	159,637,434	6,797,048
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	541,738	427,007	0	427,007	539,150	0	539,150	0	539,150	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	195,128,279	188,085,724	7,805,158	195,890,882	153,379,530	6,797,048	160,176,578	0	160,176,578	6,797,048
Non-Line Item Request:		None									
Letternote Revised Text:		None									
Cash or Federal Fund Name and COFRS Fund Number:		CF Health Care Expansion Fund (18K) FF Title XIX									
Reappropriated Funds Source, by Department and Line Item Name:		None									
Approval by OIT?		Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A: <input checked="" type="checkbox"/>									
Schedule 13s from Affected Departments:		Department of Human Services									

CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Human Services
Priority Number:	S-2, DI-3
Change Request Title:	Reallocation of Resources and Funding Increase for Emergency Placements in Community Services for People with Developmental Disabilities Program Costs

SELECT ONE (click on box):

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-12

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 of Human Services is requesting \$7,995,086 total funds, including \$189,928 Net General Fund in FY 2010-11 and \$7,465,064 total funds including \$668,016 Net General Fund in FYs 2011-12 and 2012-13. The Department is projecting a shortfall of \$12,258,064 Medicaid Cash Funds (MCF) across all three Community Developmental Disability Medicaid waivers and Targeted Case Management (TCM) in FY 2010-11, FY 2011-12 and on an ongoing basis. To address this shortfall, the Department has implemented reductions in State General Fund (GF) programs in FY 2010-11 of \$4,708,322 GF and is requesting the on-going continuation of these reductions in FY 2011-12 in the amount of \$6,129,032 GF that will be used to match Medicaid to generate a total of \$12,258,064 to cover the projected shortfall with no impact to the existing net General Fund appropriation. The State GF Comprehensive Services program that was eliminated as of October 1, 2010 (referenced in Schedule 13 under "Adult Comprehensive Services program") serves 50 individuals, of whom, 16 are Medicaid eligible and can be served in the HCBS-DD Medicaid waiver. The Department is also requesting \$445,344 MCF (\$189,928 NGF) in FY 2010-11 to fund the emergency placement of these 16 individuals transitioning from State Comprehensive services to the

Medicaid HCBS-DD waiver and \$1,336,032 (\$668,016 NGF) for on-going funding of those enrollments.

General Description of Request:

This request is for a Supplemental in FY 2010-11, a Decision Item in FY 2011-12 and an on-going request to cover the future years projected shortfall of Community Program Medicaid funds. This shortfall resulted from implementation of new fee for service rates for the Home and Community Based Services for Persons with Developmental Disabilities (HCBS-DD) and HCBS-Supported Living Services (HCBS-SLS) Medicaid Waivers, and implementation of statewide uniformed assessments for all waiver participants. The projected shortfall is based on calculations of Medicaid expenditures in the HCBS-DD, HCBS-SLS and Home and Community Based Services Children’s Extensive Services (HCBS-CES) waiver programs and Targeted Case Management for FY 2010-11 that is expected to continue at the same level for future fiscal years. The request for 16 HCBS-DD emergency enrollments is based on from the elimination of the State GF Comprehensive Services program and the transfer of clients to the Medicaid waiver for four months of FY 2010-11, which annualizes to a full year in FY 2011-12. Tables 1 and 2 summarize the request for each year.

Table 1 – FY 2010-11 Action Summary	
Overall Medicaid shortfall projected in three Medicaid waivers and TCM for 12 months in FY 2010-11	\$12,258,064
Reduction in State GF programs for 9 months requested effective October 1, 2010 to provide GF match for Medicaid to cover shortfall	(\$4,708,322)
Total Medicaid funding generated by GF match of \$4,708,322 @ 38.41%	\$12,258,064
Request for 16 new HCBS-DD emergency enrollments for 4 months effective March 1, 2011 for Medicaid eligible individuals transferring from State GF Comprehensive Services	\$445,344
Total Medicaid funding need in FY 2010-11 (Shortfall + Additional Slots)	\$12,703,408

Table 2 – FY 2011-12 Action Summary	
Overall Medicaid shortfall projected in three Medicaid waivers and TCM for 12 months in FY 2011-12	\$12,258,064
Annualized reduction in State GF programs for 12 months to provide GF match for Medicaid to cover shortfall	(\$6,129,032)
Medicaid funding generated by GF match of \$6,129,032 @ 50%	\$12,258,064
Annualized request for 16 new HCBS-DD emergency enrollments for 12 months for Medicaid eligible individuals transferring from State GF Comprehensive Services	\$1,336,032
Total Medicaid funding need in FY 2010-11 (Shortfall + Additional Slots)	\$13,594,096

On July 31, 2010, the Department notified the Joint Budget Committee regarding: 1) elimination of the State GF Comprehensive Services program effective October 1, 2010, 2) reduction of the State GF Family Support Services Program by \$4,050,590, and 3) a rate reduction in State GF Supported Living Services of 4.5% or \$358,972 in FY 2010-11 to align with the prior year reduction in the Medicaid Supported Living Services program. The programs that are targeted for elimination or reduction in funds are programs that serve individuals who may have lesser needs, have other types of support available, or other financial resources to address their needs.

In general, individuals served in General Fund only programs do not require the same level of support as those in the Medicaid waiver programs. The Department has historically prioritized services to those most in need. Due to the increase in overall costs across the three Medicaid waiver programs and given the projected revenue shortfall for the State, this request enables the Department to focus use of available General Funds toward that portion of the eligible population with developmental disabilities that have limited or no available resources, a higher level of needs and leverage access to federal matching funds.

The following describes the programs that are being eliminated or reduced starting in FY 2010-11 on an ongoing basis. The General Fund savings from these reductions will be transferred to the Department of Health Care Policy and Financing to pull down matching

Medicaid funds to cover an ongoing projected shortfall in the Medicaid Developmental Disability programs.

State GF Comprehensive Services

The State GF Comprehensive Services program that was eliminated October 1, 2010 served 50 adults who were in residential settings and required out-of-home placement because they were not able to return home due to aging and/or ailing caregivers or other factors and there was need for continuity of services. This GF program was eliminated because most of these individuals can be served through other programs or the individuals have trust funds or are gainfully employed and therefore can privately pay for the cost of needed services. There are currently 16 individuals who are known to be Medicaid eligible and who could be prioritized as an emergency for enrollment into the Medicaid funded HCBS-DD waiver. This request includes \$445,344 MCF (\$189,928 NGF) in FY 2010-11 and \$1,336,032 MCF (\$668,016 NGF) in FY 2011-12 for this purpose.

Other individuals could also be served in the Medicaid waiver programs if they are later determined to be Medicaid eligible. Additionally, if the remaining individuals need physical care, they could be served in the HCBS-EBD (Elderly, Blind and Disabled) waiver. If they continue to not be Medicaid eligible, they could be prioritized as an emergency for enrollment into the State SLS program. If they are not Medicaid eligible, it is likely due to an individual not meeting the financial income requirements. This means the person may have other financial resources, such as a Trust to help meet their needs or they are able to generate enough monthly income due to their employment, which means their level of need for support is likely much lower. These individuals may be able to receive services through the State SLS program, Home Care Allowance or other lower cost support programs. All eligible persons will receive some level of service depending on the level of need.

State GF Family Support Services Program

The State GF Family Support Services Program provides services and supports primarily to children under the age of 18. The most commonly used services are support coordination (CCB staff), respite care, professional services, such as therapies, and medical and dental services. This program is not means tested and the only criteria besides having a developmental disability is the child must be living with their family. This means that other day-to-day support and supervision is available to the individuals. Due to the availability of other supports from the family, the Department determined that this population is less vulnerable than those who require out of home placement in Medicaid waiver programs.

This request only reduces the amount of funds available to families. It is the intent of the Department that the current number of families continued to be served so services would continue to be available at reduced levels.

State GF Supported Living Services

The State GF Supported Living Services program provides services and supports that augment already available supports for adults, such as for those who live with their family or for those who can live semi-independently. The Department determined that since the individuals who are served in the State SLS program also have other support systems available to them or they have lesser levels of needs in general, that these individuals are not as vulnerable as others in need of Medicaid waiver services. The 4.5% reduction to the State SLS program is consistent with the reductions taken by the Medicaid SLS as well as other Medicaid programs.

The Community Services for People with Developmental Disabilities Program Costs line is appropriated in the amount of \$370,166,395 total funds in FY 2010-11. The majority of funding is Medicaid appropriated to the Department of Health Care Policy and Financing (HCPF) and transferred to the Department of Human Services (DHS) for Home and

Community Based Services (HCBS) Medicaid waiver programs in the amount of \$305,993,911 and appropriated as follows:

- (1) \$236,554,872 –Developmental Disabilities Waiver
- (2) \$44,342,974 – Supported Living Services Waiver
- (3) \$6,576,446 – Children’s Extensive Support Waiver
- (4) \$18,482,379 – Targeted Case Management (TCM) associated with the waiver programs and Medicaid eligible children enrolled in Early Intervention Services
- (5) \$37,240 - Preadmission Screen and Resident Review (PASRR)

Fundamental changes in the rates methodology for all Medicaid waiver programs were implemented in the last two years. The current estimates fare that bottom line, expenditures in all waivers are projected to exceed the appropriation by \$12,258,064 (see Table 4 on page 3-12). This projected shortfall is mainly due to implementing the federally required change from bundled rates (all inclusive) to fee for service rates in both the HCBS-DD and HCBS-SLS Medicaid waivers that required statewide standardized rates to be established for each category of service with multiple categories in each waiver, and to be based on a statewide uniform assessment tool that measures the level of need for each individual served. The Department utilized the national consulting firms of Human Services Research Institute and Navigant Inc. to assist in the selection of the assessment tool and in development of statewide rates. The decision was made to utilize the Supports Intensity Scale (SIS), developed and maintained by the American Association on Intellectual and Developmental Disabilities. The initial implementation of the assessment scale for all 4,000 individuals served in the HCBS-DD waiver across all 20 Community Centered Board (CCB) service areas was complicated and required several changes in the support level determination and reassessments of some individuals to gain consistency of application of the tool. Now that other states have adopted this tool, Colorado’s overall SIS total index score compares favorably with that of SIS data from other states. As a result of changes in support levels utilized in the initial rates model, there has been an increase in expenditures from the original projections. The changes in support levels from those used in the initial rates model was a factor in the increase in expenditures as 563 individuals had a reassessment that

resulted in an increased support level, in addition to 227 who had an increase in support level due to a dispute for a total impact of \$12,291,726. There were 119 individuals who remained at the same support level. In addition, 112 individuals were reduced from level 7 to levels ranging from 2-6, resulting in a cost reduction of \$1,432,219. The support level process has been reviewed and any reassessment of an individual’s support level must receive prior approval by the Department.

Table 3 shows the original SIS score in the rows and the number of individuals by support level that had changes in SIS levels. For example, in row 2, thirty-one people who had an original support level of 2 remained a 2, whereas, 59 changed to a support level of 5 after the reassessment. (The gray highlight indicated no change.)

		New Support Level After Second SIS Assessment (columns down)						Total
		1	2	3	4	5	6	
Initial SIS Assessment Levels (rows across)	1	14	65	39	24	7	1	150
	2	2	31	75	75	59	22	264
	3	1	3	15	32	37	19	107
	4	0	1	0	11	36	24	72
	5	0	0	1	1	23	48	73
	6	0	0	0	0	2	14	16
Total		17	100	130	143	164	128	682

Table 2 shows the expenditure projections for each Medicaid Waiver program. It is expected that the shortfall occurring in FY 2010-11 will continue in FY 2011-12 and FY 2012-13

These projections are based on FY 2009-10 utilization patterns with some adjustments described below the table.

Table 4 – Projected Medicaid Expenditures FY 2010-11, FY 2011-12, FY 2012-13	
Children's Extensive Support	
Projected Expenditures	\$6,513,792
FY 2010-11 Appropriation	\$6,576,446
Projected Surplus	\$62,654
Comprehensive Services	
Projected Expenditures	\$248,334,262
FY 2010-11 Appropriation	\$236,554,872
Projected Shortfall	(\$11,779,390)
Supported Living Services	
Projected Expenditures	\$39,450,942
FY 2010-11 Appropriation	\$44,342,974
Projected Surplus	\$4,892,032
Target Case Management	
Projected Expenditures	\$23,915,739
FY 2010-11 Appropriation	\$18,482,379
Projected Shortfall	(\$5,433,360)
PASARR	
Projected Expenditures	\$37,240
FY 2010-11 Appropriation	\$37,240
Projected Shortfall	\$0
Total Medicaid Programs	

Projected Expenditures	\$318,251,975
FY 2010-11 Appropriation	\$305,993,911
Projected Shortfall	(\$12,258,064)

Once enrolled into a Medicaid waiver program, a waiver participant is entitled to all waiver services for which they have a demonstrated need. The Department monitors actual utilization throughout the fiscal year to determine the degree to which there may be a variance in projections. In order to adjust for a shortfall in any of the programs, the Department administers the three Medicaid waiver programs as bottom line funded. Therefore, while the initial allocations and projections for each program are initially made specific to each program, the Department does make year end adjustments among the programs, as possible, to stay within the overall Medicaid appropriation.

Consequences if Not Funded:

If this decision item is not funded, the Community Programs Medicaid appropriation will have a shortfall that the Department will not have funds to cover in FY 2011-12 and FY 2012-13. To cover this shortfall, the Department will have to incur an overexpenditure or implement reductions, such as provider rate reductions.. Many service providers, especially the smaller group and host home residential providers may not be able to absorb reductions and remain viable. The health and safety of waiver participants may be adversely affected should they be temporarily displaced due to providers going out of business and delays in finding new providers willing to provide services.

In addition, if the Medicaid funding for FY 2010-11 for the 16 additional adults moving from the State GF Comprehensive Services program to the waiver is not approved, then these individuals could possibly lose their residential placements and be at risk for health and safety issues.

Calculations for Request:

Table 5 shows the total request for FY 2010-11, Table 6 shows FY 2011-12 and Table 7 shows the FY 2012-13 request.

Table 5 - Summary of Request FY 2010-2011							
	Total Funds	General Fund	Reappropriated Funds	Medicaid Cash Funds	Medicaid General Fund	Net General Fund	FTE
Total Request	\$7,995,086	(\$4,708,322)	\$12,703,408	\$12,703,408	\$4,898,250	\$189,928	0.0
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Adult Comprehensive Program Costs	\$2,418,625	(\$1,237,844)	\$3,656,469	\$3,656,469	\$1,422,829	\$184,985	0.0
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Adult Supportive Living Services	\$431,585	(\$269,154)	\$700,739	\$700,739	\$269,154	\$0	0.0
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Case Management	\$94,703	(\$51,833)	\$146,536	\$146,536	\$56,776	\$4,943	0.0
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Family Support Services Program	\$5,050,173	(\$3,149,491)	\$8,199,664	\$8,199,664	\$3,149,491	\$0	0.0

Table 6 - Summary of Request FY 2011-12							
	Total Funds	General Fund	Reappropriated Funds	Medicaid Cash Funds	Medicaid General Fund	Net General Fund	FTE
Total Request	\$7,465,064	(\$6,129,032)	\$13,594,096	\$13,594,096	\$6,797,048	\$668,016	0.0
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Adult Comprehensive Program Costs	\$2,951,723	(\$1,650,459)	\$4,602,182	\$4,602,182	\$2,301,091	\$650,632	0.0
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Adult Supportive Living Services	\$358,872	(\$358,872)	\$717,744	\$717,744	\$358,872	\$0	0.0
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Case Management	\$103,879	(\$69,111)	\$172,990	\$172,990	\$86,495	\$0	0.0
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Family Support Services Program	\$4,050,590	(\$4,050,590)	\$8,101,180	\$8,101,180	\$4,050,590	\$0	0.0

Table 7 - Summary of Request FY 2012-13							
	Total Funds	General Fund	Reappropriated Funds	Medicaid Cash Funds	Medicaid General Fund	Net General Fund	FTE
Total Request	\$7,465,064	(\$6,129,032)	\$13,594,096	\$13,594,096	\$6,797,048	\$668,016	0.0
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Adult Comprehensive Program Costs	\$2,951,723	(\$1,650,459)	\$4,602,182	\$4,602,182	\$2,301,091	\$650,632	0.0
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Adult Supportive Living Services	\$358,872	(\$358,872)	\$717,744	\$717,744	\$358,872	\$0	0.0
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Case Management	\$103,879	(\$69,111)	\$172,990	\$172,990	\$86,495	\$0	0.0
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Family Support Services Program	\$4,050,590	(\$4,050,590)	\$8,101,180	\$8,101,180	\$4,050,590	\$0	0.0

Table 8 shows the projections calculated for FY 2010-11. Table 9 shows the annualized impact in FY 2011-12. Table 10 shows the on-going impact for FY 2012-13.

Table 8 - Calculation of Medicaid Shortfall Funding Need in FY 2010-11						
	TOTAL	GF	RF	MCF	MGF	NGF
Medicaid Revenue Shortfall	(\$12,258,064)	\$0	(\$12,258,064)	(\$12,258,064)	(\$4,708,322)	(\$4,708,322)
TOTAL Medicaid Funding Need	(\$12,258,064)	\$0	(\$12,258,064)	(\$12,258,064)	(\$4,708,322)	(\$4,708,322)
Elimination of State GF Comprehensive Services (9 months)	\$1,984,870	(\$1,237,844)	\$3,222,714	\$3,222,714	\$1,237,844	\$0
Elimination of State GF CM Associated with State Comprehensive Services (9 months)	\$83,114	(\$51,833)	\$134,947	\$134,947	\$51,833	\$0
4.5% reduction in State GF SLS (9 months)	\$431,585	(\$269,154)	\$700,739	\$700,739	\$269,154	\$0
Reduction of GF Family Support Services Program	\$5,050,173	(\$3,149,491)	\$8,199,664	\$8,199,664	\$3,149,491	\$0
TOTAL FY 2010-11 Request	\$7,549,742	(\$4,708,322)	\$12,258,064	\$12,258,064	\$4,708,322	\$0

Table 9 - Calculation of Medicaid Shortfall Funding Need in FY 2011-12						
	TOTAL	GF	RF	MCF	MGF	NGF
Medicaid Revenue Shortfall	(\$12,258,064)	\$0	(\$12,258,064)	(\$12,258,064)	(\$6,129,032)	(\$6,129,032)
TOTAL Medicaid Funding Need	(\$12,258,064)	\$0	(\$12,258,064)	(\$12,258,064)	(\$6,129,032)	(\$6,129,032)
Elimination of State GF Comprehensive Services (12 months)	\$1,650,459	(\$1,650,459)	\$3,300,918	\$3,300,918	\$1,650,459	\$0
Elimination of State GF CM Associated with State Comprehensive Services (12 months)	\$69,111	(\$69,111)	\$138,222	\$138,222	\$69,111	\$0
4.5% reduction in State GF SLS (12 months)	\$358,872	(\$358,872)	\$717,744	\$717,744	\$358,872	\$0
Reduction of GF Family Support Services Program	\$4,050,590	(\$4,050,590)	\$8,101,180	\$8,101,180	\$4,050,590	\$0
TOTAL FY 2011-12 Request	\$6,129,032	(\$6,129,032)	\$12,258,064	\$12,258,064	\$6,129,032	\$0

Table 10 - Calculation of Medicaid Shortfall Funding Need in FY 2012-13						
	TOTAL	GF	RF	MCF	MGF	NGF
Medicaid Revenue Shortfall	(\$12,258,064)	\$0	(\$12,258,064)	(\$12,258,064)	(\$6,129,032)	(\$6,129,032)
TOTAL Medicaid Funding Need	(\$12,258,064)	\$0	(\$12,258,064)	(\$12,258,064)	(\$6,129,032)	(\$6,129,032)
Elimination of State GF Comprehensive Services (12 months)	\$1,650,459	(\$1,650,459)	\$3,300,918	\$3,300,918	\$1,650,459	\$0
Elimination of State GF CM Associated with State Comprehensive Services (12 months)	\$69,111	(\$69,111)	\$138,222	\$138,222	\$69,111	\$0
4.5% reduction in State GF SLS (12 months)	\$358,872	(\$358,872)	\$717,744	\$717,744	\$358,872	\$0
Reduction of GF Family Support Services Program	\$4,050,590	(\$4,050,590)	\$8,101,180	\$8,101,180	\$4,050,590	\$0
TOTAL FY 2011-12 Request	\$6,129,032	(\$6,129,032)	\$12,258,064	\$12,258,064	\$6,129,032	\$0

Table 11 shows the FY 2010-11 calculation of funding necessary for the 16 enrollments transferring from State GF Comprehensive Services to HCBS-DD Medicaid waiver. Tables 12 and 13 show the on-going impact in FY 2011-12 and FY 2012-13.

Table 11 - Calculation of New Enrollments Funding Need in FY 2010-11						
	TOTAL	GF	RF	MCF	MGF	NGF
16 New Enrollments in Adult HCBS-DD Waiver @ Avg Annual Cost of \$81,329 for 4 Months	\$433,755		\$433,755	\$433,755	\$184,985	\$184,985
Case Management for 16 New Enrollments in HCBS-DD Waiver @ Avg Annual Cost of \$2,173 for 4 Months	\$11,589		\$11,589	\$11,589	\$4,943	\$4,943
TOTAL FY 2010-11 Request	\$445,344		\$445,344	\$445,344	\$189,928	\$189,928
GF Match @ 42.65%						

Table 12 - Calculation of New Enrollments Funding Need in FY 2011-12						
	TOTAL	GF	RF	MCF	MGF	NGF
16 New Enrollments in Adult HCBS-DD Waiver @ Avg Annual Cost of \$81,329 for 12 Months	\$1,301,264		\$1,301,264	\$1,301,264	\$650,632	\$650,632
Case Management for 16 New Enrollments in HCBS-DD Waiver @ Avg Annual Cost of \$2,173 for 12 Months	\$34,768		\$34,768	\$34,768	\$17,384	\$17,384
TOTAL FY 2011-12 Request	\$1,336,032		\$1,336,032	\$1,336,032	\$668,016	\$668,016
GF Match @ 50%						

Table 13 - Calculation of New Enrollments Funding Need in FY 2012-13						
	TOTAL	GF	RF	MCF	MGF	NGF
16 New Enrollments in Adult HCBS-DD Waiver @ Avg Annual Cost of \$81,329 for 12 Months	\$1,301,264		\$1,301,264	\$1,301,264	\$650,632	\$650,632
Case Management for 16 New Enrollments in HCBS-DD Waiver @ Avg Annual Cost of \$2,173 for 12 Months	\$34,768		\$34,768	\$34,768	\$17,384	\$17,384
TOTAL FY 2011-12 Request	\$1,336,032		\$1,336,032	\$1,336,032	\$668,016	\$668,016
GF Match @ 50%						

Assumptions for Calculations:

The calculations assume a projected Medicaid programs shortfall of \$12,258,064 in FY 2010-11, FY 2011-12 and on-going for future fiscal years, including FY 2012-13. This shortfall projections is based on FY 2010-11 expenditures with minor adjustments for future fiscal years. The shortfall for each Medicaid funded program was determined as follows:

- Actual paid claims utilization data from Medicaid Management Information System (MMIS) for October 1, 2009 through January 31, 2010 was used as the basis for FY 2010-11 and FY 2011-12 expenditure projections as this incorporated the appropriated 2.5% rate reduction and the changes in the Targeted Case Management rate that were effective October 1, 2009. This time period included all paid claims, accounting for the 120-day timely filling that is allowed in MMIS.
- This claims data was annualized to project 12 months of utilization in FY 2010-11 and FY 2011-12.

- The annualized totals were reduced by the appropriated 2.0% rate reduction that was effective July 1, 2010.
- Changes in rates levels approved for service to 88 HCBS-DD Waiver individuals and estimated reimbursement for one large provider (not included in the annualized totals) were added to the annualized projections.
- The appropriation increase in the HCBS-DD Waiver for services to the individuals who moved from the Grand Junction Regional Center to the community programs per SBA#5 was added to the annualized projections.
- Projections for quality assurance, utilization review and Supports Intensity Scale (SIS) assessment payments were added to the annualized projections, as these are not paid through MMIS, but are funded in the total community programs Medicaid appropriation.
- Projections of increased expenditures due to changes in the Service Plan Authorization Limits (SPAL) that were implemented as a part of the new rates for the HCBS-SLS Waiver were added to the HCBS-SLS program totals.

Calculations also assume the State General Fund Comprehensive Services program is eliminated October 1, 2010, and the State General Fund FSSP and State General Fund SLS programs are reduced effective July 1, 2010.

Assumptions also include 16 new enrollments for 12 months in FY 2011-12 in the Medicaid HCBS-DD waiver at an average annual cost of \$81,329 and associated case management at an annual rate of \$2,173. In FY 2010-11, the department is requesting these funds for four months, beginning when approved March 1, 2011, and will use current emergency enrollment positions as they are available to meet the need for the 16 individuals transitioning from State Comprehensive services in the interim.

Impact on Other Government Agencies:

This request will have an impact on the Department of Health Care Policy and Financing (HCPF) as Medicaid spending authority will have to be transferred within the DHS Medicaid line items pursuant to 24-75-106, C.R.S. (2010)

HCPF Tables 1 – 3 below show the impact of the new enrollments transferring from State Comprehensive services to HCBS-DD Medicaid waiver services at HCPF for FY 2010-11, FY 2011-12 and on-going in future years including FY 2012-13.

HCPF Table 1 - FY 2010-11 Total Adjustment for the Revised Financing Estimates for DHS Lines			
	TF	GF	FF
(6) Department of Human Services Medicaid-Funded Programs; (G) Services for People with Disabilities - Medicaid Funding, Community Services for People with Developmental Disabilities, Program Costs	\$12,703,408	\$4,898,250	\$7,805,158
Total	\$12,703,408	\$4,898,250	\$7,805,158

HCPF Table 2 - FY 2011-12 Total Adjustment for the Revised Financing Estimates for DHS Lines			
	TF	GF	FF
(6) Department of Human Services Medicaid-Funded Programs; (G) Services for People with Disabilities - Medicaid Funding, Community Services for People with Developmental Disabilities, Program Costs	\$13,594,096	\$6,797,048	\$6,797,048
Total	\$13,594,096	\$6,797,048	\$6,797,048

HCPF Table 3 - FY 2012-13 Total Adjustment for the Revised Financing Estimates for DHS Lines			
	TF	GF	FF
(6) Department of Human Services Medicaid-Funded Programs; (G) Services for People with Disabilities - Medicaid Funding, Community Services for People with Developmental Disabilities, Program Costs	\$13,594,096	\$6,797,048	\$6,797,048
Total	\$13,594,096	\$6,797,048	\$6,797,048

Cost Benefit Analysis: N/A

Implementation Schedule:

Table 14 – Implementation Schedule	
Task	Month/Year
State FSSP Program Reduction	July 2010
State SLS Program Reduction	July 2010
State Comprehensive Service Program Termination	October 2010
HCBS-DD Waiver Program Enroll 16 from State Comp	March 2011

Statutory and Federal Authority:

27-10.5-104, C.R.S. (2010) Authorized services and supports - conditions of funding - purchase of services and supports - boards of county commissioners - appropriation.

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

(a) Family support services, including an array of supportive services provided to the person receiving services and the person's family, that enable the family to maintain the person in the family home, thereby preventing or delaying the need for out-of-home placement that is unwanted by the person or the family, pursuant to section 27-10.5-401;

(b) Early intervention services and supports that offer infants and toddlers and their families services and supports to enhance child development in the areas of cognition, speech, communication, physical, motor, vision, hearing, social-emotional development,

and self-help skills; parent-child or family interaction; and early identification, screening, and assessment services that are provided pursuant to part 7 of this article;

(c) Case management services;

(e) Day services and supports which offer opportunities for persons with developmental disabilities to experience and actively participate in valued adult roles in the community. These services and supports will enable persons receiving services to access and participate in community activities, such as work, recreation, higher education, and senior citizen activities. Day services and supports, including early intervention services, may also include the administration of nutrition or fluids through gastrostomy tubes, if administered by an individual authorized pursuant to section 27-10.5-103 (2) (k) and supervised by a licensed nurse or physician.

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

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

24-75-106. Transfers between departments of health care policy and financing and human services for materially similar items of appropriation for Medicaid programs – limitation – repeal.

1) Notwithstanding the effect of the "M" provision in the 1990-91 and subsequent general appropriation acts, the governor may transfer unlimited amounts of general fund appropriations and reappropriated funds to and from the departments of health care policy and financing and human services 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 department of human services or the department of health care policy and financing if the transfer of appropriations is between

one or more materially similar items of appropriation and is for purposes other than department administrative costs associated with programs or services.

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 <input checked="" type="checkbox"/>		Base Reduction Item FY 2011-12 <input type="checkbox"/>		Supplemental FY 2010-11 <input type="checkbox"/>		Budget Amendment FY 2011-12 <input type="checkbox"/>					
Request Title: Services for People with Disabilities-New Funding Developmental Disabilities Services		Department: Department of Human Services		Dept. Approval by: <i>Will Tol</i>		Date: 10-13-2010					
Priority Number: DI-4				OSPB Approval: <i>Jm 26</i>		Date: 10-20-10					
	Fund	1 Prior-Year Actual FY 2009-10	2 Appropriation FY 2010-11	3 Supplemental Request FY 2010-11	4 Total Revised Request FY 2010-11	5 Base Request FY 2011-12	6 Decision/ Base Reduction FY 2011-12	7 November 1 Request FY 2011-12	8 Budget Amendment FY 2011-12	9 Total Revised Request FY 2011-12	10 Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	333,404,644	356,490,678	0	356,490,678	357,344,735	8,679,091	366,023,826	0	366,023,826	13,464,264
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	23,203,294	26,311,738	0	26,311,738	26,316,260	3,648,368	29,964,628	0	29,964,628	3,648,368
	CF	0	30,798,715	0	30,798,715	30,883,095	0	30,883,095	0	30,883,095	0
	RF	310,201,350	299,380,225	0	299,380,225	300,145,380	5,030,723	305,176,103	0	305,176,103	9,815,896
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	310,201,350	299,380,225	0	299,380,225	300,145,380	5,030,723	305,176,103	0	305,176,103	9,815,896
	MGF	155,100,676	114,693,880	0	114,693,880	150,053,086	2,515,362	152,568,448	0	152,568,448	4,907,949
	NGF	178,303,970	141,005,618	0	141,005,618	176,369,346	6,163,730	182,533,076	0	182,533,076	8,556,317
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Program Costs, Adult Comprehensive Services for 66 General Fund and 4,221.0 Medicaid resources	Total	255,829,750	269,004,046	0	269,004,046	269,741,044	4,041,042	273,782,086	0	273,782,086	8,082,084
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	1,550,603	1,650,459	0	1,650,459	1,654,981	0	1,654,981	0	1,654,981	0
	CF	0	30,798,715	0	30,798,715	30,883,095	0	30,883,095	0	30,883,095	0
	RF	254,279,147	236,554,872	0	236,554,872	237,202,968	4,041,042	241,244,010	0	241,244,010	8,082,084
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	254,279,147	236,554,872	0	236,554,872	237,202,968	4,041,042	241,244,010	0	241,244,010	8,082,084
	MGF	127,139,574	83,315,741	0	83,315,741	118,616,418	2,020,521	120,636,939	0	120,636,939	4,041,042
	NGF	128,690,177	84,966,200	0	84,966,200	120,271,399	2,020,521	122,291,920	0	122,291,920	4,041,042
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Program Costs, Adult Supported Living Services for 692 General Fund and 3,262.5 Medicaid resources	Total	44,974,958	52,317,915	0	52,317,915	52,434,974	569,205	53,004,179	0	53,004,179	1,138,410
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	7,575,159	7,974,941	0	7,974,941	7,974,941	0	7,974,941	0	7,974,941	0
	CF	0	0	0	0	0	0	0	0	0	0
	RF	37,399,799	44,342,974	0	44,342,974	44,460,033	569,205	45,029,238	0	45,029,238	1,138,410
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	37,399,799	44,342,974	0	44,342,974	44,460,033	569,205	45,029,238	0	45,029,238	1,138,410
	MGF	18,699,900	22,171,487	0	22,171,487	22,230,016	284,603	22,514,619	0	22,514,619	569,205
	NGF	26,275,059	30,146,428	0	30,146,428	30,204,957	284,603	30,489,560	0	30,489,560	569,205

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 <input checked="" type="checkbox"/>	Base Reduction Item FY 2011-12 <input type="checkbox"/>	Supplemental FY 2010-11 <input type="checkbox"/>	Budget Amendment FY 2011-12 <input type="checkbox"/>
Request Title: Services for People with Disabilities-New Funding Developmental Disabilities Services			
Department: Department of Human Services		Dept. Approval by:	
Priority Number: DI-4		OSPb Approval:	
		Date:	
		Date:	

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
(9) Services for People with Disabilities, (A)	Total	11,098,328	12,798,328	0	12,798,328	12,798,328	3,648,368	16,446,696	0	16,446,696	3,648,368
Community Services for People with Developmental Disabilities, (2) Program	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Costs, Early Intervention Services for 2,176 General Fund resources	GF	11,098,328	12,798,328	0	12,798,328	12,798,328	3,648,368	16,446,696	0	16,446,696	3,648,368
	CF	0	0	0	0	0	0	0	0	0	0
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	11,098,328	12,798,328	0	12,798,328	12,798,328	3,648,368	16,446,696	0	16,446,696	3,648,368
(9) Services for People with Disabilities, (A)	Total	21,501,608	22,370,389	0	22,370,389	22,370,389	420,476	22,790,865	0	22,790,865	595,402
Community Services for People with Developmental Disabilities, (2) Program	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Costs, Case Management for 3,713 General Fund and 8,294.5 Medicaid	GF	2,979,204	3,888,010	0	3,888,010	3,888,010	0	3,888,010	0	3,888,010	0
	CF	0	0	0	0	0	0	0	0	0	0
	RF	18,522,404	18,482,379	0	18,482,379	18,482,379	420,476	18,902,855	0	18,902,855	595,402
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	18,522,404	18,482,379	0	18,482,379	18,482,379	420,476	18,902,855	0	18,902,855	595,402
	MGF	9,261,202	9,206,652	0	9,206,652	9,206,652	210,238	9,416,890	0	9,416,890	297,702
	NGF	12,240,406	13,094,662	0	13,094,662	13,094,662	210,238	13,304,900	0	13,304,900	297,702

Non-Line Item Request: None

Letternote Revised Text for FY 2010-11: None

Letternote Text Requested for FY 2011-12: ^b Of this amount \$305,992,914 \$311,024,634 shall be from Medicaid funds transferred from the Department of Health Care Policy and Financing, and \$481,488 shall be transferred from the Division of Vocational Rehabilitation. These amounts reflect the assumption that \$2,432,000 shall be received by community providers from consumers associated with post eligibility treatment of income assessments.

Cash or Federal Fund Name and COFRS Fund Number:

Reappropriated Funds Source, by Department and Line Item Name: Health Care Policy and Financing

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

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

STATE OF COLORADO FY 2011-12 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13											
Change Request for FY 2011-12 Budget Request Cycle											
Decision Item FY 2011-12 <input checked="" type="checkbox"/>		Base Reduction Item FY 2011-12 <input type="checkbox"/>			Supplemental FY 2010-11 <input type="checkbox"/>			Budget Amendment FY 2011-12 <input type="checkbox"/>			
Request Title:		DHS - Services for People with Disabilities-New Funding Developmental Disabilities Services									
Department:		Health Care Policy and Financing			Dept. Approval by:		John Bartholomew <i>JB</i>		Date:		November 1, 2010 <i>10/14</i>
Priority Number:		NP-4 (DHS DI-4)			OSPB Approval:		<i>[Signature]</i>		Date:		10-20-10
		1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual	Appropriation	Supplemental Request	Total Revised Request	Base Request	Decision/ Base Reduction	November 1 Request	Budget Amendment	Total Revised Request	Change from Base (Column 5)
	Fund	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	FY 2011-12	FY 2012-13
Total of All Line Items	Total	317,386,097	305,993,911	0	305,993,911	306,759,066	5,030,723	311,789,789	0	311,789,789	9,815,896
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	121,716,080	117,481,180	0	117,481,180	152,840,386	2,515,362	155,355,748	0	155,355,748	4,907,949
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	541,738	427,007	0	427,007	539,150	0	539,150	0	539,150	0
	CPE/RF	0	0	0	0	0	0	0	0	0	0
FF	195,128,279	188,085,724	0	188,085,724	153,379,530	2,515,361	155,894,891	0	155,894,891	4,907,947	
(6) Department of Human Services Medicaid-Funded Programs; (G) Services for People with Disabilities - Medicaid Funding, Community Services for People with Developmental Disabilities, Program Costs	Total	317,386,097	305,993,911	0	305,993,911	306,759,066	5,030,723	311,789,789	0	311,789,789	9,815,896
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	121,716,080	117,481,180	0	117,481,180	152,840,386	2,515,362	155,355,748	0	155,355,748	4,907,949
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	541,738	427,007	0	427,007	539,150	0	539,150	0	539,150	0
	CPE/RF	0	0	0	0	0	0	0	0	0	0
FF	195,128,279	188,085,724	0	188,085,724	153,379,530	2,515,361	155,894,891	0	155,894,891	4,907,947	
Non-Line Item Request:	None.										
Letternote Revised Text:	None.										
Cash or Federal Fund Name and COFRS Fund Number:				FF: Title XIX							
Reappropriated Funds Source, by Department and Line Item Name:	None										
Approval by OIT?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	N/A: <input checked="" type="checkbox"/>								
Schedule 13s from Affected Departments:	Department of Human Services										

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CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Human Services
Priority Number:	DI-4
Change Request Title:	New Funding to Serve Additional People – Developmental Disabilities Services

SELECT ONE (click on box):

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-12

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

The Department requests funding to serve additional individuals through the Division for Developmental Disabilities (DDD) programs. The request is for \$8,679,091 total funds and \$6,163,730 Net General Fund in FY 2011-12. In FY 2012-13, the request annualizes to \$13,464,264 total funds including \$8,556,317 Net General Fund. The Department intends to repurpose the General Fund savings from the Division of Youth Corrections as identified in Budget Reduction Item 1 (BRI-1) to provide the \$6,163,730 NGF funding necessary for this request. The request contains three service components and case management, as described below:

Home and Community Based Services for Persons with Developmental Disabilities (HCBS-DD) – This request provides services for 66 youth who will turn 21 years of age and are no longer eligible for services in the Child Welfare system and need continuity of care through comprehensive residential and day program services. The request also includes emergency placements for 30 individuals for an average of six months at a cost of \$4,041,042 MCF (\$2,020,521 NGF).

Home and Community Based Services Supported Living Services (HCBS-SLS) – This request provides services for 35 children who are no longer eligible for the Children’s

Extensive Support (HCBS-CES) program at age 18, require constant, high levels of supervision, meet all high-risk criteria and cannot remain in the family home without ongoing services through HCBS-SLS. The request also includes emergency placements for 30 individuals for an average of six months at a cost of \$569,205 MCF (\$284,603 NGF).

Early Intervention Services (EI) – This request provides services for 630 infants and toddlers with significant developmental delays or disabilities for 12 months at a cost of \$3,648,368 GF.

Case Management (CM) – This request provides Medicaid Targeted Case Management (TCM) services to 161 adults for 6 months and 113 children for 12 months at a cost of \$420,476 MCF (\$210,238 NGF) and State case management services (for Early Intervention Services) to 517 children at a cost of \$472,538 GF.

General Description of Request:

The demand for developmental disabilities services has outpaced the available appropriations for many years. The current waiting lists numbers show 1,325 individuals waiting for HCBS-DD services and 2,484 individuals waiting for HCBS-SLS. Based on current caseload and the anticipated loss of American Recovery and Reinvestment Act (ARRA) funds in FY 2011-12, the Department projects 630 children will need State funding for Early Intervention Services. Due to significant waiting lists, the high demand for services, and the very limited ability to address emergency and high-risk situations through turnover from vacancies, vulnerable Colorado citizens do not have access to needed services.

This request will repurpose General Fund savings identified in the BRI-1 in the Division of Youth Corrections (DYC) to fund additional enrollments in areas in which the Department has identified critical needs. BRI-1 saves \$9,194,607 NGF in the Purchase of Contract Placements line item and the Department intends to utilize \$6,163,730 NGF of that savings to fund this request. The remaining savings are for statewide budget balancing. The areas of critical need identified are:

- Sixty-six youth with developmental disabilities transitioning out of the Child Welfare system from out-of-home foster care placement and needing continuity of services by

receiving adult HCBS-DD services because they would no longer be eligible for the services through the foster care system.

- Sixty 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 turnover.
- Thirty-five youth, who meet all the high-risk criteria and are no longer eligible for services in the HCBS-CES program at age 18 but who can remain in the family home with on-going services through the HCBS-SLS program.
- Six hundred and thirty eligible children in need of Early Intervention Services due to increased growth in caseload, along with the loss of federal Part C ARRA funds in FY 2011-12 and federal Part C requirements to serve all eligible children.

These individuals will be served through the following program placements:

HCBS-DD for Adults (66 Individuals) - HCBS-DD services for adults are provided 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. HCBS-DD 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.

HCBS-SLS for Adults (35 Individuals) – HCBS-SLS services are for 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. HCBS-SLS 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 HCBS-DD services.

HCBS-DD and HCBS-SLS Community Emergency Placements (30 Individuals in Each Program) - Colorado has a waiting list for HCBS-DD and HCBS-SLS 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 HCBS-DD or HCBS-SLS services for an extended period of time. Many of these adults are considered high risk for out-of-home placement because they are in precarious situations due to aging and/or ailing caregivers or other factors. Emergency/crisis situations arise due to loss of their home, death or infirmity of caregivers, abuse and neglect, or there is need for continuity of services due to youth transitioning from the foster care system.

Early Intervention Services (EI) (630 Children) – Early Intervention services provide infants and toddlers from birth through age two and their families with services and supports to enhance child development. The Department is designated as the lead agency in Colorado under Part C of the federal Individuals with Disabilities Education Act (IDEA). EI services to infants and toddlers provide direct intervention services, as well as assist families to understand how they can incorporate ongoing support for their child in everyday routines, activities and places, and to ensure a smooth transition for 3 year olds into the pre-school (Part B) programs administered by local school districts, if needed.

The Community Services for People with Developmental Disabilities Program Costs line is appropriated in the amount of \$370,166,395 in FY 2010-11. The majority of funding is Medicaid appropriated to the Department of Health Care Policy and Financing (HCPF) and transferred to the Department of Human Services (DHS) for Home and Community Based Services (HCBS) Medicaid waiver programs in the amount of \$305,993,911 and appropriated as follows:

- (1) \$236,554,872 – Developmental Disabilities Waiver (HCBS-DD)
- (2) \$44,342,974 – Supported Living Services Waiver (HCBS-SLS)
- (3) \$6,576,446 – Children’s Extensive Support Waiver (HCBS-CES)
- (4) \$18,482,379 – Targeted Case Management (TCM) associated with the waiver programs and Medicaid eligible children enrolled in Early Intervention Services

(5) \$37,240 - Preadmission Screen and Resident Review (PASRR)

The appropriation also includes \$32,892,281 General Fund for State Comprehensive Services, State Supported Living Services, State Family Support Services Program, State Case Management Services and Special Purpose funds.

Table 1 provides a general overview of the number of adults receiving services Medicaid funded HCBS-DD and HCBS-SLS services and children receiving early intervention services. This table reflects the most recent data available to the Department.

Table 1 – Services Provided FY 2009-10 to FY 2011-12			
	FY 2009-10 Provided	FY 2010-11 Estimated	FY 2011-12 Requested
Adults - HCBS-DD*	4,290	4,290	4,386
Adults - HCBS-SLS*	3,279	3,279	3,354
Children - Early Intervention Services**	5,611	5,611	6,241

* Unduplicated number of adults served in June each year. The drop in adults served in HCBS-DD in FY 2006-07 was due to the implementation of the new fee for service rates system and the elimination of the county mill levy local match. This resulted in enrollment authorizations.

** Unduplicated average number of children served each month throughout the year. There were three primary reasons for the increase in Early Intervention children shown; 1) general growth in case load, 2) the merging of two data bases (one for federal reporting and one for State reporting) for a more accurate data count, and 3) implementation of the coordinated system of payments in which CCBs began to report all children regardless of funding source.

Table 2 shows the number of new enrollments approved/requested for the period FY 2007-08 through FY 2011-12.

Table 2 – Number of New Enrollments between FY 2007-08 to FY 2011-12					
	FY 2007-08 Approved	FY 2008-09 Approved	FY 2009-10 Approved	FY 2010-11 Approved	FY 2011-12 Requested
HCBS-DD: Foster Care Transition	39	45	37	0	66
HCBS-DD: Emergencies	30	62	0	0	30
HCBS-DD: Waiting List	9	198	0	0	0
Family Support Services Program	0	100	0	0	0
HCBS-CES to HCBS-SLS Transition	24	28	29	0	35
HCBS-SLS Emergencies	0	317	0	0	30
Early Intervention Services*	0	0	0	212	630

*The 212 new enrollments are based on the additional appropriation of \$1.7 million in FY 2010-11.

Consequences if Not Funded:

Not funding this request could affect programs as follows:

Adults transitioning from the foster care system – These adults might have to be placed in inappropriate and high cost settings, such as state-operated Regional Centers or other intermediate care facilities (if space is available), Mental Health Institutes (MHI) or nursing facilities. Vacancies as a result of normal attrition would first be filled by youth transitioning from foster care in the Child Welfare system because the State of Colorado has already assumed out of home responsibility for these individuals. Due to their developmental disabilities, these individuals will continue to need a place to live, supervision, care and habilitation. Additionally, the inappropriate placement of these adults into nursing facilities would violate federal Pre-Admission Screening and Resident Review (PASRR) requirements. This violation could result in a finding of noncompliance with the federal Olmstead ruling and risk Medicaid funding for people with developmental disabilities.

Adults with developmental disabilities in emergency situations – These adults are at risk for their health, safety and ability to continue living in the community. These adults

might also have to be placed in inappropriate and high cost settings if emergency funding is not available.

Early Intervention Services - Children are at risk of longer term or increased level of delays if intervention is not provided in a timely manner during the developmental years of birth through two years. Delaying intervention services would likely result in higher costs to the State during the public education years and health care costs.

Targeted Case Management - If the request for new HCBS enrollments (slots) is approved and Targeted Case Management funding is not approved, then the Department could not utilize the new HCBS enrollments because TCM is needed to complete the enrollment process, develop the Service Plans for the waiver participants, and monitor service delivery. If the request for the additional TCM for Medicaid children enrolled in EI services is not approved, then the Department will not have sufficient funds to cover the cost of the needed services and Colorado will be out of compliance with its federal Part C grant, thereby risking the \$7 million annual grant. Under the federal Part C grant assurance, Colorado must make Service Coordination (a.k.a. case management) available to all referred and/or eligible children.

Calculations for Request:

Table 3 - Summary of Request FY 2011-12							
Long Bill	Total	GF	RF	MCF	MGF	NGF	FTE
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities	\$8,679,091	\$3,648,368	\$5,030,723	\$5,030,723	\$2,515,362	\$6,163,730	0
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Program Costs	\$4,041,042		\$4,041,042	\$4,041,042	\$2,020,521	\$2,020,521	
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Adult Supportive Living Services	\$569,205		\$569,205	\$569,205	\$284,603	\$284,603	
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Early Intervention Services	\$3,648,368	\$3,648,368				\$3,648,368	
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Case Management	\$420,476		\$420,476	\$420,476	\$210,238	\$210,238	
Table 4 - Summary of Request FY 2012-13							
Long Bill	Total	GF	RF	MCF	MGF	NGF	FTE
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Program Costs	\$13,464,264	\$3,648,368	\$9,815,896	\$9,815,896	\$4,907,949	\$8,556,317	0
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Program Costs	\$8,082,084		\$8,082,084	\$8,082,084	\$4,041,042	\$4,041,042	
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Adult Supportive Living Services	\$1,138,410		\$1,138,410	\$1,138,410	\$569,205	\$569,205	
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Early Intervention Services	\$3,648,368	\$3,648,368				\$3,648,368	
(9) Services for People with Disabilities, (A) Community Services for People with Developmental Disabilities, (2) Case Management	\$595,402		\$595,402	\$595,402	\$297,702	\$297,702	

Table 5 shows the FY 2011-12 funding calculation and FY 2012-13 annualization.

Table 5 – FY 2011-12 Funding Calculations and Annualization						
<u>Program</u>	<u>Number of Enrollments</u>	<u>Months Enrolled</u>	<u>Annual Cost Per Person</u>	<u>Total Cost</u>	<u>MCF</u>	<u>NGF</u>
<u>FY 2011-12 Costs</u>						
Foster Care	66	6	\$86,984	\$2,870,472	\$2,870,472	\$1,435,236
Emergency Comprehensive	30	6	\$78,038	\$1,170,570	\$1,170,570	\$585,285
TCM HCBS-DD	96	6	\$2,173	\$104,304	\$104,304	\$52,152
CES to SLS	35	6	\$17,514	\$306,495	\$306,495	\$153,248
Emergency SLS	30	6	\$17,514	\$262,710	\$262,710	\$131,355
TCM HCBS-SLS	65	6	\$2,173	\$70,623	\$70,623	\$35,311
Early Intervention	630	12	\$5,041	\$3,175,830	0	\$3,175,830
EI Service Coordination	517	12	\$914.00	\$472,538	0	\$472,538
EI TCM	113	12	\$2,173	\$245,549	\$245,549	\$122,775
Total Request				\$8,679,091	\$5,030,723	\$6,163,729
<u>FY 2012-13 Annualized Costs</u>						
Foster Care	66	12	\$86,984	\$5,740,944	\$5,740,944	\$2,870,472
Emergency Comprehensive	30	12	\$78,038	\$2,341,140	\$2,341,140	\$1,170,570
TCM HCBS-DD	96	12	\$2,173	\$208,608	\$208,608	\$104,304
CES to SLS	35	12	\$17,514	\$612,990	\$612,990	\$306,495
Emergency SLS	30	12	\$17,514	\$525,420	\$525,420	\$262,710
TCM HCBS-SLS	65	12	\$2,173	\$141,245	\$141,245	\$70,624
Early Intervention	630	12	\$5,041	\$3,175,830	0	\$3,175,830
EI Service Coordination	517	12	\$914.00	\$472,538	0	\$472,538
EI TCM	113	12	\$2,173	\$245,549	\$245,549	\$122,775
Total Request				\$13,464,264	\$9,815,896	\$8,556,317

Assumptions for Calculations:

The request for new enrollments is based on the following:

- 1) The actual number of youth transitioning from foster care to HCBS-DD.
- 2) The actual number of children transitioning from HCBS-CES to HCBS-SLS.
- 3) The estimated minimum number of emergency placements necessary to address the most serious situations and avoid placing adults in inappropriate or more costly settings.
- 4) The projected increase in the number of children needing EI services. The FY 2010-11 appropriation includes General Fund for services to 2,410 EI children and estimates for services for an additional 3,480 children funded by other sources for a total of 5,890 children served (see table 5 below). This request is for \$3,175,830 GF ($630 \times \$5,041 = \$3,175,830$) to fund the additional 630 children needing services.
- 5) Targeted Case Management is projected at the current TCM rate for each of these enrollments.

The HCBS-DD and HCBS-SLS enrollments are requested for an average of six months in FY 2011-12 as the enrollments will be spread throughout the year and at the current average rate per person per year, annualized in FY 2012-13. The EI services request is based on 12 months enrollment in both FY 2011-12 and FY 2012-13 at the EI rate per child per year. It is projected that 113 of the 630 children will be eligible for TCM.

Impact on Other Government Agencies:

This request requires funding changes in the Department of Health Care Policy and Financing budget to reflect the changes in Medicaid funding for that Department as the single State Medicaid agency.

HCPF Table 1 - FY 2011-12 Total Adjustment for the Revised Financing Estimates for DHS Lines				
Row		TF	GF	FF
A	(6) Department of Human Services Medicaid-Funded Programs; (G) Services for People with Disabilities - Medicaid Funding, Community Services for People with Developmental Disabilities, Program Costs	\$5,030,723	\$2,515,362	\$2,515,361
B	Total	\$5,030,723	\$2,515,362	\$2,515,361

HCPF Table 2 - FY 2012-13 Annualization of Total Adjustment for the Revised Financing Estimates for DHS Lines				
Row		TF	GF	FF
A	(6) Department of Human Services Medicaid-Funded Programs; (G) Services for People with Disabilities - Medicaid Funding, Community Services for People with Developmental Disabilities, Program Costs	\$9,815,896	\$4,907,949	\$4,907,947
B	Total	\$9,815,896	\$4,907,949	\$4,907,947

Cost Benefit Analysis:

Table 6 shows the cost benefit for the HCBS-DD and HCBS-SLS services based on a comparison of funding the request as shown in the tables above, versus the cost to place these individuals in a comparable HCBS-DD setting at the Regional Centers.

Table 6 – Cost Benefit Analysis for HCBS-DD and HCBS-SLS Services	
Benefit	Amount
Placement of 161 (66 Foster Care to HCBS-DD + 30 HCBS-DD Emergencies + 35 HCBS-CES to HCBS-SLS + 30 HCBS-SLS Emergencies = 161) individuals in Regional Center or similar habilitation setting at an average daily cost of \$505* (161 individuals x 181 days x \$505 = \$14,716,205)	\$14,716,205
Decision Item HCBS-DD and HCBS-SLS Total	\$4,610,247
Cost Benefit Difference	\$10,105,958

Table 7 shows the cost benefit of funding Early Intervention services compared to not funding this portion of the request which could place the annual federal Part C grant at risk and increase the long term costs to State. The Department must provide a federal assurance the all eligible children will be served or risk not receiving the annual grant award.

Table 7 – Cost Benefit Analysis for Early Intervention Services	
Benefit	Amount
Loss of federal Part C Grant in FY 2011-12	\$7,070,900
Decision Item Early Intervention Services	\$3,648,368
Cost Benefit Difference	\$3,422,532

Implementation Schedule:

Table 8 – Implementation Schedule	
Task	Month/Year
Allocate New Early Intervention Enrollments	July 2011
Allocate New HCBS-DD and HCBS-SLS Enrollments	January 2012

Statutory and Federal Authority:

27-10.5-104. Authorized services and supports - conditions of funding - purchase of services and supports - boards of county commissioners - appropriation.

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

(a) Family support services, including an array of supportive services provided to the person receiving services and the person's family, that enable the family to maintain the person in the family home, thereby preventing or delaying the need for out-of-home placement that is unwanted by the person or the family, pursuant to section 27-10.5-401;

(b) Early intervention services and supports that offer infants and toddlers and their families services and supports to enhance child development in the areas of cognition, speech, communication, physical, motor, vision, hearing, social-emotional development, and self-help skills; parent-child or family interaction; and early identification, screening, and assessment services that are provided pursuant to part 7 of this article;

(c) Case management services;

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

(e) Day services and supports that offer opportunities for persons with developmental disabilities to experience and actively participate in valued adult roles in the community. These services and supports will enable persons receiving services to access and participate in community activities, such as work, recreation, higher education, and senior citizen activities. Day services and supports, including early intervention services, may also include the administration of nutrition or fluids through gastrostomy tubes, if administered by an individual authorized pursuant to section 27-10.5-103 (2) (k) and supervised by a licensed nurse or physician.

(f) Residential services and supports, including an array of training, learning, experiential, and support activities provided in living alternatives designed to meet the individual needs of persons receiving services and may include the administration of

nutrition or fluids through gastrostomy tubes, if administered by an individual authorized pursuant to section 27-10.5-103 (2) (k) and supervised by a licensed nurse or physician.

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

27-10.5-703. Administration - duties of department - rules.

(1) Subject to annual appropriation from the general assembly, the department shall administer early intervention services and shall coordinate early intervention services with existing services provided to eligible infants and toddlers from birth through two years of age and their families.

(2) The department shall promulgate rules, pursuant to section 27-10.5-103, as necessary for the implementation of this section and to ensure that all IDEA timelines and requirements are met, including but not limited to administrative remedies if the timelines and requirements are not met

(3) In administering early intervention services, the department shall have and perform the following duties:

(a) To design early intervention services in a manner consistent with part C;

(b) To develop and promulgate rules after consultation with the state interagency coordinating council;

(c) To ensure eligibility determination for a child with disabilities from birth through two years of age, based in part on information received concerning the screening and evaluation performed by an administrative unit pursuant to section 22-20-118, C.R.S.

(d) To ensure that an individualized family service plan is developed for infants and toddlers from birth through two years of age who are eligible for early intervention

services. The IFSP shall be developed in compliance with part C and in coordination with part C child find evaluations where applicable, including the mandatory IFSP meeting at which the family receives information concerning the results of the child find evaluation performed by an administrative unit pursuant to section 22-20-118, C.R.S. The initial IFSP shall be developed in collaboration with a representative from the administrative unit that participated in the child's screening and evaluation performed pursuant to section 22-20-118, C.R.S. The representative shall participate in the initial meeting for the development of the child's IFSP.

(e) To allocate money

(f) To coordinate training and provide technical assistance to community centered boards, service providers, and other constituents who are involved in the delivery of early intervention services to infants and toddlers from birth through two years of age;

(g) To monitor and evaluate early intervention services provided through this part 7; and

(h) To coordinate contracts, expenditures, and billing for early intervention services provided through this part 7.

Performance Measures:

Program	Performance Measure #3	Outcome	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
			Actual	Actual	Actual	Actual	Estimated	Requested
Developmental Disabilities	Increase the number of individuals with developmental disabilities receiving appropriate community services and supports through Colorado's developmental disabilities system.	Adult Programs						
		Benchmark (enrollments appropriated)	N/A	7,456	7,895.5	8,172.8	8,241.5*	8,402.5***
		Change from previous year	N/A	N/A	5.89%	3.5%	.84%	1.9%
		Actual (total served)	N/A	8,353	8,724	8,504**	8,850	9,011***
		Change from previous year	N/A	N/A	4.4%	(2.5%)	4.0%	1.8%
		Child and Family Programs						
		Benchmark (enrollments appropriated)	N/A	3,747	3,797	3,795	4,007	4,637***
		Change from previous year	N/A	N/A	1.3%	-0.0005%	5.5%	15.7%
		Actual (total served)	N/A	11,463	13,778	15,777	15,989	16,619***
		Change from previous year	N/A	N/A	20.2%	14.5%	1.3%	3.9%

* Represents authorization of previously appropriated six-month enrollments.
 ** Data is based on the number of individuals for whom claims were paid as of July 15, 2010. Medicaid Management Information System (MMIS).
 *** Assumes 161 new enrollments requested in HCBS-DD and HCBS-SLS, 630 new enrollments in Early Intervention Services.

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Transfer Sol Vista Youth Services Center FTE to the Division of Youth Corrections
 Department: Human Services Dept. Approval by: *Will Kozl* Date: 10-13-2010
 Priority Number: DI-5 OSPB Approval: *Ann Renaud* Date: 10-14-2010

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	113,949,901	112,255,124	0	112,255,124	114,337,954	(548,765)	113,789,189	0	113,789,189	(548,765)
	FTE	1722.5	1717.3	0.0	1717.3	1717.3	0.0	1717.3	0.0	1717.3	0.0
	GF	102,773,194	101,098,779	0	101,098,779	103,181,609	0	103,181,609	0	103,181,609	0
	CF	0	5,617,894	0	5,617,894	5,617,894	0	5,617,894	0	5,617,894	0
	RF	5,617,894	5,538,451	0	5,538,451	5,538,451	(548,765)	4,989,686	0	4,989,686	(548,765)
	FF	5,558,813	0	0	0	0	0	0	0	0	0
	MCF	0	2,916,208	0	2,916,208	2,916,208	0	2,916,208	0	2,916,208	0
	MGF	2,936,570	1,120,115	0	1,120,115	1,458,104	0	1,458,104	0	1,458,104	0
	NGF	45,267,691	102,218,894	0	102,218,894	104,639,713	0	104,639,713	0	104,639,713	0
(8) Mental Health and Alcohol and Drug Abuse Services, (C) Mental Health Institute, Mental Health Institutes-Pueblo	Total	69,810,147	68,827,749	0	68,827,749	69,986,982	(548,765)	69,438,217	0	69,438,217	(548,765)
	FTE	928.2	923.0	0.0	923.0	923.0	(5.0)	918.0	0.0	918.0	(5.0)
	GF	58,633,440	57,671,404	0	57,671,404	58,830,637	0	58,830,637	0	58,830,637	0
	CF	0	5,617,894	0	5,617,894	5,617,894	0	5,617,894	0	5,617,894	0
	RF	5,617,894	5,538,451	0	5,538,451	5,538,451	(548,765)	4,989,686	0	4,989,686	(548,765)
	FF	5,558,813	0	0	0	0	0	0	0	0	0
	MCF	0	2,916,208	0	2,916,208	2,916,208	0	2,916,208	0	2,916,208	0
	MGF	2,936,570	1,120,115	0	1,120,115	1,458,104	0	1,458,104	0	1,458,104	0
	NGF	1,127,937	58,791,519	0	58,791,519	60,288,741	0	60,288,741	0	60,288,741	0
(11) Division of Youth Corrections, (B) Institutional Programs, Personal Services	Total	44,139,754	43,427,375	0	43,427,375	44,350,972	0	44,350,972	0	44,350,972	0
	FTE	794.3	794.3	0.0	794.3	794.3	5.0	799.3	0.0	799.3	5.0
	GF	44,139,754	43,427,375	0	43,427,375	44,350,972	0	44,350,972	0	44,350,972	0
	CF	0	0	0	0	0	0	0	0	0	0
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	44,139,754	43,427,375	0	43,427,375	44,350,972	0	44,350,972	0	44,350,972	0

**Schedule 13
Change Request for FY 2011-12 Budget Request Cycle**

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Transfer Sol Vista Youth Services Center FTE to the Division of Youth Corrections.
Department: Human Services **Dept. Approval by:** **Date:**
Priority Number: DI-5 **OSPB Approval:** **Date:**

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13

Non-Line Item Request: None
Letternote Revised Text for FY 2010-11: None
Letternote Text Requested for FY 2011-12: b Of this amount, \$4,314,176 shall be from patient revenues, \$1,459,390 shall be transferred from the Department of Corrections (including \$400,493 for services for the La Vista Facility, ~~\$548,755 shall be transferred from the Division of Youth Corrections for services for the Sol Vista Facility,~~ \$213,787 shall be transferred from the Department of Education, and \$12,000 shall be transferred from Regional Centers. For informational purposes only, of the patient revenues, \$2,916,208 is estimated to be from Medicaid funds transferred from the Department of Health Care Policy and Financing, \$943,228 is estimated to be Medicaid revenue earned from behavioral health organizations through Mental Health Community Capitation, \$196,355 is estimated to be transferred from the Division of Youth Corrections for services provided by the therapeutic residential child care facility at the Colorado Mental Health Institute at Fort Logan, and \$258,385 is estimated to be transferred from Medicaid funds transferred from the Department of Health Care Policy and Financing to Child Welfare Services for mental health treatment at the therapeutic residential child care facility at the Colorado Mental Health Institute at Fort Logan.

Cash or Federal Fund Name and COFRS Fund Number: N/A
Reappropriated Funds Source, by Department and Line Item Name: Department of Human Services (11) (B) Personal Services (see above)
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments: N/A in same Department

CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Department of Human Services
Priority Number:	D I-5
Change Request Title:	Transfer Sol Vista Youth Services Center FTE to the Division of Youth Corrections

SELECT ONE (click on box):

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-12

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

This request will transfer 5.0 FTE currently appropriated at the Colorado Mental Health Institute at Pueblo (CMHIP) to the Division of Youth Corrections (DYC) and eliminate \$548,765 Reappropriated Funds in the CMHIP line item in order to effectively and efficiently manage the operations of the Sol Vista Youth Services Center (YSC). The funding for these positions is included in the DYC General Fund appropriation and transferred to the CMHIP pursuant to a Departmental Interagency Agreement concerning the Sol Vista Youth Services Center.

General Description of Request:

The Sol Vista Youth Services Center is a 20-bed Division of Youth Corrections commitment facility located in the Colorado Mental Health Institute at Pueblo that is the result of a collaborative and strengths-based solution to managing youth with severe mental health needs who also demonstrate violent and aggressive behavior. The YSC is a secure highly specialized mental health treatment facility for males committed with severe mental health needs and violent and aggressive behaviors.

The DYC and the Office of Behavioral Health and Housing (OBHH) have effectively served this population through a joint approach to clinical assessment, placement, treatment in a mental health setting, and community transition since FY 2006-07. The strength of the Division of Youth Corrections in maintaining and managing aggressive juvenile offenders coupled with the mental health services expertise in the OBHH as well as a secure mental health facility have enabled the Department to provide an appropriate environment and level of programming to meet the needs of these youth.

The 5.0 FTE dedicated full time to the Sol Vista Youth Services Center have historically been supervised by the CMHIP. The CMHIP budget includes the spending authority for these clinical staff positions that provide in-depth mental health treatment services to the youth at the facility. The current interagency agreement between the DYC and the OBHH stipulates the purchase of support services for the following positions:

Health Professional VI (Clinical Director) 1.0 FTE
Social Worker/Counselor II 2.0 FTE
Social Worker/Counselor III 1.0 FTE
Psychologist Candidate 1.0 FTE

Over the years, the working relationship for the Sol Vista Youth Services Center has evolved such that the DYC currently manages the day-to-day operations and the OBHH serves as a resource and provides subject matter expertise in the area of mental health treatment as needed. The Sol Vista clinical program has been developed and enhanced such that the direct involvement of the CMHIP is no longer warranted.

From an organizational perspective, the Department will be better positioned to provide services and programming to committed youth if all aspects of safety, security and programming are consolidated under the auspices of the DYC. The transfer of the FTE to the DYC will enable the Division to better integrate day-to-day operational security and mental health treatment.

In view of the fact that the program is stable, the request to transfer the 5.0 FTE from CMHIP to DYC would simplify the management of the Sol Vista Youth Services Center facility and consolidate the responsibility for all treatment services under the facility's director since all other staff at the YSC are funded by and report directly to the DYC. Similarly, the clinical direction and design of the program would be better aligned with current DYC clinical and program service initiatives and result in a more efficient and appropriate use of the Continuum of Care for youth admitted to the Sol Vista Youth Services Center.

The DYC Institutional Programs Personal Services line item General Fund FTE would increase by 5.0 FTE and the Mental Health Institute- Pueblo line item would decrease by \$548,785 Reappropriated Funds and 5.0 FTE if the request is approved and the corresponding letter note revised. The Interagency Agreement would also be terminated.

Consequences if Not Funded:

If the request is not approved, the relationship between the DYC and the OBHH would continue pursuant to the Interagency Agreement. The CMHIP would provide the clinical services needed to address the complex treatment needs of the youth at the Sol Vista Youth Services Center. And the Clinical Director would continue to be matrix supervised by a CMHIP administrator and the Sol Vista Director as opposed to joint supervision by the DYC Director of Clinical Services and the DYC Sol Vista Director. Staff vacancies would continue to be processed by the CMHIP Human Resources Division and would require ongoing coordination with other DYC clinical positions. The DYC and the OBHH would continue to be burdened with the preparation and monitoring of the Interagency Agreement and the administrative workload of preparing invoices and transferring funds on a monthly basis.

Calculations for Request:

Summary of Request FY 2011-12	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	(\$548,765)	\$0	\$0	(\$548,765)	\$0	0.0
11 (B) Institutional Programs - Personal Services	\$0	\$0	\$0	\$0	\$0	5.0
8 (C) Mental Health Institutes- Mental Health Institute- Pueblo	(\$548,765)	\$0	\$0	(\$548,765)	\$0	(5.0)

Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	(\$548,765)	\$0	\$0	(\$548,765)	\$0	0.0
11 (B) Institutional Programs - Personal Services	\$0	\$0	\$0	\$0	\$0	5.0
8 (C) Mental Health Institutes- Mental Health Institute- Pueblo	(\$548,765)	\$0	\$0	(\$548,765)	\$0	(5.0)

Assumptions for Calculations:

The HB 10-1376 Long Bill letter note below appropriates the source of funding for the interagency transfer and will need to be revised by eliminating the reference to the Sol Vista Facility if the request is approved:

(8) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE SERVICES

(C) Mental Health Institutes^b

^b Of this amount, \$4,314,176 shall be from patient revenues, \$1,459,390 shall be transferred from the Department of Corrections (including \$400,493 for services for the La Vista Facility, \$548,765 shall be transferred from the Division of Youth Corrections for services for the Sol Vista Facility, \$213,787 shall be transferred from the Department of Education, and \$12,000 shall be transferred from Regional Centers. For informational purposes only, of the patient revenues, \$2,916,208 is estimated to be from Medicaid funds transferred from the Department of Health Care Policy and Financing, \$943,228 is estimated to be Medicaid revenue earned from behavioral health organizations through Mental Health Community Capitation, \$196,355 is estimated to be transferred from the Division of Youth Corrections for services provided by the therapeutic residential child care facility at the Colorado Mental Health Institute at Fort Logan, and \$258,385 is

estimated to be transferred from Medicaid funds transferred from the Department of Health Care Policy and Financing to Child Welfare Services for mental health treatment at the therapeutic residential child care facility at the Colorado Mental Health Institute at Fort Logan.

Impact on Other Government Agencies: There is no impact to other government agencies. The transfer is between the Division of Youth Corrections and the Mental Health Institute at Pueblo within the Colorado Department of Human Services

Cost Benefit Analysis: Not Applicable.

Implementation Schedule:

Task	Month/Year
Transfer of CMHIP 5.0 FTE to the Division of Youth Corrections	July 2011

Statutory and Federal Authority: *19-2-403 (1), C.R.S. (2010) Human services facilities - authority. The department of human services shall establish and operate facilities necessary for the care, education, training, treatment, and rehabilitation of those juveniles legally committed to its custody under section 19-2-601 or 19-2-907.*

Performance Measures:

Program	Performance Measure	Program Outcome	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
			Actual	Actual	Actual	Estimate	Request
Youth Corrections	Provide a safe and secure correctional environment for youth and staff by reducing the overall rate of critical incidents per ADP to at or below 6.5% in residential programs.	Benchmark	6.5%	6.5%	6.5%	6.5%	6.5%
		Actual	7.5%	8.0%	8.6%		

ADP Definition: The average number of youth present in a facility or program during the reporting period.

**Schedule 13
Change Request for FY 2011-12 Budget Request Cycle**

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Purchase of Contract Placements Line Item Appropriation Reduction
 Department: Human Services Dept. Approval by: *[Signature]* Date: 10-12-2010
 Priority Number: BRI-1 OSPB Approval: *[Signature]* Date: 10-13-10

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	39,003,162	42,802,281	0	42,802,281	52,440,410	(9,195,422)	43,244,988	0	43,244,988	(9,428,809)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	36,783,468	39,839,607	0	39,839,607	49,469,619	(9,197,473)	40,272,146	0	40,272,146	(9,418,293)
	CF	0	0	0	0	0	0	0	0	0	0
	RF	1,493,558	1,618,662	0	1,618,662	1,623,097	5,733	1,628,830	0	1,628,830	(3,152)
	FF	726,136	1,344,012	0	1,344,012	1,347,694	(3,682)	1,344,012	0	1,344,012	(7,364)
	MCF	1,493,558	1,618,662	0	1,618,662	1,623,097	5,733	1,628,830	0	1,628,830	(3,152)
	MGF	631,436	654,582	0	654,582	811,550	2,866	814,416	0	814,416	(1,577)
	NGF	37,414,904	40,494,189	0	40,494,189	50,281,169	(9,194,607)	41,086,562	0	41,086,562	(9,419,870)
(11) Division of Youth Corrections, (C) Community Programs, Purchase of Contract Placements	Total	39,003,162	42,802,281	0	42,802,281	52,440,410	(9,195,422)	43,244,988	0	43,244,988	(9,428,809)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	36,783,468	39,839,607	0	39,839,607	49,469,619	(9,197,473)	40,272,146	0	40,272,146	(9,418,293)
	CF	0	0	0	0	0	0	0	0	0	0
	RF	1,493,558	1,618,662	0	1,618,662	1,623,097	5,733	1,628,830	0	1,628,830	(3,152)
	FF	726,136	1,344,012	0	1,344,012	1,347,694	(3,682)	1,344,012	0	1,344,012	(7,364)
	MCF	1,493,558	1,618,662	0	1,618,662	1,623,097	5,733	1,628,830	0	1,628,830	(3,152)
	MGF	631,436	654,582	0	654,582	811,550	2,866	814,416	0	814,416	(1,577)
	NGF	37,414,904	40,494,189	0	40,494,189	50,281,169	(9,194,607)	41,086,562	0	41,086,562	(9,419,870)

Non-Line Item Request: None
 Letternote Revised Text for FY 2010-11: None
 Letternote Text Requested for FY 2011-12: None
 Cash or Federal Fund Name and COFRS Fund Number: Reappropriated Medicaid Title XIX, Federal Title IV-E
 Reappropriated Funds Source, by Department and Line Item Name: RF: Medicaid Funds - Department of Health Care Policy & Financing (6) Department of Human Services
 Medicaid - Funded Programs (H) Division of Youth Corrections Medicaid Funding
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: Health Care Policy and Financing

STATE OF COLORADO FY 2011-12 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13 Change Request for FY 2011-12 Budget Request Cycle												
Decision Item FY 2011-12		Base Reduction Item FY 2011-12 <input checked="" type="checkbox"/>			Supplemental FY 2010-11			Budget Amendment FY 2011-12 <input type="checkbox"/>				
Request Title:		DHS - Reduction to the Purchase of Contract Placements Appropriation					Dept. Approval by:		John Bartholomew <i>JB</i>		Date:	November 1, 2010 <i>10/13/10</i>
Department:		Health Care Policy and Financing			OSPB Approval:			<i>JM</i>		Date:		<i>10-13-10</i>
Priority Number:		NP-10 (DHS BRI 1)										
		1	2	3	4	5	6	7	8	9	10	
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13	
Total of All Line Items		Total	1,976,309	2,686,201	0	2,686,201	2,691,626	5,733	2,697,359	0	2,697,359 (3,152)	
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	GF	763,567	1,042,855	0	1,042,855	1,345,815	2,866	1,348,681	0	1,348,681 (1,577)		
	GFE	0	0	0	0	0	0	0	0	0		
	CF	0	0	0	0	0	0	0	0	0		
	CFE/RF	0	0	0	0	0	0	0	0	0		
	FF	1,212,742	1,643,346	0	1,643,346	1,345,811	2,867	1,348,678	0	1,348,678 (1,575)		
(6) Department of Human Services Medicaid-Funded Programs; (I) Division of Youth Corrections - Medicaid Funding		Total	1,976,309	2,686,201	0	2,686,201	2,691,626	5,733	2,697,359	0	2,697,359 (3,152)	
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
	GF	763,567	1,042,855	0	1,042,855	1,345,815	2,866	1,348,681	0	1,348,681 (1,577)		
	GFE	0	0	0	0	0	0	0	0	0		
	CF	0	0	0	0	0	0	0	0	0		
	CFE/RF	0	0	0	0	0	0	0	0	0		
	FF	1,212,742	1,643,346	0	1,643,346	1,345,811	2,867	1,348,678	0	1,348,678 (1,575)		
Non-Line Item Request:		None.										
Letternote Revised Text:		None.										
Cash or Federal Fund Name and COFRS Fund Number:				FF: Title XIX								
Reappropriated Funds Source, by Department and Line Item Name: None												
Approval by OIT?		Yes: <input type="checkbox"/> No: <input type="checkbox"/>		N/A: <input checked="" type="checkbox"/>								
Schedule 13s from Affected Departments:			Department of Human Services									

CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Department of Human Services
Priority Number:	BRI-1
Change Request Title:	Purchase of Contract Placements Line Item Appropriation Reduction

SELECT ONE (click on box):

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-12

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

The Department is requesting a total funds reduction of \$9,195,422 (\$9,194,607 Net General Fund) in the Division of Youth Corrections (DYC) Purchase of Contract Placements line item appropriation for FY 2011-12 based on a projection of the need for contract beds. The amount of the reduction in FY 2012-13 totals \$9,428,809 (\$9,419,870 Net General Fund) in the Division of Youth Corrections (DYC) Purchase of Contract Placements line item appropriation.

General Description of Request:

The Division of Youth Corrections is responsible for the management and oversight of State-operated and private contract residential facilities and community-based alternative programs that serve and treat youth 10-20 years of age who have demonstrated delinquent behavior. Residential program services include all essential functions related to housing youth in secure State-operated detention and commitment facilities as well as housing youth in secure and non-secure contract residential programs. There are three major institutional residential services including detention services, diagnostic and assessment services for committed youth and institutional services for committed youth.

The Purchase of Contract Placements line item appropriation funds an array of contract residential placement services for youth needing secure, staff-secure, and non-secure residential placement services. In addition, residential placement services are provided to youth transitioning to the community after release from institutional settings and adjudicated youth that have been deemed appropriate for placement in a community residential setting. Private vendors provide a range of services based on specific treatment and counseling needs. Private residential placements are licensed in the following categories: Therapeutic Residential Child Care Facility (TRCCF) and Residential Child Care Facility (RCCF) and Child Placement Agency (CPA).

The Department currently contracts with more than 22 private providers for staff-supervised commitment services and more than 31 providers for non-secure community residential services for youth who are under the jurisdiction of Youth Corrections.

The Reappropriated Funds in the Purchase of Contract Placement line item is composed of 50% Medicaid General Fund and 50% Federal Medicaid Funds. Medicaid General Fund is appropriated to the Department of Health Care Policy and Financing for payment of Medicaid claims for Therapeutic Residential Child Care Facility and Psychiatric Residential Treatment Facility services since these types of facilities are eligible for Medicaid reimbursement.

This request updates the Purchase of Contract Placements line item appropriation based on the Legislative Council Staff (LCS) December 2009 juvenile commitment population projection, average weighted daily rates and bed utilization for FY 2011-12 and also removes \$9,150,000 that was to be built back into the base on an ongoing basis.

The total Average Daily Population (ADP) for Purchased Contract Placements used to estimate the need for contractual services is based on State capacity, the Boulder IMPACT Project and LCS estimate of the commitment population. State capacity is designed for an average daily population of 434.5 youth.

Boulder County commitments are capped pursuant to a contract between Boulder and the CDHS. This agreement is managed by Boulder's Integrated Managed Partnership for Adolescent Community Treatment (IMPACT) Project and is required under a provision in the Long Bill. The contract sets the number of commitments at 17.0 ADP (14 in state operated secure facilities, one at Marler Youth Service Center, and two at Ridge View). Boulder must reimburse the DYC at the established residential rates if the IMPACT Project placements are above the ADP limits at the state operated facilities, Marler or Ridge View. In return, Boulder receives \$1.152 million dollars to treat and supervise youth who otherwise would be committed. There are no restriction or assumptions about how Boulder distributes their placements among TRCCF, RCCF or other options.

The 7.0 ADP that is deducted in calculating the need for contract placements is an historical average of the community placements made by the IMPACT Project. These community placements are included in the DYC's ADP data because they are committed youth but are not included in the caseload adjustment because the IMPACT Project pays for these placements.

The December 2009 Legislative Council Staff projection for community placements in FY 2011-12 is included in Table 1.

Table 1 - Legislative Council Staff December 2009 Projections for FY 2011-12			
	Commitment	Detention	Total
Forecasted Beds	1,222.0	479.0	1,701.0
Minus Boulder Impact	(7.0)	0.0	(7.0)
Facility Overcrowding	(43.5)	0.0	(43.5)
Minus State Capacity	<u>(434.5)</u>	<u>(448.0)</u>	<u>(882.5)</u>
Contract Beds (Rounded)	737.1	31.0	768.1

The Department is requesting a decrease of \$9,195,422 total funds including a decrease of \$9,197,473 General Fund, an increase of \$5,733 in Reappropriated Medicaid Cash

Funds and a decrease of \$3,682 Federal Funds for the funding of the Legislative Council Staff forecast of 1,222.0 commitment beds in FY 2011-12.

In addition, the FY 2011-12 Base Request included the restoration of the \$9,150,000 General Fund reduction included in the FY 2010-11 appropriation for the Purchase of Contract Placements line item. This reduction was taken in FY 2009-10 and FY 2010-11 on a one-time basis, and is now requested on an ongoing basis, starting in FY 2011-12.

Consequences if Not Funded:

As allowable within current footnote flexibility from HB 10-1376, the Division would fund a portion of the deferred investments and restore funding for the 80-bed Community Accountability Program, establish a reserve for major injury or illness for the Division's commitment population, physical plant improvements in State-owned facilities and HB 1451 Collaboratives as noted above if the request is not approved.

The Department is proposing to make this an ongoing base reduction. The Division had planned to make continued investments in the Continuum of Care Initiative pursuant to Footnote 29 in HB 10-1376. The planned investments included the following:

Community Accountability Program (CAP)	\$6,000,000
House Bill 1451 Collaboratives	\$2,000,000
Catastrophic Medical Reserve	\$500,000
Physical Plant Improvements in State-owned Facilities	<u>\$650,000</u>
Total Deferred Investments	\$9,150,000

However, due to the projected shortfall in State revenues, the Department is proposing not to implement these investments.

STATE OF COLORADO FY 2011-12 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

Calculations for Request:

Summary of Request FY 2011-12	Total Funds	General Fund	Reappropriated Funds	Federal Funds	Medicaid Cash Funds	Medicaid General Fund	Net General Fund
Total Request	(\$9,195,422)	(\$9,197,473)	\$5,733	(\$3,682)	\$5,733	\$2,866	(\$9,194,607)
(11) Division of Youth Corrections (C) Community Programs - Purchase of Contract Placements	(\$9,195,422)	(\$9,197,473)	\$5,733	(\$3,682)	\$5,733	\$2,866	(\$9,194,607)

Summary of Request FY 2012-13	Total Funds	General Fund	Reappropriated Funds	Federal Funds	Medicaid Cash Funds	Medicaid General Fund	Net General Fund
Total Request	(\$9,428,809)	(\$9,418,293)	(\$3,152)	(\$7,364)	(\$3,152)	(\$1,577)	(\$9,419,870)
(11) Division of Youth Corrections (C) Community Programs - Purchase of Contract Placements	(\$9,428,809)	(\$9,418,293)	(\$3,152)	(\$7,364)	(\$3,152)	(\$1,577)	(\$9,419,870)

Table 2 - Estimated Need for FY 2011-12 Based on LCS December 2009 Projection Adjusted for Boulder County Commitments and State Capacity

	Contract Beds	Estimated Rate	Total	General Fund	Reappropriated Funds	Federal Funds	Medicaid CF	Medicaid GF	Net GF
TRCCF Treatment 32.60%	240.3	\$172.13	\$15,138,799	\$15,138,799	\$0	\$0	\$0	\$0	\$15,138,799
TRCCF) Fee-for-Service 32.60%	240.3	\$18.52	\$1,628,830	\$0	\$1,628,830	\$0	\$1,628,830	\$814,415	\$814,415
RCCFs 65.214%	480.7	\$136.28	\$23,976,585	\$23,976,585	\$0	\$0	\$0	\$0	\$23,976,585
CPA 2.186%	16.1	\$100.69	\$593,326	\$593,326	\$0	\$0	\$0	\$0	\$593,326
Total Contract Commitment Beds	737.1		\$41,337,540	\$39,708,710	\$1,628,830	\$0	\$1,628,830	\$814,415	\$40,523,125
Detention Beds	31.0	\$135.34	\$1,535,568	\$1,535,568	\$0	\$0	\$0	\$0	\$1,535,568
Additional Title IV E Maintenance Billings			\$0	(\$1,344,012)	\$0	\$1,344,012	\$0	\$0	(\$1,344,012)
HB 10-1413 Seven New Commitments			\$371,880	\$371,880	\$0	\$0	\$0	\$0	\$371,880
DYC need for FY 2011-12 contracts based on 366 day leap year			\$43,244,988	\$40,272,146	\$1,628,830	\$1,344,012	\$1,628,830	\$814,415	\$41,086,561
Minus FY 2011-12 Base Request			\$52,440,410	\$49,469,619	\$1,623,097	\$1,347,694	\$1,623,097	\$811,549	\$50,281,168
Total Caseload Reduction			(\$9,195,422)	(\$9,197,473)	\$5,733	(\$3,682)	\$5,733	\$2,866	(\$9,194,607)

Table 3 - Estimated Need for FY 2012-13 Based on LCS December 2009 Projection Adjusted for Boulder County Commitments and State Capacity										
	Contract Beds	Estimated Rate	Total	General Fund	Reappropriated Funds	Federal Funds	Medicaid CF	Medicaid GF	Net GF	
TRCCF Treatment 32.60%	240.3	\$172.13	\$15,097,436	\$15,097,436	\$0	\$0	\$0	\$0	\$15,097,436	
TRCCF) Fee-for-Service 32.60%	240.3	\$18.52	\$1,624,380	\$0	\$1,624,380	\$0	\$1,624,380	\$812,190	\$812,190	
RCCFs 65.214%	480.7	\$136.28	\$23,911,076	\$23,911,076	\$0	\$0	\$0	\$0	\$23,911,076	
CPA 2.186%	<u>16.1</u>	\$100.69	<u>\$591,705</u>	<u>\$591,705</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$591,705</u>	
Total Contract Commitment Beds	737.1		\$41,224,597	\$39,600,217	\$1,624,380	\$0	\$1,624,380	\$812,190	\$40,412,407	
Detention Beds	31.0	\$135.34	\$1,531,372	\$1,531,372	\$0	\$0	\$0	\$0	\$1,531,372	
Additional Title IV E Maintenance Billings			\$0	(\$1,344,012)	\$0	\$1,344,012	\$0	\$0	(\$1,344,012)	
HB 10-1413 Seven New Commitments			<u>\$371,880</u>	<u>\$371,880</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$371,880</u>	
DYC need for FY 2011-12 contracts based on 365 day			\$43,127,849	\$40,159,457	\$1,624,380	\$1,344,012	\$1,624,380	\$812,190	\$40,971,647	
Minus FY 2011-12 Leap Year Adjustment			\$116,248	\$108,131	\$4,435	\$3,682	\$4,435	\$2,218	\$110,349	
Minus FY 2011-12 Base Request			<u>\$52,440,410</u>	<u>\$49,469,619</u>	<u>\$1,623,097</u>	<u>\$1,347,694</u>	<u>\$1,623,097</u>	<u>\$811,549</u>	<u>\$50,281,168</u>	
Total Caseload Reduction			(\$9,428,809)	(\$9,418,293)	(\$3,152)	(\$7,364)	(\$3,152)	(\$1,577)	(\$9,419,870)	

Assumptions for Calculations:

The Estimated Need Based on LCS December 2009 Projection for FY 2011-12 (Table 2) and FY 2012-13 (Table 3) is based on the following assumptions:

1. FY 2011-12 and FY 2012-13 estimated need is based on the December 2009 Legislative Council Staff projection. LCS projections are currently not available for FY 2012-13. The request for FY 2012-13 assumes the same ADP projection as FY 2011-12.
2. FY 2011-12 is calculated based on 366 days and FY 2012-13 is calculated based on 365 days
3. Assumes 479 detention beds (448 are located in State operated facilities) pursuant to Section 19-2-1201, C.R.S.
4. Federal Funds are Title IV E Maintenance and Administrative billings

5. The percentage of TRCCF level placements, RCCF level placements and CPA level placements is calculated a percent of the total commitment beds
6. The estimated need is calculated by multiplying the bed mix (TRCCF, RCCF, CPA) times the estimated rate times the number of days in a fiscal year
7. The estimated rate is the average weighted daily rate of all providers. Rates will expire on June 30, 2011. No increase in the provider rate has been calculated for FY 2011-12 and FY 2012-13. However, it is anticipated that rates will increase beginning July 1, 2011
8. The FY 2010-11 appropriation for the Purchase of Contract Placements line item includes \$371,881 General Fund pursuant to HB 10-1413 Concerning Juveniles Who Are Tried As Adults. The annualization of HB 10-1413 in the amount of \$371,880 based on the fiscal note calculation is included in the estimated need for seven new commitments in FY 2011-12 ($\$145.55 \times 365 \times 7 = \$371,880$)

Cash Funds Projections:

Not Applicable.

Impact on Other Government Agencies:

The Department of Health Care Policy and Financing is the single State agency for Medicaid. Therefore, any change in Medicaid funding impacts this agency.

Department of Health Care Policy and Financing Summary of Request FY 2011-12	Total Funds	General Fund	Cash Fund	Reappropriated Funds	Federal Funds
Total Request	\$5,733	\$2,866	\$0	\$0	\$2,867
(6) Department of Human Services Medicaid-Funded, Programs (H) Division of Youth Corrections- Medicaid Funding	\$5,733	\$2,866	\$0	\$0	\$2,867

Department of Health Care Policy and Financing Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds

STATE OF COLORADO FY 2011-12 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

Total Request	(\$3,152)	(\$1,577)	\$0	\$0	(\$1,575)
(6) Department of Human Services Medicaid-Funded, Programs (H) Division of Youth Corrections- Medicaid Funding	(\$3,152)	(\$1,577)	\$0	\$0	(\$1,575)

Cost Benefit Analysis: This request reduces the state’s need for General Fund in FY 2011-12 by \$9,194,607.

Implementation Schedule:

Task	Month/Year
Placement of Youth in the Community	On-going
Presentation of Legislative Council Staff Average Daily Population Projections	December 2010
Adjustment of current request and appropriation for ADP	February 2011
Passage of FY 2011-12 Long Bill by General Assembly	April/May 2011
Contracts written with reductions	May/June 2011
Fiscal Year begins with Long Bill appropriation	July 1, 2011

Statutory and Federal Authority:

19-2-410 (1), C.R.S. (2010). The executive director of the department of human services shall, subject to available appropriations, enter into agreements or contracts deemed necessary and appropriate with any governmental unit or agency or private facility or provider cooperating or willing to cooperate in a program to carry out the purposes of this article. Such contracts or agreements may provide, among other things, for the type of work to be performed at a camp or other facility, for the rate of payment for such work, and for other matters relating to the care and treatment of juveniles.

19-2-402, C.R.S. (2010), b) Detention facilities operated by or under contract with the department of human services, subject to limitations on physical capacity and programs, shall receive and provide care for any juvenile arrested for or convicted of a violation of any provision of articles 1 to 15 of title 33, C.R.S., or any rule or regulation promulgated

thereunder, or any article of title 42, C.R.S., or any municipal or county ordinance and for any juvenile found in contempt of court in connection with a violation or an alleged violation of any of those articles or any municipal or county ordinance.

19-2-403 (3), C.R.S. (2010) Juvenile Facilities - Once a juvenile is committed to the department of human services, the juvenile shall remain in a facility directly operated by the department of human services or in a secure facility contracted for by the department of human services until his or her commitment expires as provided by law, parole status is granted pursuant to part 10 of this article, or a community placement is approved by order of the juvenile court and by a juvenile community review board, if one exists in the county of proposed placement.

Performance Measures:

Program	Performance Measure #8	Program Outcome	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
			Actual	Actual	Actual	Actual	Approp.	Request
Youth Corrections	Provide a safe and secure correctional environment for youth and staff by reducing the overall rate of critical incidents per ADP to at or below 6.5% in residential programs.	Benchmark	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
		Actual	8.0%	8.6%	8.6%	10.3%		
ADP Definition: The average number of youth present in a facility or program during the reporting period.								

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 <input type="checkbox"/>	Base Reduction Item FY 2011-12 <input checked="" type="checkbox"/>	Supplemental FY 2010-11 <input type="checkbox"/>	Budget Amendment FY 2011-12 <input type="checkbox"/>
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Request Title: Convert Contractual Services to FTE in the Telecommunications Equipment Distribution Program
 Department: Human Services Dept. Approval by: *Will Kisl* Date: 10-14-2010
 Priority Number: BRI-2 OSPB Approval: *Ann Renaud* Date: 10-14-2010

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	1,057,962	1,037,999	0	1,037,999	1,042,562	(23,919)	1,018,643	0	1,018,643	(23,919)
	FTE	4.4	5.8	0.0	5.8	5.8	0.5	6.3	0.0	6.3	0.5
	GF	131,442	127,809	0	127,809	128,585	0	128,585	0	128,585	0
	CF	135,189	0	0	0	0	0	0	0	0	0
	RF	791,331	910,190	0	910,190	913,977	(23,919)	890,058	0	890,058	(23,919)
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	131,442	127,809	0	127,809	128,585	0	128,585	0	128,585	0
(1) Executive Director's Office; (B) Special Purpose, Colorado Commission for the Deaf and Hard of Hearing	Total	1,057,962	1,037,999	0	1,037,999	1,042,562	(23,919)	1,018,643	0	1,018,643	(23,919)
	FTE	4.4	5.8	0.0	5.8	5.8	0.5	6.3	0.0	6.3	0.5
	GF	131,442	127,809	0	127,809	128,585	0	128,585	0	128,585	0
	CF	135,189	0	0	0	0	0	0	0	0	0
	RF	791,331	910,190	0	910,190	913,977	(23,919)	890,058	0	890,058	(23,919)
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	131,442	127,809	0	127,809	128,585	0	128,585	0	128,585	0

Non-Line Item Request: None
 Letternote Revised Text for FY 2010-11: None
 Letternote Text Requested for FY 2011-12: None
 Cash or Federal Fund Name and COFRS Fund Number:
 Reappropriated Funds Source, by Department and Line Item Name: 14-E Colorado Commission for the Deaf and Hard of Hearing Cash Fund from the Department of Regulatory Agencies
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: Department of Regulatory Agencies

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CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Human Services
Priority Number:	BRI-2
Change Request Title:	Convert Contractual Services to FTE in the Telecommunications Equipment Distribution Program

SELECT ONE (click on box):

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-12

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

The Department is requesting a 0.5 FTE increase and a net reduction of \$23,919 Reappropriated Funds in the Telecommunications Equipment Distribution Program (TEDP) due to projected cost savings in service delivery. The funding for the TEDP is included in the Colorado Commission for the Deaf and Hard of Hearing (CCDHH) line item appropriation.

General Description of Request:

The TEDP provides adaptive telecommunications equipment to eligible residents of the State of Colorado based on disability and household income. The TEDP distributes readily available or emerging equipment that enables individuals who are deaf, deaf-blind, hard of hearing, or late deafened to access the telephone network and includes amplified telephones, videophones, TTYs, amplifiers, and signalers. Telecommunication equipment/replacement is provided free of charge to qualified program recipients. The TEDP also provides information, training, customer service, and outreach efforts to ensure that the most current technology is available to consumers.

Program eligibility is based on clinical disability, family size, and annual gross income. The applicant's income must be less than 300% of the federal poverty guidelines as defined by the United States Department of Health and Human Services (HHS).

Qualified applicants submit an Application for Equipment form to the TEDP. Telecommunications equipment is awarded on a first-come, first serve basis. Applicants who meet all of the eligibility requirements are notified of acceptance in the TEDP by mail within sixty calendar days of the date the application was received.

The CCDHH funds the TEDP through a share of the \$0.20 surcharge on residential and business telephone landlines. The surcharge is collected by the Public Utilities Commission (PUC) in the Department of Regulatory Agencies, credited to the Disabled Telephone Users Fund (DTUF), and reappropriated to the CCDHH and other programs. The DTUF revenue was estimated to be \$3.6 million in FY 2010-11. Expenditures for the TEDP total approximately \$137,000 annually.

The TEDP initially contracted with service providers for all aspects of the program including client interface, application, outreach, training, and education. The CCDHH was authorized to hire a 0.5 FTE coordinator position within the existing TEDP appropriation in response to concerns regarding contractual services for the deaf and hard of hearing community in FY 2008-09. In addition to the funding for the 0.5 FTE, \$50,000 of the contract was earmarked to provide outreach and education.

The 0.5 FTE TEDP Coordinator provides a more efficient, integrated level of service for the program and efforts to contract outreach and education services have been time-consuming and ineffective. Additionally, the outcomes to consumers receiving contractual services have fallen short of those attained by the TEDP Coordinator.

The TEDP currently faces several challenges in providing effective and efficient services to the deaf and hard of hearing community including the following:

- Potential contract service providers often do not have the requisite skill set to provide quality services to the deaf and the hard of hearing communities. As a result, it has been difficult for the TEDP to find suitable service providers.
- The aging baby boomer population is increasing the demand for adaptive telecommunications equipment and accessories. Many older residents face age-related hearing loss and are unable to communicate by telephone without the appropriate equipment, accessories, and training.
- Technological advances and the proliferation of wireless devices are expanding the scope of telecommunications equipment that can be used by the deaf and hard of hearing communities.

Increasing the coordinator position to a full-time FTE as opposed to contracting some of the TEDP services would enable the program to proactively plan and coordinate efforts to best serve the needs of the deaf and hard of hearing communities. A full-time position would also be able to promote the TEDP and research cutting-edge telecommunications equipment. Converting contracted services to in-house staff would reduce overall program costs and increase outreach efforts.

Consequences if Not Funded:

The program will continue to try to contract services for certain education and outreach activities if the TEDP does not receive the authority to hire 0.5 FTE. It is highly likely that these services will not be provided since the program has not been able to find appropriate service providers to date. Contracted services would not be as cost effective and efficient as a program operated by the State as it is unlikely that a provider will be able to manage anticipated growth from changing demographics and new technology.

Calculations for Request:

Summary of Request FY 2011-12	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	(\$23,919)	\$0	\$0	(\$23,919)	\$0	0.5
(1) (B) Colorado Commission for the Deaf and Hard of Hearing	(\$23,919)	\$0	\$0	(\$23,919)	\$0	0.5

Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	(\$23,919)	\$0	\$0	(\$23,919)	\$0	0.5
(1) (B) Colorado Commission for the Deaf and Hard of Hearing	(\$23,919)	\$0	\$0	(\$23,919)	\$0	0.5

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2009-10 Expenditures	FY 2009-10 End of Year Cash Balance	FY 2010-11 End of Year Cash Balance Estimate	FY 2011-12 End of Year Cash Balance Estimate	FY 2012-13 End of Year Cash Balance Estimate
Colorado Commission for the Deaf and Hard of Hearing Cash Fund	Fund 14E	\$ 738,993	(\$ 4,227)	\$ 0	\$ 0	\$ 0

Assumptions for Calculations:

Personal services costs are calculated in the following table for a 0.5 FTE General Professional III. A pro-rata amount for supplies and telephone base is included in the request for the additional 0.5 FTE.

FTE and Operating Costs			
Fiscal Year(s) of Request		FY 2011-12	FY 2012-13
PERSONAL SERVICES	Title:	General Professional III	
Number of PERSONS / class title		0.5	0.5
Number of months <u>working in</u> FY 2011-12 and FY 2012-13		12	12
Number months <u>paid in</u> FY 2011-12 and FY 2012-13		12	12
Calculated FTE per classification		0.5	0.5
Annual base salary		\$ 46,740	\$ 46,740
Salary		\$ 23,370	\$ 23,370
PERA *	10.15%	\$ 2,372	\$ 2,372
Medicare	1.45%	\$ 339	\$ 339
Total Personal Services at Division Level		\$ 26,081	\$ 26,081

* If the statewide 2.5% PERA adjustment request is approved, the requested funding for the FTE would decrease by \$584

The FY 2011-12 projected expenditure budget for the TEDP and the impact of this budget reduction request is as follows:

TEDP Budget	FY 2011-12		
	Current	With BRI-2	Difference
EXPENSES			
Personal Services			
Salary	\$ 23,370	\$ 46,740	\$ 23,370
PERA @ 10.15% *	\$ 2,372	\$ 4,744	\$ 2,372
Medicare @ 1.45%	\$ 339	\$ 678	\$ 339
Subtotal Personal Services	\$ 26,081	\$ 52,162	\$ 26,081
Operating Expenses			
Outreach/Travel	\$ 2,500	\$ 2,500	\$ 0
Materials/Supplies	\$ 500	\$ 500	\$ 0
Subtotal Operating Expenses	\$ 3,000	\$ 3,000	\$ 0
TEDP Services			
Telephone Equipment	\$ 57,000	\$ 57,000	\$ 0
Outreach Support (Contract)	\$ 50,000	\$ 0	\$ (50,000)
Database	\$ 600	\$ 600	\$ 0
Subtotal TEDP Services	\$ 107,600	\$ 57,600	\$ (50,000)
GRAND TOTAL	\$ 136,681	\$ 112,762	\$ (23,919)

* If the statewide 2.5% PERA adjustment request is approved, the requested funding for the FTE would decrease by \$584

The current TEDP budget includes the contractual amounts allotted for telephone equipment, outreach support and data base expenditures. The amount currently budgeted for contractual services for outreach support would be reduced by \$50,000 since this function would be handled in-house with the addition of 0.5 FTE.

The table below includes several measures of the TEDP’s workload. The estimate for FY 2010-11 is based on FY 2009-10 actual and fiscal year to date data. The number of inquiries, equipment and accessories distributed are expected to increase approximately 10% as a result of expanding the coordinator’s position in FY 2011-12. The growth factor is a conservative estimate based on historical data pertaining to the in-house 0.5 FTE and limited outreach contractual services in FY 2008-09 through FY 2010-11. Outreach demonstrations are constrained by equipment needs and fiscal constraints.

	Contracted Services			In-house 0.5 FTE and limited outreach contracted services			Projected with 1.0 FTE
	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Inquiries	N/A	N/A	N/A	1,320	1,580	2,640	2,904
Equipment Distributed	95	142	172	166	206	206	227
Accessories Distributed	152	229	363	89	270	288	317
Outreach Demonstrations	18	22	30	N/A	4	11	22
Program Budget	\$ 159,000 ¹	\$ 159,000 ¹	\$ 159,000 ¹	\$ 154,000 ²	\$ 115,000 ³	\$ 136,681	\$ 112,762
Program FTE	1.5	1.5	1.5	0.5	0.5	0.5	1.0

Impact on Other Government Agencies:

The Department of Regulatory Agencies and the Public Utilities Commission fund the TEDP. The amount of funding required from the DTUF would be reduced if this base reduction is approved and would be available for programs.

¹ Includes contract staffing for twelve months, outreach, and equipment/accessories.

² Includes in-house 0.5 FTE for ten months, equipment/accessories and limited outreach contractual services.

³ Includes 0.5 FTE for twelve months, reduced cost for equipment due to inventory carry over from the prior fiscal year and accessories.

Cost Benefit Analysis:

Converting contracted services to a full-time State employee would reduce program costs by \$23,919 Reappropriated Funds and enable the program to provide consistent outreach and education services.

There are several other advantages to a permanent full-time State position in addition to the reduced cost associated with this base reduction request. An internal position allows better integration of the TEDP program within the overall CCDHH program structure. Issues of accountability and efficiency can best be managed within the existing programmatic framework. An in-house approach would allow for increased focus on the deaf and hard of hearing communities as the primary program stakeholders.

Implementation Schedule:

Task	Month/Year
Development of Position Descriptions and Human Resources requirements	April and May 1, 2011
FTE Increase	July 1, 2011

Statutory and Federal Authority:

26-21-106 C.R.S. (2010) et. Seq. (1) The powers, functions, and duties of the commission shall include, but not be limited to, the following: (a) The commission shall serve as a liaison between the deaf and hard of hearing community and the general assembly, governor, and Colorado departments and agencies. (b) The commission shall serve as an informational resource to the state and the deaf and hard of hearing community. (c) The commission shall serve as a referral agency for the deaf and hard of hearing community to the state agencies and institutions providing services to the community, local agencies of government, private agencies, and other entities. (d) The commission shall assess how technology has affected the needs of the deaf and hard of hearing community. The commission shall assess the type and amount of equipment needed by low-income deaf and hard of hearing persons in order to reasonably interact with society. (e) The commission shall assess the needs of the deaf and hard of hearing community and recommend to the general assembly any legislation that may facilitate and streamline the provision of general governmental services to the deaf and hard of hearing community.

The commission shall consider the following: (I) Implementing the commission as a statewide coordinating agency that advocates for deaf and hard of hearing citizens of Colorado; (II) Any methods, programs, or policies that may improve communication accessibility and quality of existing services, promote or deliver necessary new services, and assist state agencies in the delivery of services to the deaf and hard of hearing; (III) Any methods, programs, or policies that may make providing access to governmental services more efficient; (IV) Any methods, programs, or policies that may improve implementation of state policies affecting the deaf and hard of hearing community and their relationship with the general public, industry, health care, and educational institutions. (2) The commission shall consider the findings of any study authorized under this section and may approve, disapprove, or amend such findings. Upon approval of the findings, the commission shall submit a report with recommendations including proposed legislation, if necessary, to the governor and to the general assembly. (3) The commission shall establish a telecommunications equipment distribution program that is consistent with the findings of subsection (1) of this section to obtain and distribute interactive telecommunications equipment needed by deaf and hard of hearing persons. (4) The commission, in collaboration with the judicial department, shall arrange for auxiliary services for the state court system, and establish, monitor, coordinate, and publish a list of available resources regarding communication accessibility for persons who are deaf or hard of hearing. (5) Arranging auxiliary services for the state court system includes, but is not limited to: (a) Coordinating statewide and day-to-day scheduling of auxiliary services for the proceedings as defined by statute; (b) Creating and managing a process by which requests from the state court system for auxiliary services may be filled; (c) Identifying, coordinating, and placing the appropriate auxiliary services with all concerned parties; (d) Coordinating the purchase, shipment, and receipt of assistive listening devices and systems pursuant to applicable state rules; (e) Creating and managing efficient and consistent processes through which auxiliary service providers may submit required documentation and receive payment for services; and (f) Communicating among auxiliary service users and providers and the state court system to resolve any issues that may arise. (6) The commission shall establish and maintain an active system navigator specialist for technical assistance to improve and ensure equivalent access to auxiliary services by critical state and local government

agencies, private agencies, and other entities and to increase awareness of the programs for and rights of deaf and hard of hearing individuals from moneys appropriated by the general assembly from the Colorado disabled telephone users fund established pursuant to section [40-17-104](#), C.R.S. (7) The system navigator specialist for technical assistance shall perform the following duties: Respond to and assist individuals who have encountered barriers in obtaining accommodation and access in their efforts to receive necessary auxiliary services; Assist individuals in understanding and accessing auxiliary services that may be available to them; Ensure that state agencies and private entities are equipped to provide accommodations to deaf and hard of hearing individuals; (a) Increase public awareness of the needs and issues facing deaf and hard of hearing individuals; and Develop and maintain a comprehensive resource directory of auxiliary services and programs that may be of use to deaf and hard of hearing citizens and to agencies that serve them. The Rehabilitation Act of 1973 (29 U.S.C. §793, et. seq.)

Americans with Disabilities Act (42 U.S.C. §12101 et. seq.) as amended by the Workforce Investment Act of 1998).

Performance Measures:

The TEDP does not have performance measures in the strategic plan.

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Eliminate General Fund in County Tax Base Relief Line
 Department: Human Services Dept. Approval by: *Will Hyl* Date: *10-13-10*
 Priority Number: BRI-3 OSPB Approval: *Ann Renaud* Date: *10/13/10*

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	2,700,688	2,700,688	0	2,700,688	2,700,688	(2,700,688)	0	0	0	(2,700,688)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	2,700,688	2,700,688	0	2,700,688	2,700,688	(2,700,688)	0	0	0	(2,700,688)
	CF	0	0	0	0	0	0	0	0	0	0
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	2,700,688	2,700,688	0	2,700,688	2,700,688	(2,700,688)	0	0	0	(2,700,688)
(4) County Administration, County Tax Base Relief (Eliminate line item)	Total	2,700,688	2,700,688	0	2,700,688	2,700,688	(2,700,688)	0	0	0	(2,700,688)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	2,700,688	2,700,688	0	2,700,688	2,700,688	(2,700,688)	0	0	0	(2,700,688)
	CF	0	0	0	0	0	0	0	0	0	0
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	2,700,688	2,700,688	0	2,700,688	2,700,688	(2,700,688)	0	0	0	(2,700,688)

Non-Line Item Request: None
 Letternote Revised Text for FY 2010-11: None
 Letternote Text Requested for FY 2011-12: None
 Cash or Federal Fund Name and COFRS Fund Number: None
 Reappropriated Funds Source, by Department and Line Item Name: None
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: None

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CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Human Services
Priority Number:	BRI-3
Change Request Title:	Eliminate General Fund in County Tax Base Relief Line

SELECT ONE (click on box):

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-12

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 of Human Services is proposing an ongoing reduction to the County Tax Base Relief line in the amount of \$2,700,688 total funds/General Fund starting in FY 2011-12. This reduction would eliminate the funding for the County Tax Base Relief in FY 2011-12 and beyond.

General Description of Request:

The Department of Human Services is requesting to eliminate the County Tax Base Relief appropriation beginning in FY 2011-12. The County Tax Base Relief line item is funded with 100% General Fund. This proposed action would save \$2,700,688 in General Fund beginning in FY 2011-12. The County Tax Base Relief appropriation was created to assist counties with the highest costs and lowest property tax values in meeting their obligations for social services costs.

Historically, taxes collected based on assessed property value have been used to fund administrative costs associated with the social services caseloads. The County Tax Base Relief Fund distribution methodology was developed to assist counties with high social services costs and low property values in meeting their obligations for social services

costs. These obligations include: county responsibility for maintenance of effort expenditures for the Temporary Assistance to Needy Families Block Grant (TANF), the county 20 percent share for food stamp and Medicaid reimbursements, the county share for child welfare services expenditures, and the county share for adult assistance programs.

This appropriation (formerly known as County Administration County Contingency) has been reduced in prior years during periods of statewide fiscal crisis. As part of balancing the FY 2008-09 budget, the General Assembly reduced this line by \$416,667 total funds/General Fund. For the FY 2009-10 budget balancing, the General Assembly reduced the line by \$2,951,966 from the original appropriation resulting in a final appropriation of \$2,700,688.

The elimination of all funding for County Tax Base Relief will have a fiscal and resulting operational impact on counties eligible to receive funding. Programmatically, these counties may need to reduce administrative costs associated with their social service programs. One possible result, these counties may not be able to serve clients applying for and receiving social service benefits in a timely manner. This group of counties would have the option of using available reserves in their respective social services funds to meet their obligations for social services costs, which could require them to reallocate funds from other sections (e.g. public safety) of their budgets to their social services programs.

Consequences if Not Funded:

The proposal to eliminate the County Tax Base Relief line is being submitted as part of the statewide effort to reduce the projected General Fund shortfall in FY 2011-12 and beyond. If this base reduction item is not approved, the General Assembly would need to find another source of the \$2.7 million that this line would provide to the budget balancing process.

Calculations for Request:

Summary of Request FY 2011-12	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
(4) County Administration, County Tax Base Relief	(\$2,700,688)	(\$2,700,688)	\$0	\$0	\$0	0.0
Total Request	(\$2,700,688)	(\$2,700,688)	\$0	\$0	\$0	0.0

Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
(4) County Administration, County Tax Base Relief	(\$2,700,688)	(\$2,700,688)	\$0	\$0	\$0	0.0
Total Request	(\$2,700,688)	(\$2,700,688)	\$0	\$0	\$0	0.0

Assumptions for Calculations:

The Department of Human Services is requesting to eliminate the funding for this line beginning in FY 2011-12. All eligible counties would no longer receive assistance from this funding source.

Table 1 below identifies the counties that received assistance in FY 2009-10 and the amount distributed to each county.

Table 1	
County	Amount Distributed
Alamosa	\$428,005
Bent	\$93,247
Conejos	\$171,042
Crowley	\$78,742
Fremont	\$81,130
Huerfano	\$1,822
Kiowa	\$269
Lincoln	\$61,759
Logan	\$112,013
Morgan	\$5,917
Otero	\$302,750
Prowers	\$141,434
Pueblo	\$1,120,335
Rio Grande	\$34,635
Saguache	\$67,589
Total	\$2,700,688

Impact on Other Government Agencies:

This request would impact those counties deemed eligible to receive funding from the County Tax Base Relief Fund as calculated by the statutory formula.

Cost Benefit Analysis:

N/A – This is a budget reduction item.

Implementation Schedule:

Task	Month/Year
Eliminate the County Tax Base Relief appropriation	July 1, 2011

Statutory and Federal Authority:

26-1-126, C.R.S. (2010) – County contingency fund – county tax base relief fund. There is hereby created the county tax base relief fund, which shall be expended to supplement county expenditures for public assistance, as provided in this section.

(2) Subject to available appropriations, the state department of human services or the state department of health care policy and financing shall make an advancement, in addition to that provided in section 26-1-122 (county administration), out of the county tax base relief fund to any county that is eligible for a non-zero amount calculated by using the formula described in subsections (3) and (4) of this section.

Performance Measures:

N/A