Department of Human Services
Line Item Descriptions

Executive Director's Office

FY 2012-13 Budget Request

NOVEMBER 1, 2011

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(1) EXECUTIVE DIRECTOR'S OFFICE

(A) GENERAL ADMINISTRATION

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

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

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

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

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

Functions of the Budget Division include:

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

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

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

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

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

- Financial Data: The Budget Office staff develops processes, protocols and internal controls to ensure that financial information provided is accurate, concise, timely and defensible. The Office serves as the single entry point into DHS for financial information flowing between DHS programs and Joint Budget Committee and OSPB staff and reviews outgoing information such that JBC/OSPB is provided with consistent, accurate information. The DHS budget office acts as a liaison to provide financial information to other state agencies including the Department of Personnel and Administration and the Department of Health Care Policy and Financing.
  Budget analysts are responsible for coordinating the booking of long bill, special bills, and supplemental appropriations with the accounting division. Staff also works with program and accounting staff to complete transfers, ensure that revenues are properly booked, and restrict dollars as appropriate. Each analyst also attends periodic fiscal team meetings consisting of program and accounting staff assigned to each program.

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

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

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

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

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

PERSONAL SERVICES

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

HB 08-1375, the FY 2008-09 Long Bill, appropriated $2,076,123 and 22.4 FTE for this line. The FY 2008-09 salary survey, and 80% of performance-based pay added $85,346 and $24,785 respectively to increase continuation to $2,186,254 and 22.4 FTE. An adjustment for indirect cost Medicaid reduced the appropriation by ($160,000) as well as a 1.82% personal service reduction ($39,733) adjusted the appropriation to $1,986,521.

SB 09-259, the FY 2009-10 Long Bill, appropriated $1,986,521 and 22.4 FTE for this line. The FY 2009-10 1.82% personal services reduction of ($39,733) was added back in for a final appropriation of $2,026,254.

HB 10-1376 the FY 2010-11 Long Bill, appropriated $1,973,328 and 22.4 FTE for this line. This included a one time ($52,926) reduction for State contribution to Public Employee Retirement Association (PERA) which amended the appropriation to $1,973,328. Supplemental bill SB 11-041 applied a 1% across the board personal services reduction of ($8,384) amending the appropriation to $1,964,944.

SB 11-209, the FY 2011-12 Long Bill appropriated $1,914,648 and 21.4 FTE for this line. This included 2011-12 restoration of PERA from prior year of $52,835 as well as a 1% across the board personal services reduction of $8,384, subsequent reduction for FY 2011-12 for a net of ($111,515) including a 1.5% base reduction of ($30,391), 1.0 FTE and ($72,491) and an additional 1% reduction of (8,633). Senate Bill 11-076 will reduce the appropriation one-time for State contribution to Public Employee Retirement Association (PERA) for ($45,714).

For FY 2012-13 continuation base of $1,914,648 and 21.4 FTE is being requested. Senate Bill 11-076 will annualize for the one-time State contribution to Public Employee Retirement Association (PERA) for $45,714.

HEALTH, LIFE, AND DENTAL

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

HB 08-1375 the FY08-09 Long Bill**,** appropriated $22,609,877 for this line item. SB08-1287, the FY07-08 Long Bill, appropriated $18,740,921 for this line item. Enrollment adjustment increased this appropriation by $2,775,648 increasing the appropriation to $25,385,525.

SB 09-259 the FY09-10 Long Bill appropriated $25,385,525 for this line item. Reduction for the closure of beds at Fort Logan and closure of beds at Grand Junction Regional Center in the amount of ($1,463,636), OIT consolidation ($1,139,112) as well as application of DPA common policy ($98,769) and additional JBC staff adjustment for the bed closures adjusted suplemental request to $24,871,585.

HB 10-1376 the FY 2010-11 Long Bill, appropriated $22,776,859 for this line. This included OIT consolidation, additional JBC staff funding, and American Recovery and Reinvestment Act (ARRA) refinancing.

SB 11-209, the FY 2011-12 Long Bill, appropriated $25,028,664 for this line. This included $2,378,537 for common policy and ($126,732) reduction for the TRCCF closure at Ft. Logan.

For FY 2012-13 the request includes a common policy reduction of ($351,378) and a ($66,376) reduction for S.B. 11-217 DYC Detention Cap for a request level of $24,610,910 .

SHORT-TERM DISABILITY

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

SB08-1287, the FY07-08 Long Bill, appropriated $285,124 for this line item. HB 08-1375 the FY08-09 Long Bill**,** appropriated $331,564 for this line item. JBC adjustments for enrollment added $27,736 for a total of $359,300.

SB 09-259 the FY09-10 Long Bill appropriated $359,300 for this line item. Reduction for the closure of beds at Fort Logan as well as closure of beds at Grand Junction Regional Center in the amount of ($12,409), OIT consolidation ($20,796), as well as application of DPA common policy $11,444 adjusted continuation request for FY 2010-11 to $337,497.

HB 10-1376 the FY 2010-11 Long Bill, appropriated $337,497 for this line.
SB 11-209, the FY 2011-12 Long Bill, appropriated $375,718 for this line. This included $35,245 for common policy, ($1,711) reduction for the TRCCF closure at Ft. Logan as well as $4,687 JBC staff adjustment.

For FY 2012-13 a common policy adjustment of $931 increases the request to $376,588.

S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT
The Amortization Equalization Disbursement increases the employer contribution to the PERA Trust Fund to amortize the unfunded liability in the Trust Fund beginning in January 2006. The Budget Request for this line is computed per the Office of State Planning and Budgeting's budget instructions. The rate is provided by the Department of Personnel and Administration and is calculated using the sum of base salaries, Salary Survey, Performance-based Pay and Shift Differential. During the 2005 legislative session, the General Assembly created a single Amortization Equalization Disbursement line item in all departments to fund these expenses. The FY 05-06 Amortization Equalization Disbursement used a rate of 0.5% of payroll beginning January 1, 2006. This remained at this level until January 1, 2007 when it increased to 1%. The rate is projected to increase to 3% over seven years. FY 06-07 was the first full year this program was in effect.

SB 08-1287, the FY07-08 Long Bill, appropriated $2,651,400 for this line item. HB 08-1375 the FY08-09 Long Bill**,** appropriated $4,012,420 for this line item. Incremental increase adjustments added $784,107 bringing appropriation to $4,796,527.

SB 09-259 the FY09-10 Long Bill appropriated $4,796,527 for this line item. Reduction for the closure of beds at Fort Logan as well as closure of beds at Grand Junction Regional Center in the amount of ($169,944), OIT consolidation ($322,008), as well as application of DPA common policy $941,944 adjustment and JBC staff adjustments decreased request to $5,176,818.

HB 10-1376 the FY 2010-11 Long Bill appropriated $5,176,818 for this line. A common policy increase of $719,670, ($21,726) TRCCF reduction, and a $74,141 JBC staff adjustment amended the FY 2011-12 appropriation (SB 11-206) to $5,948,903.

For FY 2012-13 a common policy adjustment of $870,514 increases the request to $6,808,378.

S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT
The Supplemental Amortization Equalization Disbursement increases the employee's contribution to the PERA Trust Fund to amortize the unfunded liability beginning January 2008. It is similar to the Amortization Equalization Disbursement discussed above. The Budget Request for this line is computed per the Office of State Planning and Budgeting's budget instructions. The rate is provided by the Department of Personnel and Administration and is calculated using the sum of base salaries, Salary Survey,

Performance-based Pay and Shift Differential. During the 2006 legislative session, the General Assembly passed SB 06-235, which included creation of the Supplemental Amortization Equalization Disbursement as a sub-line of the Salary Survey and Senior Executive Services line item in all departments to fund these expenses. The Supplemental Amortization Equalization Disbursement rate will be first implemented in FY 07-08 and will use a rate of 0.5% of payroll beginning January 1, 2008. This rate will increase by 0.5% per year, in each calendar year until 2013.

SB 08-1287, the FY07-08 Long Bill, appropriated $486,293 for this line item. HB 08-1375 the FY08-09 Long Bill**,** appropriated $1,827,413 for this line item. Incremental increase adjustments added $1,129,308 bringing appropriation to $2,956,721.

SB 09-259 the FY09-10 Long Bill appropriated $2,956,721 for this line item. Reduction for the closure of beds at Fort Logan as well as closure of beds at Grand Junction Regional Center in the amount of ($112,357), OIT consolidation ($234,792), as well as application of DPA common policy and JBC staff adjustments amended the appropriation to $3,749,316.

HB 10-1376 the FY 2010-11 Long Bill, appropriated $3,749,316 for this line. A common policy increase of $988,933, ($13,547) TRCCF reduction, and a $59,578 JBC staff adjustment amended the FY 2011-12 appropriation (SB 11-206) to $4,784,280.

For FY 2012-13 a common policy adjustment of $1,075,540 increases the request to $5,850,950.

SALARY SURVEY AND SENIOR EXECUTIVE SERVICE

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

HB 08-1375 the FY08-09 Long Bill**,** appropriated $9,460,039 for this line item.

No funding was requested for FY 2009-10, FY 2010-11 or for FY 2011-12.

PERFORMANCE-BASED PAY AWARDS

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

HB 08-1375 the FY08-09 Long Bill**,** appropriated $3,951,587 for this line item. The Request is based on Common Policy instructions from the Office of State Planning and Budgeting.

No funding was requested for FY 2009-10, FY 2010-11 or for FY 2011-12.

SHIFT DIFFERENTIAL

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

SB 09-259 the FY09-10 Long Bill appropriated $3,536,438 for this line item. Reduction for the closure of beds at Fort Logan, closure of beds at Grand Junction Regional Center in the amount of ($387,092), annualization for Regional Center DI-1 (FY 2009-10) of $30,520 application of DPA common policy $651,324 and JBC Staff adjustments amended HB 10-1376 the FY 2010-11 Long Bill, $3,761,311 for this line. For FY 2011-12 SB 11-209 $3,209,741 included JBC common policy decreased the appropriation by ($523,085) funding 60% of FY 09-10 actual expenditures instead of 80% as well as ($28,485) for TRCCF closure.

For FY 2012-13 a common policy adjustment of $865,228 increases the request to $4,069,055.

WORKERS' COMPENSATION

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

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

SB 09-259 the FY09-10 Long Bill appropriated $10,335,023 for this line item. Common policy adjustments including JBC staff adjustments amended the appropriation to $9,659,080.

HB 10-1376 the FY 2010-11 Long Bill, appropriated $9,659,080. For FY 2011-12 SB 11-209 JBC common policy increase of $327,898 adjusted the appropriation by $9,986,978.

For FY 2012-13 a common policy adjustment of $3,734,398 increases the request to $13,721,376.

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

HB 08-1375, the FY 2008-09 Long Bill, appropriated $494,827 for this line. Non-Prioritized-2 added $1,658 for postage increases. The line increased to a total of $496,485 Reversal for one-time postage increase reduced continuation back to $494,827.

HB 10-1376 the FY 2010-11 Long Bill, appropriated $377,010 for this line. This included the 5% operating reduction as well as postage adjustments.

FY 2011-12 SB 11-209 the appropriation remained $377,010.

For FY 2012-13, restoration of the 5% operating reduction of $118,270 amends the request to $495,280.

LEGAL SERVICES FOR 18,439 HOURS
The legal services appropriation is used to purchase legal services from the Department of Law.

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

SB 09-259 the FY09-10 Long Bill appropriated $1,389,932 for this line item. HB 10-1376 the FY 2010-11 Long Bill, appropriated $1,352,869 which includes JBC staff common policy.

FY 2011-12 SB 11-209 includes a JBC staff common policy adjustment of $43,148 amending the appropriation to $1,396,017.

For FY 2012-13 continuation level of $1,396,017 is being requested.

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

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

SB 09-259 the FY09-10 Long Bill appropriated $1,007,557 for this line item. HB 10-1376 the FY 2010-11 Long Bill, appropriated $792,374 for this line which included DPA and JBC staff common policy.

FY 2011-12 SB 11-209 (Long BiLL0 for $728,087 includes JBC staff adjustments.

For FY 2012-13 a common policy adjustment of $110,962 results in a total request of $893,702.

PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

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

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

SB 09-259 the FY09-10 Long Bill appropriated $1,819,192 for this line item. Budget reductions in the amount of ($1,252,789) adjusted to $566,403. HB 10-1376 the FY 2010-11 Long Bill, appropriated $517,365 for this line. This included OSPB and JBC staff common policy. FY 2011-12 SB 11-209 $1,159,905 appropriation includes JBC staff common policy.

For FY 2012-13 a common policy adjustment of $218,548 results in a total request of $1,378,454.

STAFF TRAINING

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

HB 08-1375 the FY08-09 Long Bill appropriated $31,870 for this line item.
SB 09-259 the FY09-10 Long Bill appropriated $31,870 for this line item.
HB 10-1376 the FY 2010-11 Long Bill appropriated $31,870 for this line.
SB 11-209 the FY 2011-12 Long Bill appropriated $31,870 for this line.
The same is requested for FY 2012-13.

INJURY PREVENTION PROGRAM

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

HB 08-1375 the FY08-09 Long Bill appropriated $105,970 for this line item.
SB 09-259 the FY09-10 Long Bill appropriated $105,970 for this line item.
HB 10-1376 the FY 2010-11 Long Bill appropriated $105,970 for this line.
SB 11-209 the FY 2011-12 Long Bill appropriated $105,970 for this line.
The same is requested for FY 2012-13.

CBMS EMERGENCY PROCESSING UNIT

This line was created as a result of a temporary court order to support benefit applicants. SB 09-259, the FY09-10 Long Bill, moved this line to Executive Director's Office, Special Purpose.

(B) SPECIAL PURPOSE

Most of the line items that are included in the Special Purpose section of the Long Bill are included in the Office of Employment and Regulatory Affairs (OERA). This includes the Office of Performance Improvement, Administrative Review, and the Boards and Commissions that have their budgets in this section. At the end of this section are two line item descriptions that are not in OERA, Health Insurance Portability and Accountability Act of 1996-Security Remediation, which is in the Office of Operations, and the CBMS Emergency Processing Unit, which is included in the Office of Information Technology.

OFFICE OF EMPLOYMENT AND REGULATORY AFFAIRS

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

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

The Office is responsible for four separate functions of the Department of Human Services, including (1) Audits, (2) Food Stamp Quality Assurance, and (3) Human Resources. The Office was created to address each function in a separate manner in order to achieve higher accountability to interested parties (such as county social services departments, program management, and legislators). Finally, the functions of the separate entities are coordinated so that their functions are not duplicative.

- **Audits**. This program independently verifies, through internal and external audits, that state and federal financial assistance has been distributed correctly. The Audit Division is responsible for federally mandated sub-recipient monitoring of federal and State funds to insure that the awards are used for authorized purposes in compliance with laws, rules and regulations, and grant provisions.
- **Food Stamp Quality Assurance**. This program performs the federally mandated food stamp quality control function. Included in the quality control function are monthly reviews to ensure eligibility and the correct allotment of food stamps. Reviews are used to: (1) calculate the State's food stamp error rate; (2) assist in corrective action and payment accuracy strategies; and (3) establish the State's eligibility for enhanced federal funding or liability for payment error rates that exceed the national tolerance level.
- **Human Resources**. This program performs all activities related to the Department's personnel/employees. These activities include, but are not limited to: recruitment, examinations, orientation, benefits administration, evaluations, workers' compensation case management, performance management, and personnel records maintenance.

FY 2008-09 Long Bill (HB 08-1375) for $4,997,731 included Salary Survey of $138,030, Performance-based Pay of $46,550, DI#5-Human Resource Staff for $217,611 in personal services and 5.0 FTE and $22,025 for operating expenses and JBC staff adjustments totaling (39,547). A hiring freeze supplemental reduction ($199,740) is reflected in SB 09-189 (Supplemental) leaving the appropriation at $4,797,991 and 74.1 FTE.

FY 2009-10 Long Bill (SB 09-259) of $5,147,097 and 74.1 FTE included reversal of the $199,740 hiring freeze savings, $185,493 Salary Survey, $66,807 Performance-based Pay, ($13,362) Performance-based Non-base building adjustment, ($87,356) one-time 1.82% Personal Services Reduction, ($6,242) annualization of DI#5-Human Resource Staff, and $4,026 Postage Increase and Mail Equipment Upgrade. The base request for FY 2010-11 includes an $87,356 adjustment of one-time personal services cut and annualization of NP-2 Postage Increase and Mail Equipment Upgrade ($4,026) to result in $5,230,427 and 74.1 FTE.

FY 2010-11 Long Bill (HB 10-1376) of $5,128,389 and 74.1 FTE included ($96,403) Statewide PERA Adjustment and the ($99) JBC adjustment to the PERA adjustment, $1,110 Mail Equipment Upgrade and the ($2,879) JBC adjustment to the Mail Equipment Upgrade, ($7,572) 5% Operating Reductions, and $3,805 JBC adjustment for common policies.

The FY 2011-12 Long Bill (SB 11-209) of $4,985,678 and 66.1 FTE include the annualization of FY 2010-11 BA-NP-1 Statewide PERA Adjustment totaling $96,502, a 1.5% personal service reduction of ($73,647) and a ($140,587) and (3.0 FTE) JBC human resources reduction, an additional 1% budget cut ($24,979). Senate Bill 11-076 will reduce the appropriation one-time for State contribution to Public Employee Retirement Association (PERA) for ($100,416).

The FY 2012-13 the request includes restoration of the 5% operating reduction for FY09-10 of $7,572 increasing the requested mount to $4,993,250 and 66.1 FTE. Senate Bill 11-076 will annualize for the one-time State contribution to Public Employee Retirement Association (PERA) for $100,416.

ADMINISTRATIVE REVIEW UNIT

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

These reviews ensure that:

- The child or youth is safe and receiving services identified in their case plan;
- The placement of the child or youth is necessary, the setting is appropriate, and progress is being made to either return the child or youth home safely or achieve permanency through another means; and
- The county has appropriately determined the child or youth's eligibility for federal Title IV-E funds

This unit is also responsible for conducting federally required quality assurance reviews concerning all children and families receiving child welfare services. These reviews currently involve a random sample of individual cases, client satisfaction surveys, and evaluations of systemic indicators. The unit is thus responsible for ensuring compliance with state and federal laws, assuring that out-of-home placement care criteria are met, reviewing the level of care for the child or youth, and assisting in moving the child or youth to a safe, permanent environment. In addition, this unit was designed to facilitate maximization of federal Title IV-E revenue and to assist counties in identifying other available revenue, such as federal Social Security, federal Social Security Disability Income, federal Supplemental Security Income, private insurance, and victim advocacy funds.

FY 2008-09 Long Bill (HB 08-1375) for $1,951,619 and 22.2 FTE included $52,778 Salary Survey, Performance-based Pay of $17,205 and a Base reduction of ($17,858). Supplemental (SB 09-1589) included S-1 adding $54,282 and 0.8 FTE for a final appropriation of $2,005,901 and 23.0 FTE.

FY 2009-10 Long Bill (SB 09-259) of $2,211,586 and 25.2 FTE included Salary Survey of $149,451, Performance-based Pay of $24,854, Performance-based Non-base building of ($4,970), DI-16 for additional staff of $149,451 and 2.2 FTE, and a one time 1.82% reduction of ($33,767).

HB 10-1376 (FY 2010-11) for $2,196,359 included reversal of the 1.82% reduction of $33,767, a 5% operating reduction of ($5,333), and a PERA reduction of ($43,661).

The FY 2011-12 Long Bill (SB 11-209) appropriation of $2,126,805 and 24.2 FTE included a 1.5% personal service reduction of ($30,642), a JBC staff cut of ($69,295) and (1.0 FTE), and additional personal service 1% cut (SBA-1) of ($13,278) the annualization of FY 2010-11 BA-NP-1 Statewide PERA Adjustment totaling $43,661. Senate Bill 11-076 will reduce the appropriation one-time for State contribution to Public Employee Retirement Association (PERA) for ($43,266).

The FY 2012-13 Request totaling $2,132,138 and 24.2 FTE includes the restoration of the 5% operating reduction for FY09-10 of $5,333. Senate Bill 11-076 will annualize for the one-time State contribution to Public Employee Retirement Association (PERA) for $43,266.

RECORDS AND REPORTS OF CHILD ABUSE OR NEGLECT

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

Functions related to records and reports of abuse and neglect are currently performed as follows:

- County departments of social services enter confirmed reports of child abuse or neglect in the state Department's automated system (Colorado Trails) within 60 days of receiving the complaint. County departments of social services provide notice to a person responsible in a confirmed report of child abuse or neglect of the person's right to appeal the county department's finding to the state Department within 90 days.
- Such a person may request: (1) a paper review of the county's confirmed report and record by the Department of Personnel and Administration, Division of Administrative Hearings; or (2) a fair hearing (either by telephone or in person) by the Division of Administrative Hearings before an administrative law judge, at which the state Department bears the burden of proof. The notice includes information as to how the individual can access the county department's dispute resolution process.
- The state Department's Office of Appeals issues final agency decisions upon review of an administrative law judge's final decision. The final agency decision continues to advise the individual who filed the appeal of his/her right to seek judicial review in the state district court.

This organization includes two units that have specific functions:

- The Records and Reports Background Investigation Unit performs approximately 28,000 background screens annually using the department's automated data system "Trails." The Trails system captures reports of child abuse and neglect that have been investigated by County departments of human/social services. Individuals seeking employment that involves children, foster care placements, adoption, and volunteer activities are required to be screened against this data. This unit provides information to other states, for example, when former Colorado residents seek to be foster care placement families in the state they currently reside. This unit also ensures proper handling of revenue received for fees that are charged for background screens.
- The Child Abuse/Neglect Dispute Review Section handles approximately 900 appeals annually from individuals who have been confirmed, at the county level, for child abuse or neglect. HB 03-1211 mandated an adequate due process system to protect the children and the citizens of the state and for the prompt expunging of reports that are unsubstantiated or found to be false in accordance with the requirements of the federal Child Abuse Prevention and Treatment Act (CAPTA). Unit staff are responsible for complying with the statutory mandate to create a consistent approach to the confirmation and appeal process statewide; increasing the legal capacity to analyze the different phases of appeals; consulting with the Attorney General's Office and county attorneys on legal strategy; responding and incorporating legal precedent in guidelines and procedures; researching, reviewing and analyzing the appeals and the county record that supports the action; determining the resolution strategy in cases; scheduling and meeting with the appellant and/or counsel; determining settlement offers; completing and drafting complex documents; and responding to calls from citizens, case-workers, lawyers, and other interested persons concerning the Trails appeals process.

The FY 2008-09 Long Bill (HB 08-1375) included $566,874 and 7.5 FTE. This included Salary Survey of $7,963 and Performance-based Pay of $3,504 as well as a 1% based reduction of ($701).

The FY 2009-10 Long Bill (SB 09-259) was for $585,746 and 7.5 FTE. This included $14,450 for Salary Survey, $5,334 for Performance-based Pay, and ($1,067) for Performance-based Non-base building adjustment.

The FY 2010-11 Long Bill (HB 10-1376) for $577,496 and 7.5 FTE included a one time PERA adjustment of ($8,166) and a ($84) postage adjustment. FY 2011-12 for $585,662 and 7.5 FTE include reversal of the PERA adjustment of $8,166.

The FY 2011-12 Long Bill (SB 11-209) for $577,448 and 7.5 FTE includes the annualization of FY 2010-11 BA-NP-1 Statewide PERA Adjustment totaling $8,166 and a 1.5% personal services reduction of ($8,214). Senate Bill 11-076 will reduce the appropriation one-time for State contribution to Public Employee Retirement Association (PERA) for ($9,837).

The FY 2012-13 request is for $577,448 and 7.5 FTE. Senate Bill 11-076 will annualize for the one-time State contribution to Public Employee Retirement Association (PERA) for $9,837.

JUVENILE PAROLE BOARD

Pursuant to Section 19-2-206 (6), C.R.S., the department is responsible for providing support for the Juvenile Parole Board (JPB). The Executive Director of the department appoints the JPB administrator. The JPB is a type 1 transfer agency with independent authority to conduct parole hearings for youths committed by the judicial branch to the custody of the Department of Human Services' Youth Corrections system. The work unit consists of a statutorily mandated administrator and professional and support staff who provide high level technical and professional support to the nine-member appointed Board in the tracking, review and conduct of juvenile parole hearings, and coordination with case managers and administrators in the Division of Youth Corrections. The JPB is responsible for ensuring the victims of crimes against persons, as defined by the Colorado Victim Rights Amendment, are provided their statutory and constitutional rights.

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

The FY 2008-09 Long Bill (HB 08-1375) for $199,979 and 2.2 FTE included Salary Survey of $8,061 and Performance-based Pay of $3,366. HB 08-1156, requiring changes in Juvenile Parole, added $55,997 and 0.8 FTE.

The FY 2009-10 Long Bill (SB 09-259) for $252,582 and 3.0 FTE included annualization of HB 08-1156 ($10,229), Salary Survey of $5,263, Performance-based Pay of $1,965, and Performance-based Non-base building of ($393).

The FY 2010-11 Long Bill (HB 10-1376) for $248,050 and 3.0 FTE included a one-time PERA reduction of ($4,532).

The FY 2011-12 Long Bill (SB 11-209) totaling $247,281 and 3.0 FTE include a 1.5% reduction of ($3,455), and additional 1% budget reduction of ($1,846) and an annualization of FY 2010-11 BA-NP-1 Statewide PERA Adjustment totaling $4,532. Senate Bill 11-076 will reduce the appropriation one-time for State contribution to Public Employee Retirement Association (PERA) for ($3,996).

The FY 2012-13 Request totals $247,281 and 3.0 FTE. Senate Bill 11-076 will annualize for the one-time State contribution to Public Employee Retirement Association (PERA) for $3,996.

DEVELOPMENTAL DISABILITIES COUNCIL

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

The FY 2008-09 Long Bill (HB 08-1375) for $861,654 and 6.0 FTE included Salary Survey of $12,334 and Performance-based Pay of $4,140.

The FY 2009-10 Long Bill (SB 09-259) for $883,984 and 6.0 FTE included Salary Survey of $15,133, Performance-based Pay of $5,509, Performance-based Non-base building of ($1,102), and Postage increase and Mail Equipment upgrade of ($1,513).

The FY 2010-11 Long Bill (HB 10-1376) for $875,525 and 6.0 FTE included a one-time PERA reduction of ($6,946) and reversal of the prior year postage increase of $1,513.

The FY 2011-12 Long Bill (SB 11-209) of $875,792 and 6.0 FTE restores the FY 2010-11 BA-NP-1 Statewide PERA Adjustment with $6,946. Senate Bill 11-076 will reduce the appropriation one-time for State contribution to Public Employee Retirement Association (PERA) for ($6,679).

The FY 2012-13 request is for $875,792 and 6 FTE. Senate Bill 11-076 will annualize for the one-time State contribution to Public Employee Retirement Association (PERA) for $6,679.

COLORADO COMMISSION FOR THE DEAF AND HARD OF HEARING

Created in FY 2000-01, the Colorado Commission for the Deaf and Hard of Hearing is codified at Section 26-21-101, etc. seq., C.R.S. The Commission is responsible for: (1) facilitating the provision of general government services to persons who are deaf and hard of hearing; (2) distribution of telecommunications equipment for persons who are deaf and hard of hearing (pursuant to HB 02- 1180); and, since FY 2006-07, (3) overseeing provision of legal interpreters for the hearing impaired (pursuant to SB 06-061). Funding is from the General Fund (for a portion of the legal interpreters program), and the balance reflects appropriations from the Colorado disabled Telephone Users Fund (DTUF) to the Colorado Commission for the Deaf and Hard of Hearing Cash Fund for the Commission's use. The Commission may also receive and expend gifts, grants, and donations.

During the 2006 legislative session, statutory changes were made to transfer authority for overseeing provisions of legal interpreters for the hearing impaired from the Division of Vocation Rehabilitation to the Commission. The responsibility for the line was moved to the Executive Director's Office - Special Purpose in SB 07-239, the Long Bill.

Prior to FY 2006-07, the Commission was supported by ongoing and one-time transfers from the DTUF to the Commission's Cash Fund that were fixed in statute; however, pursuant to SB 06-218, amounts from the DTUF to the Commission Cash Fund are based on annual appropriation.

SB 09-144- Accessibility Deaf and Hard of Hearing

This bill substantially increases the Commission's funding and staffing through increased appropriations from the Colorado Disabled Telephone Users Fund. The following are the new expenditures as of FY 2009-10. The bill expands the mission of the Colorado Commission for the Deaf and Hard of Hearing (the commission) by:

- Creating the position of system navigator specialist to promote public awareness and provide technical assistance;
- Clarifying the commission's role in arranging services and accommodation for the deaf and hard of hearing in the state court system; and
- Establishing a grant program to address the needs of the deaf and hard of hearing community.

The commission is to establish rules for the grant program and form a subcommittee to review and approve grant applications. The bill also specifies that the state court system does not include municipal courts, and revises the qualifications for commission members and the procedures for filling vacancies.

The FY 2008-09 Long Bill (HB 08-1375) of $785,920 and 2.8 FTE include Salary Survey of $4,363, and Community provider COLA for legal interpreters of $5,669.

The FY 2009-10 Long Bill (SB 09-259) for $793,850 and 2.8 FTE included Salary Survey of $6,147, Performance-based Pay of $2,190, Performance-based Non-base building of ($438) and a $31 postage increase.

The FY 2010-11 Long Bill (HB 10-1376) for $1,037,999 and 5.8 includes SB 09-144 for $252,651 (including annualization) and 1.6 FTE, a 5% operating reduction of ($1,272) included a one-time PERA reduction of ($4,549) and a provider decrease of ($2,650) as well al reversal of the postage increase.

The FY 2011-12 Long Bill (SB11-209) totaling $1,004,783 and 6.3 FTE a reversal of the PERA reduction from FY 2010-11 of $4,549, an across the board personal services JBC reduction of ($13,276) and also includes a reduction of ($24,517) and an increase of 0.5 FTE for BRI-2, “Convert Contractual Services to FTE in the Telecommunications Distribution Program.” Senate Bill 11-076 will reduce the appropriation one-time for State contribution to Public Employee Retirement Association (PERA) for ($6,317).

For FY 2012-13 a reversal of the $1,272 operating reduction for FY 2010-11 and R-5 Legal Auxiliary Services request for $96,798 and .2 FTE increases the request to $1,102,853 and 6.5 FTE. Senate Bill 11-076 will annualize for the one-time State contribution to Public Employee Retirement Association (PERA) for $6,317.

COLORADO COMMISSION FOR INDIVIDUALS WHO ARE BLIND OR VISUALLY IMPAIRED

HB 07-1274 created the Colorado Commission for Individuals who are Blind or Visually Impaired in the Department of Human Services. The commission is to consist of no more that 15 members, appointed by the Governor. Members of the commission must represent different areas of the state. Initial appointments to the committee are to be made by September 1, 2007, and the commission must meet at least quarterly. The Department of Human Services must appoint an administrator to provide staff services to the commission, and the members of the commission may interview candidates for the position. Members of the commission are to receive a per diem reimbursement of up to $50, and reimbursement for any travel expenses incurred to attend commission meetings.

The powers and duties of the commission include making recommendations regarding the following services for persons who are blind or visually impaired:

- Vocational rehabilitation services and pre-vocational and vocational training;
- Business enterprise programs;
- The provision of independent living services; and,

- The development and administration of any other program that will further the provision of services to individuals who are blind or visually impaired.

The appropriation for the Commission is from the Disabled Telephone Users Fund and is transferred from the Department of Regulatory Agencies, Public Utilities Commission up to a maximum of $112,067, per statutory restrictions.

HB 08-1375, the FY 2008-09 Long Bill, appropriated $112,067 and 1.0 FTE for this line. The FY 2009-10 Long Bill (SB 09-259) and the FY 2010-11 Long Bill (HB 10-1376) are for the same amount.

For FY 2011-12, the Long Bill (SB 11-209) funded $112,067 which includes a reduction of $1,065 for NP-7 "Statewide PERA Adjustment." Senate Bill 11-076 will reduce the appropriation one-time for State contribution to Public Employee Retirement Association (PERA) for ($1,065).

For FY 2012-13, this request is for continuation level funding of $112,067. Senate Bill 11-076 will annualize for the one-time State contribution to Public Employee Retirement Association (PERA) for $1,065.

CHILD PROTECTION OMBUDSMAN (NEW LINE ITEM)

The Child Protection Ombudsman was established by SB 10-171 to review complaints received about a public agency regarding the safety, permanency, and well being of a child. The ombudsman investigates complaints and resolves cases when appropriate, evaluates and makes recommendations for a statewide grievance policy, and makes recommendations to improve the child welfare system, promotes best practices, and reports to the Governor and General Assembly. The Ombudsman Program is established through a contract (with a public agency or other appropriate private nonprofit organization). A voluntary advisory work group was formed to provide a detailed plan for the program and to advise the Department about the length of the contract and the criteria for the request for proposals to operate the program.

For FY 2010-11, SB 10-171 appropriated $175,000 General Fund for the Ombudsman Program. The FY 2011-12 November 1 request includes $370,000 General Fund for the program.

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 - SECURITY REMEDIATION

The Department is considered a covered entity under HIPAA, as it is responsible for the administration of numerous programs that handle health information. Specifically, the security rule covers: (1) the Mental Health Institutes at Pueblo and Fort Logan; (2) Mental Health Services: (3) the Alcohol and Drug Abuse Division; (4) department-wide security; (5) the Department's accounting program;

(6) the Office of Information Technology Services; (7) the Regional Centers at Wheat Ridge, Pueblo, and Grand Junction; (8) the Division of Developmental Disabilities; and (9) the Nursing Homes at Rifle and Fitzsimons.

Responsibilities of this section include the development of a department-wide, system-based risk assessment and the integration of this assessment into the Department's operations. The staff also conducts periodic evaluations for all systems where technical, environmental, or operational changes have occurred. The section is responsible for the continuation of consolidation efforts associated with protected health information covered by the security rules, for an annual test that details the Department's security management processes, and for on-going privacy and security training.

The FY 2008-09 Long Bill (HB 08-1375) for $522,013 and 2.0 FTE included Salary Survey of $6,037 and Performance-based Pay of $1,955.

The FY 2009-10 Long Bill (SB 09-259) for $531,472 and 2.0 FTE included Salary Survey of $7,419, Performance-based Pay of $2,551, and Performance-based Non-base building of ($511).

The FY 2010-11 Long Bill (HB 10-1376) for $419,569 and 1.0 FTE included a one-time PERA reduction of ($2,093) and transfer of 1.0 FTE and ($109,812) for the Governor’s ITS consolidation.

The FY 2011-12 Long Bill (SB 11-209) $374,505 and 1.0 FTE includes an JBC reduction in operating for ($47,279), JBC personal service reduction of ($2,336) and the annualization of FY 2010-11 BA-NP-1 Statewide PERA Adjustment totaling $4,551. Senate Bill 11-076 will reduce the appropriation one-time for State contribution to Public Employee Retirement Association (PERA) for ($2,092).

The FY 2012-13 budget request totals $374,505 and 1.0 FTE Senate Bill 11-076 will annualize for the one-time State contribution to Public Employee Retirement Association (PERA) for $2,092.

CBMS EMERGENCY PROCESSING UNIT

The initial deployment of the Colorado Benefits Management System was contested in court. The court allowed the deployment to go forward, but issued a temporary order that required the State to meet several conditions. One of those created an emergency processing unit (EPU) to support benefit applicants. Continued operation of the EPU was included in a subsequent agreement between plaintiffs and the State during negotiations toward a settlement of the lawsuit, and is part of the final order that was issued when the case was settled. The unit was initially staffed with contract workers, but those positions were converted to state employees when it became clear that the function would be ongoing.

This line item has historically been shown in the Administration sub-division of the Executive Director's Office. In FY 2009-10, the Long Bill, SB 09-259, moved the line item to the Special Purpose group.

The FY 2008-09 Long Bill (HB 08-1375) appropriation was for $213,822 and 4.0 FTE.

The FY 2009-10 Long Bill (SB 09-259) appropriation was for $219,687 and 4.0 FTE and included Salary Survey of $4,567, and Performance-based Pay of $1,298.

The FY 2010-11 Long Bill (HB 10-1376) for $217,767 and 4.0 FTE included a one-time PERA reduction of ($1,920).

The FY 2011-12 Long Bill (SB 11-209) totaling $216,233 and a JBC staff 1.5% personal service reduction of ($3,454) and 4.0 FTE includes the annualization of FY 2010-11 BA-NP-1 Statewide PERA Adjustment totaling $1,920. Senate Bill 11-076 will reduce the appropriation one-time for State contribution to Public Employee Retirement Association (PERA) for ($1,065).

The FY 2012-13 request is for continuation of $216,233. Senate Bill 11-076 will annualize for the one-time State contribution to Public Employee Retirement Association (PERA) for $1,065.

Department of Human Services
Line Item Descriptions

Office of Information Technology

FY 2012-13 Budget Request

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(2) OFFICE OF INFORMATION TECHNOLOGY

The Department of Human Services' Office of Information Technology Services (OITS) formerly was responsible for developing and maintaining the major centralized computer systems of the Department, including systems that link to all counties in the state. With the creation of the Governor's Office of Information and Technology (GOIT), the Office has transitioned into conduit of funding and means of oversight for GOIT programs benefiting the department.

PERSONAL SERVICES

This line item funded salaries and the state's share of PERA payments and Medicare taxes for a little less than half of the FTE in the Division, as well as a variety of contractual services prior to the establishment of the Governor's Office of Information Technology (GOIT). FTE associated with this line were information technology professionals who support various systems as well as all hardware technical support (for approximately 2,100 desktop and laptop computers as well as over 200+ servers) throughout the department, as well as management, financial and administrative support staff for the division. With the establishment of GOIT, all of these FTE have been moved out of the Department.

FY 2008-09

The FY 2008-09 Long Bill (HB 08-1375) appropriation is $5,961,739 and 78.6 FTE. This reflects the continuation level of funding of $5,617,053 and 76.2 FTE plus $194,490 salary survey, $64,007 pay for performance increase, and a ($58,755) personal services base reduction. $144,944 and 2.4 FTE were added for FY 2008-09 DI# 11 – ITS Infrastructure Support to increase the department-wide technical operations support to a level commensurate with growth in the customer base and to address new external business requirements.

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

FY 2009-10

The FY 2009-10 Long Bill (SB 09-259) appropriation is based on the continuation level of funding of $5,961,739 and 78.6 FTE, less (6.0) FTE for Special Bill SB 08-115 and a reduction of ($520,470) for the Non-Prioritized Supplemental/Budget Amendment for the Governor's Office, Office of Information Technology's Decision Item entitled - Management and Administration of OIT. Other adjustments include: $191,586 and 2.6 FTE for the annualization of FY 2008-09 DI #11, ITS Infrastructure Support, $234,922 salary survey, $84,382 pay for performance, and a reduction of ($16,877) for the 20% performance non-based pay adjustment. The JBC Staff Adjustment removed ($107,869) in funding. The total FY 2009-10 Long Bill appropriation is $5,758,681 and 75.2 FTE.

Final 2009-10 appropriation decreased by ($515,398) through the Supplemental Bill (HB 10-1302): ($450,000) and (7.0) FTE from FY 2009-10 August Budget Reduction, "OIT Personal Services Reduction"; and ($65,398) from FY 2009-10 S-NP-1 "Statewide Furlough Impact". The final FY 2009-10 appropriation is $5,243,283 and 68.2 FTE.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) transferred this appropriation from the Department of Human Services, Office of Information Technology Services to the Governor's Office of Information Technology (GOIT) for the Statewide Information Technology Staff Consolidation to take place during FY 2010-11 at 90% of the funding. The request was based on the continuation level of funding of $5,243,283 and 68.2 FTE, plus a $107,869 adjustment to restore the one-time FY 2009-10 Personal Services cut. The remaining total FY 2010-11 amount for Personal Services was $5,416,550 and 68.2 FTE. Change Request NP-3, Statewide Information Technology Staff Consolidation, transferred the remaining amount and associated FTE to the Governor's Office of Information Technology, removing this line from the Department of Human Services.

OPERATING EXPENSES

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

FY 2008-09

The FY 2008-09 Long Bill (HB 08-1375) appropriated $407,176 including $331,546 *net* General Fund, for operating expenses including the continuation funding of $386,576, an increase of $19,650 for FY 2008-09 DI#11 ITS Infrastructure Support, and a JBC adjustment of $950.

FY 2009-10

The FY 2009-10 Long Bill (SB 09-259) provided funding for this appropriation at the continuation level of $407,176 with a ($14,900) reduction for annualization of FY 2008-09 Decision Item #11: Infrastructure Support. The total appropriation is $392,276.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) provided funding for this appropriation at the continuation level of $392,276 less total reductions of $15,668: a reduction of $1,827 from FY 2010-11 SBA-1 "Child Care Automated Tracking System (CHATS) - Infrastructure" and a reduction of $13,841 from FY 2010-11 SBA-8 5% Operating Reduction. The total appropriation is $376,608.

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) appropriated $335,558 includes a JBC staff reduction of ($41,050).

FY 2012-13

The FY 2012-13 continuation request of $349,399 includes restoration of the FY 2010-11 5% operating reduction of $13,841.

MICROCOMPUTER LEASE PAYMENTS

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

FY 2008-09

The FY 08-09 Long Bill (HB 08-1375) appropriation was for the continuation level of funding of $539,344, including $333,613 Net General Fund for the microcomputer lease payments.

FY 2009-10

The FY 2009-10 Long Bill (SB 09-259) appropriated the continuation level of funding of $539,344.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) appropriated the continuation level funding of $539,344. There was a Medicaid ARRA Adjustment that reduced the Net General Fund by ($6,375) but had no impact on Total Funds.

FY 2011-12
The FY 2011-12 Long Bill (SB 11-209) contains continuation level funding of $539,344.

FY 2012-13
The FY 2012-13 is a continuation level request of $539,344.

COUNTY FINANCIAL MANAGEMENT SYSTEM

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

FY 2008-09
The FY 08-09 Long Bill (HB 08-1375) appropriation was for the continuation level of funding of $1,515,836 to the County Financial Management System.

FY 2009-10
The FY 2009-10 Long Bill (SB 09-259) appropriated funding at the continuation level of $1,515,836.

FY 2010-11
The FY 2010-11 Long Bill (HB 10-1376) appropriated funding of $1,494,325, which was for a continuation level of $1,515,836 less ($21,511) for SBA-1 CHATS – Infrastructure.

FY 2011-12
The FY 2011-12 Long Bill (SB 11-209) County Financial Management System funding is at continuation level of $1,494,325.

FY 2012-13
The FY 2012-13 is a continuation level request of $1,494,325.

CLIENT INDEX PROJECT

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

FY 2008-09
The FY 2008-09 Long Bill (HB 08-1375) appropriation was for the continuation level of funding of $156,116 and 3.0 FTE.

FY 2009-10
The FY 2009-10 Long Bill (SB 09-259) appropriated the continuation level of funding of $156,116 and 3.0 FTE plus $4,781 salary survey, $2,036 pay for performance and a reduction of ($407) for the performance based pay adjustment. The total FY 2009-10 appropriation is $162,526 and 3.0 FTE.

FY 2010-11
The FY 09-10 Long Bill (HB 10-1076) provided $17,698 and 0.0 FTE for the Client Index Project. This amount was based on the continuation level of $162,526 and 3.0 FTE and Change Request NP-3, Statewide Information Technology Staff Consolidation, transfers ($144,828) and (3.0) to the Governor’s Office of Information Technology (GOIT).

FY 2011-12
The FY 11-12 Long Bill (SB 11-209) funding is at the continuation level of $17,698.

FY 2012-13
The FY 2012-13 is a continuation level request of $17,698.

COLORADO TRAILS

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

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

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

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

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

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

FY 2008-09

The FY 08-09 Long Bill (HB 08-1375) appropriation of $9,376,829 reflected the continuation level of funding of $9,276,217 plus $98,908 salary survey, $32,788 pay for performance increase, and a ($31,084) personal services base reduction. Supplemental SB 09-189 reduced funding by ($175,000) for S-21 Mental Health Services Pilot Program. The FY 2008-09 Supplemental amended the appropriation to $9,201,829.

FY 2009-10

The FY 2009-10 Long Bill (SB 09-259) appropriated $9,252,736 for Trails which included the continuation level of funding of $9,201,829 plus $175,000 for Special Bill HB 1391, $141,607 salary survey, $50,696 pay for performance, a reduction of ($10,139) for performance based pay adjustment, and a FY 2009-10 Personal Services Reduction of ($56,257). The appropriation also includes a reduction in funding as the result of FY 2009-10 Decision Item #49, Trails Elimination of Contract Labor in the amount of ($250,000). FY 2009-10 appropriations were further impacted by Supplemental HB 10-1303 which included the Colorado Children's Code conformance with federal law (SB 09-245) $86,000, FY 2009-10 August Budget Reduction for ($400,000) and (3.0) FTE and S-NP-1 Statewide Furlough Impact ($44,592). The Supplemental Appropriation for 2009-10 was $8,808,144 and 45.0 FTE.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) appropriated $4,952,399 and 0.0 FTE's for Colorado Trails. The funding reflected the continuation level of funding of $8,808,144 with the following adjustments:

- S-NP-1 Statewide Furlough Impact Annualization for $44,592.
- Adjustment One-Time FY 2009-10 Personal Services Cut $56,257.
- Change Request NP-3, Statewide Information Technology Staff Consolidation, transfers ($3,503,292) and (45.0) FTE to the Governor's Office of Information Technology.
- The Child Care Automated Tracking System (CHATS) Refinance (SBA #1) reduced funding by ($435,309).
- 5% Operating Expense Reduction (SBA #8) ($17,993).

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) appropriated $4,952,399 which represents a continuation level of funding.

FY 2012-13

The FY 2012-13 continuation request of $4,970,392 includes restoration of the FY 2010-11 5% Operating Reduction of $17,993.

NATIONAL AGING PROGRAM INFORMATION SYSTEM

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

FY 2008-09
The FY 08-09 Long Bill (HB 08-1375) appropriation was for the continuation level of $93,114.

FY 2009-10
The FY 09-10 Long Bill, (SB 09-259) appropriated the continuation funding level of $93,114.

FY 2010-11
The FY 2010-11 Long Bill (HB 10-1376) appropriated the continuation funding level of $93,114. Decision Item #10 refinanced cash funds to the general fund, which increased the Net General Fund $7,752, but had no impact on Total Funds.

FY 2011-12
The FY 2011-12 Long Bill (SB 11-209) appropriated a continuation level funding of $93,114.

FY 2012-13
The FY 2012-13 is a continuation level funding request of $93,114.

CHILD CARE AUTOMATED TRACKING (CHATS)

This new line will provide funds for the support of the new information technology system eligibility and payment for the Child Care Assistance Program, which provides child care subsidies for low-income families, Temporary Assistance for Needy Families (TANF) families, and families transitioning from the Colorado Works program.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) allocated $1,690,969 to fund CHATS. This included Decision Item #4, Child Care Automated Tracking System Point of Service Point of Sale Maintenance for $1,239,000, SBA-1 CHATS – Infrastructure $801,822, SBA-2: CHATS – POS Sale Maintenance and Technical Adjustment to Local Share ($516,250) and SBA-4 Replacement for S4-BA2 of $166,397. HB 10-1035 Special Bill Appropriation Stability in Early Childhood Care increased Total Funds for FY 2010-11 $249,700 to $1,940,669.

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) for $2,299,593 includes BA-6 for CHATS on-going Maintenance and Support of $92,374 and the annualization of SBA-2: CHATS – POS Sale Maintenance and Technical Adjustment to Local Share $516,250.

FY 2012-13

The FY 2012-13 is a continuation level funding request of $2,299,593.

HEALTH INFORMATION MANAGEMENT SYSTEM

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

FY 2008-09

The FY 2008-09 Long Bill (HB 08-1375) appropriation is for the continuation level of funding of $339,168.

FY 2009-10

The FY 09-10 Long Bill (SB 09-259) appropriated the continuation level of $339,168.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) Request for the Health Information Management System is for a continuation level funding of $339,168.

FY 2011-12
The FY 2011-12 Long Bill (SB 11-209) is appropriated a continuation level funding of $339,168.

FY 2012-13
The FY 2012-13 is a continuation level funding request of $339,168.

COLORADO BENEFITS MANAGEMENT SYSTEM (CBMS)

This Program has been moved to Office of Information Technology, Colorado Benefits Management System (New Line), please see page 2-13 for a description.

FY 2008-09
The FY 08-09 Long Bill (HB 08-1375) appropriation is for $22,857,178 and 47.1 FTE. Supplemental SB 09-189 increased this funding to $25,086,098 and 47.1 FTE with the following three lines:

- S-NP-5 CBMS New Vendor Transition (Sept1331) $2,500,000.
- SB 08-006 Special Bill FY 08-09 Appropriation Annualization ($271,080)
- S-12 CBMS Federal Reallocation for FY 08-09, this refinance had no impact on the Total Funds but reduced the Net General Fund by ($798,887).

FY 2009-10
The FY 09-10 Long Bill, (SB 09-259) appropriated $23,416,655 and 47.1 FTE for CBMS. This amount included the continuation funding level of $25,086,098 and 47.1 FTE and the following adjustments:

Special Bills related to the Department of Health Care Policy and Financing:

SB 08-006 Special Bill FY 08-09 Appropriation	$271,080
SB 08-160 Special Bill FY 08-09 Appropriation	$91,806
SB 08-161 Special Bill FY 08-09 Appropriation	$16,000
HB 08-1046 Special Bill FY 08-09 Appropriation	$76,081

Annualization of Special Bills related to the Department of Health Care Policy and Financing:

Line Item Descriptions FY 2012-13 BUDGET REQUEST

SB 08-160 Special Bill FY 08-09 Appropriation Annualization	($41,633)
SB 08-161 Special Bill FY 08-09 Appropriation Annualization	($16,000)
HB 08-1046 Special Bill FY 08-09 Appropriation Annualization	($76,081)
Personal Services Adjustments:	
Prior Year Salary Survey	$196,224
Prior Year Performance-based Pay	$50,615
Prior Year Performance-based Pay Adjustment 20% non-base	($10,123)
FY 2009-10 Personal Services Reduction	($68,307)
Common Policy Decision Items:	
FY 2009-10 DI# NP-2 Postage Increase and Mail Equipment Upgrade	$340,895
Supplemental Bill Annualization:	
FY 2008-09 S-NP-5 New Vendor Transition (Sept 1331) Annualization	($2,500,000)

The appropriation funding sources for CBMS and the CBMS SAS-70 Audit was adjusted through the JBC approval of FY 2009-10 Stand Alone Budget Amendment #1. Funding splits for the Colorado Benefits Management System are determined by formulas agreed to by the State and the federal agencies that provide funding. Different formulas apply during the development phase for such a system and the operating phase. Operational formulas are determined by random moment sampling (RMS) statistical techniques. These statistics make up a part of the public assistance cost allocation plan (PACAP) prepared by the State. The federal government must, formally accept the PACAP for each fiscal year, after the year has ended. Once the PACAP is formally accepted, any overpayments made by federal agencies in the fiscal year in question must be repaid in the current fiscal year. The most recent RMS statistics were used to estimate the proper allocation of expenses between state and federal sources that will be reasonably close to the final values which will not be known until the next complete year's RMS statistics are available. This action reduced the size of the necessary supplemental request when the FY 2009-10 appropriation is "trued-up".

FY2009-10 HB 10-1302 Supplemental Bill increased the funding to $23,645,366 and 47.1 FTE with the following one time items:

- FY 2009-10 S-NP-1 Statewide Furlough Impact ($36,769)
- FY 2009-10 S-NP-3 CBMS Client Correspondence per HCP&F S-13 $488,702.
- FY 2009-10 S-NP-5 Mail Equipment Upgrade Supplemental ($223,222)

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) allocated $0 and 0.0 FTE for the Colorado Benefits Management System because funding was moved to OIT-CBMS during Figure-Setting. Funding up to that point was based on the continuation level of funding of $23,416,655 and 47.1 FTE, plus Special Bill H.B. 09-1293, Medicaid Hospital Provider Fee $415,097 and the below items:

Adjustments comprising the FY 2010-11 Base Request included:

Annualization of FY 2009-10 DI# NP-2 Postage	($340,895)
Adjustment From One-Time FY 2009-10 Personal Services Cut	$68,307
Annualization of HB 09-1293 Special Bill Medicaid Hospital Provider Fee	$425,610

The FY 2010-11 Long Bill Request (Nov 1) included:

FY 2010-11 DI-1 CBMS Client Correspondence Costs	$1,231,524
FY 2010-11 BRI-1 Enforcing Sponsorship Commitment for Applicants of Adult Financial Programs	$45,250
FY 2010-11 DI #NP-3 Statewide Information Technology Staff Consolidation	($3,530,844)

The above DI #NP-3 Statewide IT Staff Consolidation also removed (47.1) FTE.

The FY 2010-11 Long Bill Request as Amended included:

FY 2010-11 BA-NP-4 HCP&F S-7 Federally Mandated CHP+ Program Changes	$150,150
FY 2010-11 BA-NP-5 Mail Equipment Upgrade Budget Amendment	$77,716
BA-NP-1 Statewide PERA Adjustment	($76,499)
FY 2010-11 SBA-1: "Child Care Automated Tracking System (CHATS) - Infrastructure"	($299,297)
FY10-11 SBA-8 5% Operating Reduction	($58,227)

The FY 2010-11 Figure-Setting included:

FY 2010-11 DI-1 CBMS Client Correspondence Costs JBC Adjustment	($742,822)
JBC Adjustment to BRI-1 Adult Financial Programs	$511
FY 2010-11 DI #NP-3 Statewide Information Technology Staff Consolidation JBC Adjustment	$76,499
JBC Adjustment to Postage/Mail Upgrade	($26,735)
Annualization of HB 09-1293 Special Bill Medicaid Hospital Provider Fee - JBC Adjustment	$682,917
JBC Removal of FY 2010-11 BRI-1 Enforcing Sponsorship Commitment for Applicants of Adult Financial Programs (Bill PI)	($45,764)
JBC Adjustment for HCP&F PS OIT Consolidation	($1,246,741)
JBC Adjustment for HCP&F POTS OIT Consolidation	($126,850)
JBC Adjustment for HCP&F PERA OIT Consolidation	($28,786)
HB 09-1293 Change from Section 13 to Section 12 due to federal approval of the waiver establishing the hospital provider fee	($90,815)
Subtotal	$19,975,961
JBC Move CBMS to OIT-CBMS	($19,975,961)
Final Funding	$0

OFFICE OF INFORMATION TECHNOLOGY, COLORADO BENEFITS MANAGEMENT SYSTEM (New Line)

This new line will provide funding for the personal services costs associated with the operation of the Colorado Benefits Management System that is transferred to the Governor's Office of Information Technology.

CBMS is involved in the distribution of over $2 billion in benefits to over 500,000 individual clients annually. Each month, the system is used to process approximately 30,000 new client applications and 40,000 client reauthorizations. In addition to these client-side functions, CBMS communicates with over 100 external systems. These system-to-system interactions occur on a wide range of time scales: real-time online access, nightly batch jobs, and weekly, bi-weekly, monthly, and quarterly report generation and distribution. The external systems with which CBMS communicates include other State of Colorado systems, systems operated by other states, and federal systems.

Colorado currently uses the Colorado Benefit's Management System (CBMS) to provide benefits to approximately 1 out of 9 Coloradoans. As Colorado past the nine-year mark since the start of the development of the system, the CBMS is used to effectively distribute more than $2.7 billion annually in benefits.

The system supports interactive interviews with clients, assesses the eligibility of applicants, calculates benefits for clients, and provides on-going case management and history tracking. The CBMS determines eligibility for many types of public assistance including TANF, Food Stamps, Medicaid, and children's health insurance.

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

Colorado enlisted the help of EDS, a technology services business, to develop, implement, operate and maintain their system. The system was launched in September 2004 and took approximately four years to complete from development to implementation. There are almost 1,200 different screens in the system, including tabs, contained in 25 tracks within CBMS.

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

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

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

Some of the programs supported by the CBMS include:

Aid To The Blind (AB)

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

Aid To The Needy Disabled (AND)

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

Adult Protective Services (APS)

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

Child Health Plan Plus (CHP+)

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

Colorado Works (CO Works)

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

Food Stamps

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

Medicaid

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

Old Age Pension (OAP)

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

Work Programs (WP)

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

The system is continually being enhanced to support new legislation and programs.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) appropriated $24,872,508 for CBMS. This funding started with Decision Item #NP-3, Statewide Information Technology Staff Consolidation for $3,703,173 and the JBC added the following items:

JBC Adjustment to GOIT PS Consolidation	($200,588)
JBC Adjustment for DHS PERA Adjustment	($72,163)
JBC Adjustment for DHS POTS Adjustment	$218,297
JBC Adjustment for HCP&F PS to OIT	$1,159,570
JBC Adjustment for HCP&F POTS to OIT	$114,165
JBC Adjustment for HCP&F POTS PERA Reduction	($25,907)
JBC Action to Move CBMS Spending Authority from DHS to OIT	$19,975,961

The FY 2010-11 the total appropriation rose to $25,408,269 with the passage of two special bills; HB 10-1384 Special Bill FY 2010-11 Appropriation Eligibility for Old Age Pension $45,761 and HB 10-1146 Special Bill FY 2010-11 Appropriation Long Term Care Assistance $490,000.

FY 2011-12
JBC Staff elected to breakout this line into four components. See the breakout's below.

Colorado Benefits Management System, DHS Personal Services

The FY 2011-12 Long Bill (SB 11-209) includes a JBC staff breakout adjustment of $4,592,223.

FY 2012-13
The FY 2012-13 is a continuation level funding request of $4,592,223.

Colorado Benefits Management System, HCPF Personal Services

The FY 2011-12 Long Bill (SB 11-209) includes a JBC staff breakout adjustment of $448,289.

FY 2012-13

The FY 2012-13 is a continuation level funding request of $448,286

Colorado Benefits Management System, Centrally Appropriated Items

The FY 2011-12 Long Bill (SB 11-209) includes a JBC staff breakout adjustment of $517,134.

FY 2012-13
The FY 2012-13 is a continuation level funding request of $517,134

Colorado Benefits Management System, Operating Expenses

The FY 2011-12 Long Bill (SB 11-209) includes a JBC staff breakout adjustment of $18,858,729 as well as a refinancing adjustment for HB 09-1293 (net of $1) for a total of $18,858,730.

FY 2012-13

The request for FY 2012-13 of $20,249,929 includes annualization of FY 2011-12 NP-3: HCPF - CHP+ Program Reductions (BRI-4) for ($40,352), annualization of FY 2011-12 NP-5: HCPF - CBMS Compliance with Low Income Subsidy and Disability Determination Services Federal Requirements (DI-5) for ($214,920), HB09-1293 Annualization "Concerning a Hospital Provider Fee and Authorizing HCPF to Charge and Collect a Hospital Provider Fee of ($224,756), SB 10-061 Annualization "Concerning Medicaid Payments for Inpatient Care for Hospice Residents" of $402,480, SB 11-008 Annualization "Concerning Aligning Medicaid Eligibility for Children" of $69,440, SB 11-250 Annualization "Concerning Changing the Eligibility for Certain Pregnant Women from the Children's Basic Health Plan to Medicaid", of $69,440, Annualization for FY 2010-11 SBA-8: "5% Operating Reduction" of $58,227, NP-2 for Electronic Data Management (companion to R-13 for HCPF) for $1,257,600 and NP-3 for Hospital Provider Fee Administrative True-up (companion to R-12 for HCPF) for $14,040.

CBMS SAS-70 AUDIT

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

FY 2008-09
The FY 2008-09 Long Bill (HB 08-1375) appropriation was for the continuation level of $149,000.

FY 2009-10
SB 09-259, the FY 2009-10 Long Bill, appropriated the continuation level of $149,000.

FY 2010-11

HB 10-1376, the FY 2010-11 Long Bill, appropriated the continuation level of $149,000. Also in FY 2010-11 there was a JBC Action Refinanced the FY 2008-09 RMS Calculator that increased General Funds and the Cash Fund but decreased Reappropriated Funds and Federal Funds.

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) appropriated a continuation funding level of $149,000.

FY 2012-13

The FY 2012-13 is for continuation level funding request of $149,000.

TANF-SPECIFIC CBMS CHANGES

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) appropriated $700,000 for TANF-Specific CBMS Changes. This included FY 2010-11 DI #6 TANF-Specific CBMS Changes that moved $1,300,000 in federal Temporary Assistance for Needy Families (TANF) funds out of the Colorado Works Long-term Reserve. A JBC Action reduced this funding by ($600,000). SB 10-068 Special Bill FY 2010-11 Streamlining Eligibility for Colorado Works added $966,000 in funding for FY 2010-11 bringing the total up to $1,666,000. This funding was for one time activity and is not appropriated in FY 2011-12.

PURCHASE OF SERVICES FROM COMPUTER CENTER (GGCC)

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

FY 2008-09

The FY 2008-09 Long Bill (HB 08-1375) appropriation was for the continuation level of $4,687,376 plus the common policy reduction of ($223,408) for a total spending authority of $4,463,968.

FY 2009-10

The FY 2009-10 Long Bill (SB 09-259) provided funding at the continuation level of $4,463,968. HB 10-1302 Supplemental Bill amended this funding with the NP Common Policy Reduction for ($148,224) . The resulting final funding level was $4,315,744.

FY 2010-11

HB 10-1376, the FY 2010-11 Long Bill appropriated $12,992,473 for the Purchase of Services from the Computer Center. The continuation level of $4,315,744 is with the following adjustments:

- FY 2010-11 OIT Common Policy adjustment of ($1,431,729).
- Change Request NP-3, Statewide Information Technology Staff Consolidation, increases the request by $10,260,772 to reflect the transfer of Department ITS FTE to the Governor's Office of Information Technology.
- SBA –3 provided a Base Technical Adjustment for $148,224.
- In accordance with the Committee's action on Common Policies and Change Request #1 in the Governor's Office (NP DI#3), JBC Figure Setting removed ($300,538).
- Medicaid ARRA Adjustment reduced the Net General Fund by ($19,754) but had no impact on Total Funds.

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) appropriation is for $14,244,028, including an adjustment of $1,172,017 for OIT Common Policy, NP-9 "CHATS Ongoing Maintenance and Support" $217,356, JBC staff adjustment of ($137,818).

FY 2012-13

The FY 2012-13 request for $17,857,126 includes OIT Common Policy of $3,613,098.

MUTIUSE NETWORK PAYMENTS

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

FY 2008-09

The FY 2008-09 Long Bill (HB 08-1375) appropriation was for $2,282,929.

FY 2009-10

The FY 2009-10 Long Bill (SB 09-259) appropriation is for the continuation level of $2,282,929.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) appropriation of $3,042,394 for Multiuse Network Payments is based on a continuation level of $2,282,929 plus an OIT Common Policy adjustment that will reduce the appropriation by ($91,989). Change Request NP-3, Statewide Information Technology Staff Consolidation, increases the request by $866,768 to reflect OIT's statewide cost allocation of IT personal services. The JBC Adjustment on OIT Common Policies reduced funding ($15,314). There was also the Medicaid ARRA Adjustment that reduced the Net General Fund ($16,972) but had no impact on Total Funds.

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) appropriation is for $3,093,056 which includes OIT Common Policy increases it $34,811 as well as JBC staff adjustments of $15,851 for indirect costs.

FY 2012-13

The FY 2012-13 request for $2,335,491 includes OIT Common Policy reduction of ($757,565).

MANAGEMENT AND ADMINISTRATION OF OIT

This new common policy appropriation was established to support the Department of Human Services' share of the costs statewide services managed by the Governor's Office, Office of Information Technology. All adjustments to this line are based on OIT Common Policies as approved by the JBC.

FY 2009-10 (New)

The FY 09-10 Long Bill (SB 09-259) appropriation was for $932,938.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) funded Management and Administration of OIT at $1,637,966.

FY 2011-12
The FY 2011-12 Long Bill (SB 11-209) appropriation for $1,660,209 includes OIT Common Policy increase of $34,327 as well as a JBC staff adjustment of ($12,084).

FY 2012-13
The FY 2012-13 request for $425,448 includes OIT Common Policy reduction of ($1,234,761).

COMMUNICATION SERVICES PAYMENTS

This common policy appropriation supports the Department of Human Services' share of the costs for the state's public safety communications infrastructure. The Governor's Office of Information Technology is responsible for operations and maintenance of this program. All adjustments to this line are based on OIT Common Policies.

FY 2008-09
The FY 08-09 Long Bill (HB 08-1375) appropriation was for the continuation level of $156,510 plus the common policy increase of $6,965 for a total spending authority of $163,475.

FY 2009-10
The FY 2009-10 Long Bill (SB 09-259) appropriation represented a continuation level funding of $163,475.

FY 2010-11
The FY 2010-11 Long Bill (HB 10-1376) appropriation was $187,760. The funding was for a continuation level of $163,475 plus an OIT Common Policy adjustment of $26,530, and the JBC Adjustment on OIT Common Policies ($2,245).

FY 2011-12
The FY 2011-12 Long Bill (SB 11-209) is for $201,019. This reflects funding for a OIT Common Policy of $3,659, and a JBC staff adjustment of $9,600 which includes statewide indirect costs.

For 2012-13
The FY 2012-13 request for $204,129 includes a OIT Common Policy increase of $3,110.

Department of Human Services
Line Item Descriptions

Office of Information Technology

FY 2012-13 Budget Request

NOVEMBER 1, 2011

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(2) OFFICE OF INFORMATION TECHNOLOGY

The Department of Human Services' Office of Information Technology Services (OITS) formerly was responsible for developing and maintaining the major centralized computer systems of the Department, including systems that link to all counties in the state. With the creation of the Governor's Office of Information and Technology (GOIT), the Office has transitioned into conduit of funding and means of oversight for GOIT programs benefiting the department.

PERSONAL SERVICES

This line item funded salaries and the state's share of PERA payments and Medicare taxes for a little less than half of the FTE in the Division, as well as a variety of contractual services prior to the establishment of the Governor's Office of Information Technology (GOIT). FTE associated with this line were information technology professionals who support various systems as well as all hardware technical support (for approximately 2,100 desktop and laptop computers as well as over 200+ servers) throughout the department, as well as management, financial and administrative support staff for the division. With the establishment of GOIT, all of these FTE have been moved out of the Department.

FY 2008-09

The FY 2008-09 Long Bill (HB 08-1375) appropriation is $5,961,739 and 78.6 FTE. This reflects the continuation level of funding of $5,617,053 and 76.2 FTE plus $194,490 salary survey, $64,007 pay for performance increase, and a ($58,755) personal services base reduction. $144,944 and 2.4 FTE were added for FY 2008-09 DI# 11 – ITS Infrastructure Support to increase the department-wide technical operations support to a level commensurate with growth in the customer base and to address new external business requirements.

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

FY 2009-10

The FY 2009-10 Long Bill (SB 09-259) appropriation is based on the continuation level of funding of $5,961,739 and 78.6 FTE, less (6.0) FTE for Special Bill SB 08-115 and a reduction of ($520,470) for the Non-Prioritized Supplemental/Budget Amendment for the Governor's Office, Office of Information Technology's Decision Item entitled - Management and Administration of OIT. Other adjustments include: $191,586 and 2.6 FTE for the annualization of FY 2008-09 DI #11, ITS Infrastructure Support, $234,922 salary survey, $84,382 pay for performance, and a reduction of ($16,877) for the 20% performance non-based pay adjustment. The JBC Staff Adjustment removed ($107,869) in funding. The total FY 2009-10 Long Bill appropriation is $5,758,681 and 75.2 FTE.

Final 2009-10 appropriation decreased by ($515,398) through the Supplemental Bill (HB 10-1302): ($450,000) and (7.0) FTE from FY 2009-10 August Budget Reduction, "OIT Personal Services Reduction"; and ($65,398) from FY 2009-10 S-NP-1 "Statewide Furlough Impact". The final FY 2009-10 appropriation is $5,243,283 and 68.2 FTE.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) transferred this appropriation from the Department of Human Services, Office of Information Technology Services to the Governor's Office of Information Technology (GOIT) for the Statewide Information Technology Staff Consolidation to take place during FY 2010-11 at 90% of the funding. The request was based on the continuation level of funding of $5,243,283 and 68.2 FTE, plus a $107,869 adjustment to restore the one-time FY 2009-10 Personal Services cut. The remaining total FY 2010-11 amount for Personal Services was $5,416,550 and 68.2 FTE. Change Request NP-3, Statewide Information Technology Staff Consolidation, transferred the remaining amount and associated FTE to the Governor's Office of Information Technology, removing this line from the Department of Human Services.

OPERATING EXPENSES

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

FY 2008-09

The FY 2008-09 Long Bill (HB 08-1375) appropriated $407,176 including $331,546 *net* General Fund, for operating expenses including the continuation funding of $386,576, an increase of $19,650 for FY 2008-09 DI#11 ITS Infrastructure Support, and a JBC adjustment of $950.

FY 2009-10

The FY 2009-10 Long Bill (SB 09-259) provided funding for this appropriation at the continuation level of $407,176 with a ($14,900) reduction for annualization of FY 2008-09 Decision Item #11: Infrastructure Support. The total appropriation is $392,276.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) provided funding for this appropriation at the continuation level of $392,276 less total reductions of $15,668: a reduction of $1,827 from FY 2010-11 SBA-1 "Child Care Automated Tracking System (CHATS) - Infrastructure" and a reduction of $13,841 from FY 2010-11 SBA-8 5% Operating Reduction. The total appropriation is $376,608.

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) appropriated $335,558 includes a JBC staff reduction of ($41,050).

FY 2012-13

The FY 2012-13 continuation request of $349,399 includes restoration of the FY 2010-11 5% operating reduction of $13,841.

MICROCOMPUTER LEASE PAYMENTS

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

FY 2008-09

The FY 08-09 Long Bill (HB 08-1375) appropriation was for the continuation level of funding of $539,344, including $333,613 Net General Fund for the microcomputer lease payments.

FY 2009-10

The FY 2009-10 Long Bill (SB 09-259) appropriated the continuation level of funding of $539,344.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) appropriated the continuation level funding of $539,344. There was a Medicaid ARRA Adjustment that reduced the Net General Fund by ($6,375) but had no impact on Total Funds.

FY 2011-12
The FY 2011-12 Long Bill (SB 11-209) contains continuation level funding of $539,344.

FY 2012-13
The FY 2012-13 is a continuation level request of $539,344.

COUNTY FINANCIAL MANAGEMENT SYSTEM

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

FY 2008-09
The FY 08-09 Long Bill (HB 08-1375) appropriation was for the continuation level of funding of $1,515,836 to the County Financial Management System.

FY 2009-10
The FY 2009-10 Long Bill (SB 09-259) appropriated funding at the continuation level of $1,515,836.

FY 2010-11
The FY 2010-11 Long Bill (HB 10-1376) appropriated funding of $1,494,325, which was for a continuation level of $1,515,836 less ($21,511) for SBA-1 CHATS – Infrastructure.

FY 2011-12
The FY 2011-12 Long Bill (SB 11-209) County Financial Management System funding is at continuation level of $1,494,325.

FY 2012-13
The FY 2012-13 is a continuation level request of $1,494,325.

<u>CLIENT INDEX PROJECT</u>

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

<u>FY 2008-09</u>
The FY 2008-09 Long Bill (HB 08-1375) appropriation was for the continuation level of funding of $156,116 and 3.0 FTE.

<u>FY 2009-10</u>
The FY 2009-10 Long Bill (SB 09-259) appropriated the continuation level of funding of $156,116 and 3.0 FTE plus $4,781 salary survey, $2,036 pay for performance and a reduction of ($407) for the performance based pay adjustment. The total FY 2009-10 appropriation is $162,526 and 3.0 FTE.

<u>FY 2010-11</u>
The FY 09-10 Long Bill (HB 10-1076) provided $17,698 and 0.0 FTE for the Client Index Project. This amount was based on the continuation level of $162,526 and 3.0 FTE and Change Request NP-3, Statewide Information Technology Staff Consolidation, transfers ($144,828) and (3.0) to the Governor’s Office of Information Technology (GOIT).

<u>FY 2011-12</u>
The FY 11-12 Long Bill (SB 11-209) funding is at the continuation level of $17,698.

<u>FY 2012-13</u>
The FY 2012-13 is a continuation level request of $17,698.

<u>COLORADO TRAILS</u>

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

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

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

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

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

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

FY 2008-09

The FY 08-09 Long Bill (HB 08-1375) appropriation of $9,376,829 reflected the continuation level of funding of $9,276,217 plus $98,908 salary survey, $32,788 pay for performance increase, and a ($31,084) personal services base reduction. Supplemental SB 09-189 reduced funding by ($175,000) for S-21 Mental Health Services Pilot Program. The FY 2008-09 Supplemental amended the appropriation to $9,201,829.

FY 2009-10

The FY 2009-10 Long Bill (SB 09-259) appropriated $9,252,736 for Trails which included the continuation level of funding of $9,201,829 plus $175,000 for Special Bill HB 1391, $141,607 salary survey, $50,696 pay for performance, a reduction of ($10,139) for performance based pay adjustment, and a FY 2009-10 Personal Services Reduction of ($56,257). The appropriation also includes a reduction in funding as the result of FY 2009-10 Decision Item #49, Trails Elimination of Contract Labor in the amount of ($250,000). FY 2009-10 appropriations were further impacted by Supplemental HB 10-1303 which included the Colorado Children's Code conformance with federal law (SB 09-245) $86,000, FY 2009-10 August Budget Reduction for ($400,000) and (3.0) FTE and S-NP-1 Statewide Furlough Impact ($44,592). The Supplemental Appropriation for 2009-10 was $8,808,144 and 45.0 FTE.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) appropriated $4,952,399 and 0.0 FTE's for Colorado Trails. The funding reflected the continuation level of funding of $8,808,144 with the following adjustments:

- S-NP-1 Statewide Furlough Impact Annualization for $44,592.
- Adjustment One-Time FY 2009-10 Personal Services Cut $56,257.
- Change Request NP-3, Statewide Information Technology Staff Consolidation, transfers ($3,503,292) and (45.0) FTE to the Governor's Office of Information Technology.
- The Child Care Automated Tracking System (CHATS) Refinance (SBA #1) reduced funding by ($435,309).
- 5% Operating Expense Reduction (SBA #8) ($17,993).

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) appropriated $4,952,399 which represents a continuation level of funding.

FY 2012-13

The FY 2012-13 continuation request of $4,970,392 includes restoration of the FY 2010-11 5% Operating Reduction of $17,993.

NATIONAL AGING PROGRAM INFORMATION SYSTEM

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

FY 2008-09
The FY 08-09 Long Bill (HB 08-1375) appropriation was for the continuation level of $93,114.

FY 2009-10
The FY 09-10 Long Bill, (SB 09-259) appropriated the continuation funding level of $93,114.

FY 2010-11
The FY 2010-11 Long Bill (HB 10-1376) appropriated the continuation funding level of $93,114. Decision Item #10 refinanced cash funds to the general fund, which increased the Net General Fund $7,752, but had no impact on Total Funds.

FY 2011-12
The FY 2011-12 Long Bill (SB 11-209) appropriated a continuation level funding of $93,114.

FY 2012-13
The FY 2012-13 is a continuation level funding request of $93,114.

CHILD CARE AUTOMATED TRACKING (CHATS)

This new line will provide funds for the support of the new information technology system eligibility and payment for the Child Care Assistance Program, which provides child care subsidies for low-income families, Temporary Assistance for Needy Families (TANF) families, and families transitioning from the Colorado Works program.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) allocated $1,690,969 to fund CHATS. This included Decision Item #4, Child Care Automated Tracking System Point of Service Point of Sale Maintenance for $1,239,000, SBA-1 CHATS – Infrastructure $801,822, SBA-2: CHATS – POS Sale Maintenance and Technical Adjustment to Local Share ($516,250) and SBA-4 Replacement for S4-BA2 of $166,397. HB 10-1035 Special Bill Appropriation Stability in Early Childhood Care increased Total Funds for FY 2010-11 $249,700 to $1,940,669.

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) for $2,299,593 includes BA-6 for CHATS on-going Maintenance and Support of $92,374 and the annualization of SBA-2: CHATS – POS Sale Maintenance and Technical Adjustment to Local Share $516,250.

FY 2012-13

The FY 2012-13 is a continuation level funding request of $2,299,593.

HEALTH INFORMATION MANAGEMENT SYSTEM

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

FY 2008-09

The FY 2008-09 Long Bill (HB 08-1375) appropriation is for the continuation level of funding of $339,168.

FY 2009-10

The FY 09-10 Long Bill (SB 09-259) appropriated the continuation level of $339,168.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) Request for the Health Information Management System is for a continuation level funding of $339,168.

FY 2011-12
The FY 2011-12 Long Bill (SB 11-209) is appropriated a continuation level funding of $339,168.

FY 2012-13
The FY 2012-13 is a continuation level funding request of $339,168.

COLORADO BENEFITS MANAGEMENT SYSTEM (CBMS)

This Program has been moved to Office of Information Technology, Colorado Benefits Management System (New Line), please see page 2-13 for a description.

FY 2008-09
The FY 08-09 Long Bill (HB 08-1375) appropriation is for $22,857,178 and 47.1 FTE. Supplemental SB 09-189 increased this funding to $25,086,098 and 47.1 FTE with the following three lines:

- S-NP-5 CBMS New Vendor Transition (Sept1331) $2,500,000.
- SB 08-006 Special Bill FY 08-09 Appropriation Annualization ($271,080)
- S-12 CBMS Federal Reallocation for FY 08-09, this refinance had no impact on the Total Funds but reduced the Net General Fund by ($798,887).

FY 2009-10
The FY 09-10 Long Bill, (SB 09-259) appropriated $23,416,655 and 47.1 FTE for CBMS. This amount included the continuation funding level of $25,086,098 and 47.1 FTE and the following adjustments:

Special Bills related to the Department of Health Care Policy and Financing:

SB 08-006 Special Bill FY 08-09 Appropriation	$271,080
SB 08-160 Special Bill FY 08-09 Appropriation	$91,806
SB 08-161 Special Bill FY 08-09 Appropriation	$16,000
HB 08-1046 Special Bill FY 08-09 Appropriation	$76,081

Annualization of Special Bills related to the Department of Health Care Policy and Financing:

SB 08-160 Special Bill FY 08-09 Appropriation Annualization	($41,633)
SB 08-161 Special Bill FY 08-09 Appropriation Annualization	($16,000)
HB 08-1046 Special Bill FY 08-09 Appropriation Annualization	($76,081)
Personal Services Adjustments:	
Prior Year Salary Survey	$196,224
Prior Year Performance-based Pay	$50,615
Prior Year Performance-based Pay Adjustment 20% non-base	($10,123)
FY 2009-10 Personal Services Reduction	($68,307)
Common Policy Decision Items:	
FY 2009-10 DI# NP-2 Postage Increase and Mail Equipment Upgrade	$340,895
Supplemental Bill Annualization:	
FY 2008-09 S-NP-5 New Vendor Transition (Sept 1331) Annualization	($2,500,000)

The appropriation funding sources for CBMS and the CBMS SAS-70 Audit was adjusted through the JBC approval of FY 2009-10 Stand Alone Budget Amendment #1. Funding splits for the Colorado Benefits Management System are determined by formulas agreed to by the State and the federal agencies that provide funding. Different formulas apply during the development phase for such a system and the operating phase. Operational formulas are determined by random moment sampling (RMS) statistical techniques. These statistics make up a part of the public assistance cost allocation plan (PACAP) prepared by the State. The federal government must, formally accept the PACAP for each fiscal year, after the year has ended. Once the PACAP is formally accepted, any overpayments made by federal agencies in the fiscal year in question must be repaid in the current fiscal year. The most recent RMS statistics were used to estimate the proper allocation of expenses between state and federal sources that will be reasonably close to the final values which will not be known until the next complete year's RMS statistics are available. This action reduced the size of the necessary supplemental request when the FY 2009-10 appropriation is "trued-up".

FY2009-10 HB 10-1302 Supplemental Bill increased the funding to $23,645,366 and 47.1 FTE with the following one time items:

- FY 2009-10 S-NP-1 Statewide Furlough Impact ($36,769)
- FY 2009-10 S-NP-3 CBMS Client Correspondence per HCP&F S-13 $488,702.
- FY 2009-10 S-NP-5 Mail Equipment Upgrade Supplemental ($223,222)

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) allocated $0 and 0.0 FTE for the Colorado Benefits Management System because funding was moved to OIT-CBMS during Figure-Setting. Funding up to that point was based on the continuation level of funding of $23,416,655 and 47.1 FTE, plus Special Bill H.B. 09-1293, Medicaid Hospital Provider Fee $415,097 and the below items:

Adjustments comprising the FY 2010-11 Base Request included:

Annualization of FY 2009-10 DI# NP-2 Postage	($340,895)
Adjustment From One-Time FY 2009-10 Personal Services Cut	$68,307
Annualization of HB 09-1293 Special Bill Medicaid Hospital Provider Fee	$425,610

The FY 2010-11 Long Bill Request (Nov 1) included:

FY 2010-11 DI-1 CBMS Client Correspondence Costs	$1,231,524
FY 2010-11 BRI-1 Enforcing Sponsorship Commitment for Applicants of Adult Financial Programs	$45,250
FY 2010-11 DI #NP-3 Statewide Information Technology Staff Consolidation	($3,530,844)

The above DI #NP-3 Statewide IT Staff Consolidation also removed (47.1) FTE.

The FY 2010-11 Long Bill Request as Amended included:

FY 2010-11 BA-NP-4 HCP&F S-7 Federally Mandated CHP+ Program Changes	$150,150
FY 2010-11 BA-NP-5 Mail Equipment Upgrade Budget Amendment	$77,716
BA-NP-1 Statewide PERA Adjustment	($76,499)
FY 2010-11 SBA-1: "Child Care Automated Tracking System (CHATS) - Infrastructure"	($299,297)
FY10-11 SBA-8 5% Operating Reduction	($58,227)

The FY 2010-11 Figure-Setting included:

FY 2010-11 DI-1 CBMS Client Correspondence Costs JBC Adjustment	($742,822)
JBC Adjustment to BRI-1 Adult Financial Programs	$511
FY 2010-11 DI #NP-3 Statewide Information Technology Staff Consolidation JBC Adjustment	$76,499
JBC Adjustment to Postage/Mail Upgrade	($26,735)
Annualization of HB 09-1293 Special Bill Medicaid Hospital Provider Fee - JBC Adjustment	$682,917
JBC Removal of FY 2010-11 BRI-1 Enforcing Sponsorship Commitment for Applicants of Adult Financial Programs (Bill PI)	($45,764)
JBC Adjustment for HCP&F PS OIT Consolidation	($1,246,741)
JBC Adjustment for HCP&F POTS OIT Consolidation	($126,850)
JBC Adjustment for HCP&F PERA OIT Consolidation	($28,786)
HB 09-1293 Change from Section 13 to Section 12 due to federal approval of the waiver establishing the hospital provider fee	($90,815)
Subtotal	$19,975,961
JBC Move CBMS to OIT-CBMS	($19,975,961)
Final Funding	$0

<u>OFFICE OF INFORMATION TECHNOLOGY, COLORADO BENEFITS MANAGEMENT SYSTEM (New Line)</u>

This new line will provide funding for the personal services costs associated with the operation of the Colorado Benefits Management System that is transferred to the Governor’s Office of Information Technology.

CBMS is involved in the distribution of over $2 billion in benefits to over 500,000 individual clients annually. Each month, the system is used to process approximately 30,000 new client applications and 40,000 client reauthorizations. In addition to these client-side functions, CBMS communicates with over 100 external systems. These system-to-system interactions occur on a wide range of time scales: real-time online access, nightly batch jobs, and weekly, bi-weekly, monthly, and quarterly report generation and distribution. The external systems with which CBMS communicates include other State of Colorado systems, systems operated by other states, and federal systems.

Colorado currently uses the Colorado Benefit's Management System (CBMS) to provide benefits to approximately 1 out of 9 Coloradoans. As Colorado past the nine-year mark since the start of the development of the system, the CBMS is used to effectively distribute more than $2.7 billion annually in benefits.

The system supports interactive interviews with clients, assesses the eligibility of applicants, calculates benefits for clients, and provides on-going case management and history tracking. The CBMS determines eligibility for many types of public assistance including TANF, Food Stamps, Medicaid, and children's health insurance.

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

Colorado enlisted the help of EDS, a technology services business, to develop, implement, operate and maintain their system. The system was launched in September 2004 and took approximately four years to complete from development to implementation. There are almost 1,200 different screens in the system, including tabs, contained in 25 tracks within CBMS.

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

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

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

Some of the programs supported by the CBMS include:

Aid To The Blind (AB)

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

Aid To The Needy Disabled (AND)

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

Adult Protective Services (APS)

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

Child Health Plan Plus (CHP+)

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

Colorado Works (CO Works)

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

Food Stamps

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

Medicaid

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

Old Age Pension (OAP)

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

Work Programs (WP)

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

The system is continually being enhanced to support new legislation and programs.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) appropriated $24,872,508 for CBMS. This funding started with Decision Item #NP-3, Statewide Information Technology Staff Consolidation for $3,703,173 and the JBC added the following items:

JBC Adjustment to GOIT PS Consolidation	($200,588)
JBC Adjustment for DHS PERA Adjustment	($72,163)
JBC Adjustment for DHS POTS Adjustment	$218,297
JBC Adjustment for HCP&F PS to OIT	$1,159,570
JBC Adjustment for HCP&F POTS to OIT	$114,165
JBC Adjustment for HCP&F POTS PERA Reduction	($25,907)
JBC Action to Move CBMS Spending Authority from DHS to OIT	$19,975,961

The FY 2010-11 the total appropriation rose to $25,408,269 with the passage of two special bills; HB 10-1384 Special Bill FY 2010-11 Appropriation Eligibility for Old Age Pension $45,761 and HB 10-1146 Special Bill FY 2010-11 Appropriation Long Term Care Assistance $490,000.

FY 2011-12
JBC Staff elected to breakout this line into four components. See the breakout's below.

Colorado Benefits Management System, DHS Personal Services

The FY 2011-12 Long Bill (SB 11-209) includes a JBC staff breakout adjustment of $4,592,223.

FY 2012-13
The FY 2012-13 is a continuation level funding request of $4,592,223.

Colorado Benefits Management System, HCPF Personal Services

The FY 2011-12 Long Bill (SB 11-209) includes a JBC staff breakout adjustment of $448,289.

FY 2012-13

The FY 2012-13 is a continuation level funding request of $448,286

Colorado Benefits Management System, Centrally Appropriated Items

The FY 2011-12 Long Bill (SB 11-209) includes a JBC staff breakout adjustment of $517,134.

FY 2012-13
The FY 2012-13 is a continuation level funding request of $517,134

Colorado Benefits Management System, Operating Expenses

The FY 2011-12 Long Bill (SB 11-209) includes a JBC staff breakout adjustment of $18,858,729 as well as a refinancing adjustment for HB 09-1293 (net of $1) for a total of $18,858,730.

FY 2012-13

The request for FY 2012-13 of $18,978,289 includes annualization of FY 2011-12 NP-3: HCPF - CHP+ Program Reductions (BRI-4) for ($40,352), annualization of FY 2011-12 NP-5: HCPF - CBMS Compliance with Low Income Subsidy and Disability Determination Services Federal Requirements (DI-5) for ($214,920), HB09-1293 Annualization "Concerning a Hospital Provider Fee and Authorizing HCPF to Charge and Collect a Hospital Provider Fee of ($224,756), SB 10-061 Annualization "Concerning Medicaid Payments for Inpatient Care for Hospice Residents" of $402,480, SB 11-008 Annualization "Concerning Aligning Medicaid Eligibility for Children" of $69,440, SB 11-250 Annualization "Concerning Changing the Eligibility for Certain Pregnant Women from the Children's Basic Health Plan to Medicaid", of $69,440 and Annualization for FY 2010-11 SBA-8: "5% Operating Reduction" of $58,227.

CBMS SAS-70 AUDIT

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

FY 2008-09

The FY 2008-09 Long Bill (HB 08-1375) appropriation was for the continuation level of $149,000.

FY 2009-10

SB 09-259, the FY 2009-10 Long Bill, appropriated the continuation level of $149,000.

FY 2010-11

HB 10-1376, the FY 2010-11 Long Bill, appropriated the continuation level of $149,000. Also in FY 2010-11 there was a JBC Action Refinanced the FY 2008-09 RMS Calculator that increased General Funds and the Cash Fund but decreased Reappropriated Funds and Federal Funds.

FY 2011-12
The FY 2011-12 Long Bill (SB 11-209) appropriated a continuation funding level of $149,000.

FY 2012-13
The FY 2012-13 is for continuation level funding request of $149,000.

TANF-SPECIFIC CBMS CHANGES

FY 2010-11
The FY 2010-11 Long Bill (HB 10-1376) appropriated $700,000 for TANF-Specific CBMS Changes. This included FY 2010-11 DI #6 TANF-Specific CBMS Changes that moved $1,300,000 in federal Temporary Assistance for Needy Families (TANF) funds out of the Colorado Works Long-term Reserve. A JBC Action reduced this funding by ($600,000). SB 10-068 Special Bill FY 2010-11 Streamlining Eligibility for Colorado Works added $966,000 in funding for FY 2010-11 bringing the total up to $1,666,000. This funding was for one time activity and is not appropriated in FY 2011-12.

PURCHASE OF SERVICES FROM COMPUTER CENTER (GGCC)

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

FY 2008-09
The FY 2008-09 Long Bill (HB 08-1375) appropriation was for the continuation level of $4,687,376 plus the common policy reduction of ($223,408) for a total spending authority of $4,463,968.

FY 2009-10
The FY 2009-10 Long Bill (SB 09-259) provided funding at the continuation level of $4,463,968. HB 10-1302 Supplemental Bill amended this funding with the NP Common Policy Reduction for ($148,224) . The resulting final funding level was $4,315,744.

FY 2010-11

HB 10-1376, the FY 2010-11 Long Bill appropriated $12,992,473 for the Purchase of Services from the Computer Center. The continuation level of $4,315,744 is with the following adjustments:

- FY 2010-11 OIT Common Policy adjustment of ($1,431,729).
- Change Request NP-3, Statewide Information Technology Staff Consolidation, increases the request by $10,260,772 to reflect the transfer of Department ITS FTE to the Governor's Office of Information Technology.
- SBA –3 provided a Base Technical Adjustment for $148,224.
- In accordance with the Committee's action on Common Policies and Change Request #1 in the Governor's Office (NP DI#3), JBC Figure Setting removed ($300,538).
- Medicaid ARRA Adjustment reduced the Net General Fund by ($19,754) but had no impact on Total Funds.

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) appropriation is for $14,244,028, including an adjustment of $1,172,017 for OIT Common Policy, NP-9 "CHATS Ongoing Maintenance and Support" $217,356, JBC staff adjustment of ($137,818).

FY 2012-13

The FY 2012-13 request for $17,857,126 includes OIT Common Policy of $3,613,098.

MUTIUSE NETWORK PAYMENTS

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

FY 2008-09

The FY 2008-09 Long Bill (HB 08-1375) appropriation was for $2,282,929.

FY 2009-10

The FY 2009-10 Long Bill (SB 09-259) appropriation is for the continuation level of $2,282,929.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) appropriation of $3,042,394 for Multiuse Network Payments is based on a continuation level of $2,282,929 plus an OIT Common Policy adjustment that will reduce the appropriation by ($91,989). Change Request NP-3, Statewide Information Technology Staff Consolidation, increases the request by $866,768 to reflect OIT's statewide cost allocation of IT personal services. The JBC Adjustment on OIT Common Policies reduced funding ($15,314). There was also the Medicaid ARRA Adjustment that reduced the Net General Fund ($16,972) but had no impact on Total Funds.

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) appropriation is for $3,093,056 which includes OIT Common Policy increases it $34,811 as well as JBC staff adjustments of $15,851 for indirect costs.

FY 2012-13

The FY 2012-13 request for $2,335,491 includes OIT Common Policy reduction of ($757,565).

MANAGEMENT AND ADMINISTRATION OF OIT

This new common policy appropriation was established to support the Department of Human Services' share of the costs statewide services managed by the Governor's Office, Office of Information Technology. All adjustments to this line are based on OIT Common Policies as approved by the JBC.

FY 2009-10 (New)

The FY 09-10 Long Bill (SB 09-259) appropriation was for $932,938.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) funded Management and Administration of OIT at $1,637,966.

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) appropriation for $1,660,209 includes OIT Common Policy increase of $34,327 as well as a JBC staff adjustment of ($12,084).

FY 2012-13

The FY 2012-13 request for $425,448 includes OIT Common Policy reduction of ($1,234,761).

COMMUNICATION SERVICES PAYMENTS

This common policy appropriation supports the Department of Human Services' share of the costs for the state's public safety communications infrastructure. The Governor's Office of Information Technology is responsible for operations and maintenance of this program. All adjustments to this line are based on OIT Common Policies.

FY 2008-09

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

FY 2009-10

The FY 2009-10 Long Bill (SB 09-259) appropriation represented a continuation level funding of $163,475.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) appropriation was $187,760. The funding was for a continuation level of $163,475 plus an OIT Common Policy adjustment of $26,530, and the JBC Adjustment on OIT Common Policies ($2,245).

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) is for $201,019. This reflects funding for a OIT Common Policy of $3,659, and a JBC staff adjustment of $9,600 which includes statewide indirect costs.

For 2012-13

The FY 2012-13 request for $204,129 includes a OIT Common Policy increase of $3,110.

Department of Human Services
Line Item Descriptions

Office of Operations

FY 2012-13 Budget Request

NOVEMBER 1, 2011

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(3) OFFICE OF OPERATIONS

The Office of Operations includes four divisions:

The Division of Facilities Management accounts for over 68% of the staff in the Office of Operations. The Division is responsible for operating, cleaning, and maintaining all Department buildings and facilities, including Youth Correction facilities, the two State Mental Health Institute campuses, and three Regional Centers for the Developmentally Disabled, in addition to Department office buildings. The Division operates 299 buildings and over 3.25 million gross square feet of space. It is also responsible for the acquisition, operations and management of utility services, planning, design and construction and controlled maintenance projects, and the Department's commercial space and vehicles leases.

The Division of Accounting includes 25% of the staff in the Office of Operations. The Division manages all departmental financial operations and resources, including payments to counties and service providers throughout the state for human services programs, Medicaid, Medicare and private party billing for the Department's various community and institutional programs, and overall accounts and controls over expenditures and revenues from multiple state and federal sources.

The Procurement Division includes 6% of the staff in the Office of Operations. The Purchasing Unit has been delegated autonomous authority by the Department of Personnel and Administration and is responsible for purchasing goods and services for Departmental programs in excess of $35 million per year. The Materials Management Unit is responsible for providing warehouse and distribution for all Department programs which house direct care clients. This includes ordering and inventory control of food and non-food items through three primary warehouse and office facilities throughout the State.

The Contract Management Unit includes less than 1% of the Office of Operations staff. It is responsible for managing the contract process in the Department, including development, approval, and performance oversight of all Department contracts.

(A) __ADMINISTRATION__

__PERSONAL SERVICES__

The personal services line item provides funding for employees' salaries and wages. This line item also provides funding for contracted professional and temporary services.

__FY 2008-09__

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

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

__FY 2009-10__

SB 09-259, the FY 2009-10 Long Bill, appropriated $23,605,442 and 461.6 FTE. This included the continuation level of $23,151,177 and 453.1 FTE with the following changes:

- Prior year salary survey of $722,498, prior year performance-based pay of $339,452, and a 20% non-base building personal services base reduction of ($67,890).
- Annualization of HB 08-1047 Special Bill Set Aside Program DD Employment for an additional $21,600 and 0.5 FTE.

- Annualizations for two FY 2008-09 Decision items are also included: $304,558 and 10.5 FTE for DI#1 providing facilities support for the High Security Forensics Institute, and a reduction of ($40,096) and (1.0) for SBA#1 to consolidate the department food procurement process and food storage.
- Budget Amendment #31, Mental Health Institute General Hospital Closure, reduced the appropriation by ($41,840) and (1.5) FTE.
- The JBC adjusted the Office of Operations Medicaid Indirect, decreasing the total appropriation by ($340,000) Medicaid Cash Fund. This adjustment decreased the Office of Operations Personal Services line since this is where the majority of the Medicaid revenue is applied.

A supplemental HB 10-1302 decreased this line ($373,609) and (5.4) FTE via the following reductions:

- The August Budget Reduction (Governor's Cut) that reduced funding by ($223,712) and (4.0) FTE.
- The August Budget Reduction Close 59 Beds at the CMHI at Fort Logan ($46,832) and (1.4) FTE.
- S-NP1 (Statewide Furlough Impact) reduced ($103,065)

This resulted in a total allocation for FY 2009-10 of $23,231,833 and 456.2 FTE.

FY 2010-11

HB 10-1376, the FY 10-11 Long Bill appropriation for Personal Services was $22,878,463 and 447.2 FTE. This includes the continuation level of $23,231,833 and 456.2 FTE, with adjustments for:

- The annualization of FY 2009-10 Budget Amendment #31, Mental Health Institute General Hospital Closure, reducing the line item by ($20,920) and (0.8) FTE.
- Annualizations for Close 59 Beds at the CMHI at Fort Logan ($82,260) and (2.6) FTE, Personal Services and Operating Reduction ($111,856) and (2.0) FTE, and the Closure of 32 Bed Nursing Facility at Grand Junction Regional Center ($329,733).
- Adjustments were made to restore the one-time FY 2009-10 Personal Services reduction of $444,017 and the Statewide Furlough of $103,065. These were offset by the 2.5% PERA Reduction (BA NP #1) for ($521,713).
- Therapeutic Residential Child Care Facility (BA TFCCF) for $35,427 and 1.1 FTE.
- JBC Adjustments to BA-5 Regional Center Closures had a net impact of $130,603 and (4.7) FTE.

There were two Refinance Requests that had no impact on total funds. Those were the JBC Refinance of GF with Federal Funds, which reduced the General Fund by ($250,000) plus the ARRA Adjustment to Medicaid, which increased the Net General Fund by $24,571.

FY 2011-12

The FY 2011-12 Personal Services appropriation is $22,892,878 and 433.3 FTE. This includes a 1.5% personal service reduction of ($351,002), Closure of the CMHIFL TRCCF of ($25,236) and (0.9 FTE), a 1% statewide GF reduction of ($131,060), reversal of the 2.5% PERA Reduction of $521,713. A JBC staff adjustment reduced FTE by (13.0). Several refinancing opportunities also occurred but the net effect was -0-.

FY 2012-13

The FY 2012-13 Personal Services request is $22,864,038 and 432.8 FTE. This includes a ($28,840) and (0.5) FTE reduction resulting from HB 11-1230 and the restoration of $504,985 related to SB 11-076, temporary modification of PERA rates.

OPERATING EXPENSES

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

FY 2008-09

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

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

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

FY 2009-10

SB 09-259, the FY 2009-10 Long Bill, appropriated $3,720,857. This included a continuation level of funding of $3,433,463 and the following adjustments:

- HB 08-1047 Special Bill Set Aside Program DD Employment added $2,200; with a ($1,700) annualization for one-time costs.
- Annualizations for two FY 2008-09 Decision items are also included – ($39,212) for one-time costs related to DI#1 that provided facilities support for the High Security Forensics Institute, and a reduction of ($500) for SBA#1 to consolidate the department food procurement process and food storage.
- FY 2009-10 DI#5 Direct Care Capital Outlay for Regional Centers, Mental Health Institutes and Facilities Management, and Facilities Management Operating Increase for $327,459. These funds will enable the Office to replace a portion of the most aged and failing building components and equipment including air conditioner compressors, plumbing pumps, valves and piping, water heaters and fixtures, and cleaning equipment. For additional information, see the FY 2009-10 JBC Staff Figuresetting Document for the Department of Human Services, Office of Operations, March 4, 2009, pages 34-37.
- FY 2009-10 DI# NP-1 State Fleet Variable Cost for $56,810, a companion to the Department of Personnel and Administration Request.
- FY 2009-10 DI#NP-2 Postage Increase and Mail Equipment Upgrade for $4,392, a companion to the Department of Personnel and Administration Request.
- A reduction of ($5,245) was included in FY 2009-10 Budget Amendment #31 for the Mental Health Institute General Hospital Closure to reflect the decrease in facilities housekeeping and maintenance costs for this direct client care space.

A supplemental HB 10-1302 decreased this line ($51,892) via the following reductions:

- The August Budget Reduction (Governor's Cut) that reduced funding by ($43,750).
- The August Budget Reduction (Close 59 Beds at the CMHI at Fort Logan ($5,264).
- S-NP5 (Mail Equipment Upgrade Supplemental and Budget Amendment) reduced ($2,878).
- The FY 2009-10 ARRA Adjustment had no impact on Total Funds but reduced Net General Funds by ($55,307).

This resulted in a total allocation for FY 2009-10 of $3,668,695.

FY 2010-11

HB 10-1376, the Long Bill for FY 2010-11 allocated $3,402,171. This was based on the continuation level of funding of $3,668,695 with adjustments for:

- 2010-11 Base Request Annualization Items: #NP-2, Postage Increase ($4,392). FY 2009-10 Budget Amendment #31 for the Mental Health Institute General Hospital Closure ($2.622). Close 59 Beds at the Colorado Mental Health Institute at Fort Logan ($9,941). S-NP-5, Mail Equipment Upgrade Supplemental $2,878.
- Long Bill Request Items: SBA – 8.5% Budget reduction ($137,882). Therapeutic Child Care Facility at the CMHIFL of $4,677. S-NP-5 Mail Equipment Upgrade Supplemental of $1,001.
- JBC Adjustment Items: S-NP-5 Adjustment to Postage Base of $1,016. Additional Adjustment to Mail Equipment Upgrade of ($1,364). Adjustment to FY 2010-11 Late BA-5 Regional Center Closures of ($120,165).

FY 2011-12

The FY 11-12 Operating Expenses appropriation is $3,233,244, which included an annualization of ($164,250) related to FY 2009-10 DI #5, and a reduction of ($4,677) for the TRCCF closure.

FY 2012-13

The FY 12-13 Operating Expenses request is for $3,370,65. This requested amount includes a reduction of ($475) from HB 11-1230 and an increase of $137,882 for restoration of a 5% operating reduction taken in FY 2010-11.

VEHICLE LEASE PAYMENTS

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

FY 2008-09

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

FY 2009-10

SB 09-259, the FY 2009-10 Long Bill, appropriated $921,320. This included a continuation level of funding of $703,231 and the following adjustments:

- Annualization of FY 2009-10 Decision Item #1, High Security Forensics Institute, $12,776.
- The appropriation was increased by the addition of two FY 2009-10 Decision Items: DI#7 Child Welfare Training Academy $4,950 and Stand Alone Budget Amendment #2, $3,311.
- FY 2009-10 JBC Common Policy adjustments to the base and for replacement vehicles, $197,320.

The FY2009-10 HB-1302 Supplemental Bill amended the funding to $865,310 through a ($56,010) reduction for S-NP-4 Annual Fleet Vehicle Replacements Technical True Up.

- Also in this year there was a ARRA Adjustment that reduced the Net General Fund

FY 2010-11

HB 10-1376, the FY 2010-11 Long Bill, appropriated $1,001,577 for vehicle lease payments. This included a base request of $921,320 that included $56,010 to reverse the prior year technical true up for Fleet Replacements plus $72,079 for NP-2 Annual Fleet Replacements that includes the annualization of vehicles received through FY 2009-10 DI# 7 Child Welfare Training Academy, an increase of $8,178 as part of the annual fleet vehicle replacement true up (BA-NP #3) and an ARRA Adjustment to Medicaid that reduced the Net General Fund by ($26,326).

FY 2011-12

The FY 11-12 Vehicle Lease Payments appropriation is $1,075,007. This includes a $61,047 annualization for statewide vehicle lease and a vehicle replacement funding of $12,383.

FY 2012-13

The FY 12-13 request for Vehicle Lease Payments included R-6 Division of Vocational Rehabilitation Leased Vehicles for $16,416 and NP-1 Statewide Vehicle Replacement of $56,010 for a total increase funding level of $1,147,433.

<u>LEASED SPACE</u>

The overall appropriation for this line item comprises funding for 45 commercial space leases throughout the State associated with nine major program areas (Alcohol and Drug Abuse Services, Child Care, Disability Determination, Vocational Rehabilitation, Youth Corrections, etc.). The Department leases approximately 143,827 square feet at an average cost of $189.23 per square foot.

<u>FY 2008-09</u>
The FY 08-09 Long Bill (HB 08-1375) appropriation is for $2,537,805, which includes the continuation level of $2,938,212 with a reduction of ($400,407). The JBC transferred $400,407 from this line item to the operating expenses line item. This amount represents funds for maintaining property currently being used by the Division of Youth Corrections and Alcohol and Drug Abuse Division. These divisions previously leased property from private entities for office space; however, they have now moved into Department of Human Services buildings on the Fort Logan campus.

<u>FY 2009-10</u>
SB 09-259 appropriation for leased spaced was for the continuation level of $2,537,805.

<u>FY 2010-11</u>
HB 10-1376, the FY 10-11 Long Bill appropriation for Leased Space was at the continuation level of $2,537,805.

<u>FY 2011-12</u>
SB 11-209, the FY 11-12 Long Bill appropriations for Leased Space is $2,410,91. This appropriation includes a JBC staff reduction of ($126,890).

<u>FY 2012-13</u>
This request is for continuation level funding of $2,410,915.

<u>CAPITOL COMPLEX LEASED SPACE</u>

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

FY 2008-09

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

FY 2009-10

SB 09-259, the FY 09-10 Long Bill, appropriated $1,286,029 for Capital Complex Leased Space. This amount includes the continuation level of $1,267,295 plus a common policy adjustment of $18,734. FY 2009-10 HB 10-1302 Supplemental Bill amended funding to $1,269,038 with ($16,991) for the FY 2009-10 August Budget Reduction for Building Maintenance Reductions.

FY 2010-11

The FY 2010-11 Long Bill (HB 10-1376) for Capital Complex Leased Space provided funding for $1,246,413. This reflects the prior year full allocation less the FY 2010 DPA Common Policy Adjustment of ($22,625).

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) appropriation is for $1,275,866. This amount includes a statewide common policy of $29,453.

FY 2012-13

This request is for $1,415,518 of which $139,652 is statewide common policy adjustment.

UTILITIES

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

FY 2008-09

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

FY 2009-10

SB 09-259, the FY 09-10 Long Bill, appropriated $7,785,407 for utilities; this includes the continuation amount of $7,569,799 plus the annualization of FY 2009-10 Decision Item #1, High Security Forensics Institute in the amount of $215,608. HB 10-1302 Supplemental Bill amended the funding to $7,770,805 with the August Budget Reduction Close 59 Beds at the CMHIFL ($14,602) and an ARRA Adjustment that reduced the Net General Fund by ($178,313).

FY 2010-11

HB 10-1376, the FY 10-11 Long Bill, appropriated $7,756,203 for utilities; this includes the continuation level of $7,770,805 less the annualization FY 2009-10 Budget Reduction Item entitled, Close 59 Beds at the Colorado Mental Health Institute at Fort Logan ($26,595), plus an increase of $11,993 as part of keeping the Fort Logan Therapeutic Residential Child Care Facility open in 2010-11.

FY 2011-12

The SB 11-209 appropriation is for $7,744,210. This amount includes a reduction of ($11,993) for the TRCCF closure.

FY 2012-13

This request is for a continuation level funding of $7,744,210.

(B) SPECIAL PURPOSE

BUILDINGS AND GROUNDS RENTAL

The appropriation for this line item provides cash fund spending authority for FTE and operating expenses for the maintenance, repair, and upkeep of Department of Human Services facilities and grounds that are leased to public and private agencies. The Department leases space to other state agencies or non-profit organizations for offices or for the direct provision of services. Most of these rentals are at the Colorado Mental Health Institute at Fort Logan with agencies having missions compatible with the Department. The rates paid by agencies are based on the Department's calculated costs for maintenance, repair, and upkeep of the rented spaces. Spending Authority for this line item is based on anticipated revenue from the leasing agencies. Pursuant to Section 26-1-1335.6 C.R.S., rents collected are deposited into the Buildings and Grounds Fund to be used for the operating, maintaining, remodeling or demolishing of the rental properties. HB 08-1268 expanded the Department's authority to rent property to other Department of Human Services locations, which was previously restricted to the Fort Logan campus.

FY 2008-09

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

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

FY 2009-10

SB 09-259, the FY 2009-10 Long Bill, appropriated $948,748 and 6.5 FTE for the Buildings and Grounds Fund. This appropriation amount included the continuation level of $629,944 and 5.5 FTE, with adjustments for:

- Prior year salary survey of $6,522, prior year performance-based pay of $3,608, and a 20% non-base building personal services base reduction of ($722).
- Special Bill HB 08-1268, Rental of Department Surplus Facilities, increased the appropriation by $81,024 and 1.0 FTE.
- Annualization of FY 2009-10 DI#12 for one-time projects reduced the appropriation base by ($251,894).
- FY 2009-10 Decision Item #22 Buildings and Grounds Increase in Spending Authority for $480,266 to provide for spending associated with an agreement with the University of Colorado Health Sciences center to address life safety improvements in the facilities that it leases. (See FY 2009-10 JBC Staff Figuresetting Document for the Department of Human Services, Office of Operations, March 4, 2009, pages 47-48.)

HB 10-1302 Supplemental Bill reduced funding to $945,128 and 6.5 FTE by S-NP-1 the Statewide Furlough Impact of ($3,620).

FY 2010-11

HB 10-1376, the FY 10-11 Long Bill, appropriated $465,150 and 6.5 FTE for the Buildings and Grounds Fund; this amount includes the continuation level of $945,128 less the annualization of FY 2009-10 Decision Item #22 for one-time spending authority of ($480,266), the reversal of S-NP-1 the State Furlough Impact of $3,620 and the 2.5% PERA reduction (BA NP-1) of ($3,332).

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) appropriation is for $464,222 and 6.5 FTE, which includes $3,332 for the annualization of the Statewide PERA Adjustment and a statewide 1.5% personal service reduction of ($4,260).

FY 2012-13

The FY 2012-13 request included R-8 Buildings and Grounds Cash Fund Adjustment of $554,596 is for a request of $1,018,818 and 6.5 FTE.

STATE GARAGE FUND

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

FY 2008-09

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

FY 2009-10

SB 09-259, the FY 2009-10 Long Bill, appropriated the continuation amount of $733,187 and 2.6 FTE for the State Garage Fund. It HB 10-1302 Supplemental Bill reduced it to $731,358 via Statewide Furlough Impact of ($1,829).

FY 2010-11

HB 10-1376, the FY 10-11 Long Bill, appropriated $731,856 and 2.6 FTE for the Garage Fund. This included the continuation level of $731,358, plus Restoring the FY 09-10 Statewide Furlough Impact of $1,829, less the 2.5% PERA Reduction (BA NP#1) ($1,331).

FY 2011-12

The FY 2011-12 Long Bill (SB 11-209) appropriation is for $731,213 and 2.6 FTE, which includes $1,331 for the annualization of the Statewide PERA Adjustment (BA NP#1) and a reduction of ($1,974) statewide 1.5% personal service reduction.

FY 2012-13

The FY 2012-13 request is for continuation level of $731,213 and 2.6 FTE.

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(4) COUNTY ADMINISTRATION

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

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

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

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

County Administration

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

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

"Salaries of the county director and employees of the county department staff engaged in the performance of assistance payments, food stamps, and social services activities; the county's payments on behalf of such employees for old age and survivor's insurance or pursuant to a county officers' and employees' retirement plan and for any health insurance plan, if approved by the state department; the necessary travel expenses of the county board and administrative staff of the county department in the performance of their duties; necessary telephone and telegraph; necessary equipment and supplies; necessary payments for postage and printing; including the printing and preparation of county warrants required for the administration of the county department; and other such administrative costs as may be approved by the state department; but advancements for office space, utilities, and fixtures may be made from state funds only if federal matching funds are available."

For FY 2009-10, the County Administration line received a Long Bill (SB 09-259) appropriation of $51,138,883, which was the continuation of the final appropriation for FY 2008-09.

The FY 2010-11 Long Bill (HB 10-1376) appropriation for this line was $50,116,105, which included continuation funding in the amount of $51,138,883, less $1,022,778 for Base Reduction Item #4 which was part of the budget balancing process for FY 2010-11. This action permanently reduced all funding sources in this line by two percent (2%) for a Community Provider Rate Base Decrease.

For FY 2011-12, the Long Bill (SB 11-209) appropriated continuation funding in the amount of $50,116,105 for this line. For FY 2012-13, the Department is requesting continuation funding in the amount of $50,116,105.

Food Assistance Administration

In FY 2011-12, Decision Item #2 (02/16/11 JBC Figure Setting, Page 48) was approved by the General Assembly which added a new line to County Administration. For FY 2011-12, the Long Bill (SB 11-209) appropriated $4,715,280 to this line. The funding was requested to assist counties with the additional administrative costs they have incurred due to the unprecedented growth in the food assistance caseload due to the downturn in the economy over the last several years. This increase in administrative costs had been mitigated for FY 2009-10 and FY 2010-11 by additional funding provided to the state by the American Recovery and Reinvestment Act (ARRA) of 2009 and Department of Defense (DoD) funds. The ARRA and DoD 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 additional funding through this line will assist the counties with the mitigation of the increased administrative costs associated with the increase in the food assistance caseload.

The change request which created this line was for two years only, FY 2011-12 and FY 2012-13. Therefore, for FY 2012-13, the Department is requesting continuation funding in the amount of $4,715,280.

County Tax Base Relief

This line was formerly titled County Contingency Payments Pursuant to Section 26-1-126, C.R.S. The County Contingency Fund line was created to provide additional General Fund moneys to assist counties with high social services costs relative to their assessed property valuations. The statutory formula for determining each county's eligibility for these funds contained multiple flaws that resulted in a steady increase in the number of counties that qualified for such funds, as well as the total amount for which they

qualified. The 2008 General Assembly approved H.B. 08-1250, which changed the formula for calculating county eligibility for assistance monies, attempting to correct the flaws previously referenced. For FY 2008-09, the County Contingency Payment line was eliminated and was replaced by the County Tax Base Relief line.
For FY 2009-10, the Department received a Long Bill (SB 09-259) appropriation of $5,652,654 which was continuation funding from the prior year.

The Department received a Long Bill (HB 10-1376) appropriation for FY 2010-11 in the amount of $2,700,688. As part of the budget balancing process for FY 2010-11, the Department proposed Budget Reduction Item #3: "Eliminate County Tax Base Relief Line" (02/17/11 JBC Figure Setting, Page 39) that would have permanently eliminated the County Tax Base Relief line. The JBC acted to only take a partial reduction rather than totally eliminating the line, resulting in an appropriation in the amount of $2,700,688.

For FY 2011-12, the Department received a Long Bill (SB 11-209) appropriation in the amount of $1,000,000. As part of the statewide effort to reduce the projected General Fund shortfall in FY 2011-12 and beyond, the Department submitted Base Reduction Item #3: "Eliminate General Fund in County Tax Base Relief Line" (02/16/11 JBC Figure Setting, Page 54) to eliminate this line beginning in FY 2011-12. Again, the JBC acted to only take a partial reduction rather than totally eliminating the line, resulting in an appropriation in the amount of $1,000,000.

For FY 2012-13, the Department is requesting continuation funding in the amount of $1,000,000.

County Share of Offsetting Revenues

The funding for this line reflects revenues earned by counties through child support collections, fraud refunds, state revenue intercepts, and other refunds that assist the State in meeting the maintenance of effort (MOE) for the Temporary Assistance for Needy Families (TANF) Block Grant. The FY 2009-10 Long Bill (SB 09-259) appropriation was $3,789,313. This funding was continued into FY 2010-11 (HB 10-1376), and FY 2011-12 (SB 11-209). For FY 2012-13, the Department is requesting continuation funding in the amount of $3,789,313.

County Incentive Payments

Section 26-13-108, C.R.S., provides that when child support enforcement payments are collected on behalf of custodial parents who have received public assistance, such amounts may be used to reimburse public assistance paid in accordance with federal law. Funding in this line reflects revenues earned by the State through child support collections, fraud refunds, state revenue intercepts, and other refunds that assist the State in meeting the maintenance of effort (MOE) for the Temporary Assistance for Needy Families (TANF) Block Grant. The 2008 General Assembly approved HB 08-1342: "Concerning Measures to Improve Child Support Enforcement", which provided an additional $2,500,000 Cash Funds to this line, which previously had been appropriated in the

Colorado Works – County Block Grant line and represents a portion of the State's half-share of revenues referenced at the beginning of this line item description.

For FY 2009-10, the Department received a Long Bill (SB 09-259) appropriation in the amount of $5,584,361.

The Department received a Long Bill (HB 10-1376) appropriation for FY 2010-11 in the amount of $4,816,124. This amount represents continuation funding from FY 2009-10 in the amount of $5,584,361, less $768,237 related to Decision Item #8: "Enhanced Medical Support, Paternity Establishment and Education Initiatives for Child Support Enforcement" (02/17/11 JBC Figure Setting, Page 41). This change request reduced the Cash Funds in this line from the state's share of retained child support collections by $768,237 and re-directed these funds to the Child Support Enforcement line to cover the Cash Fund requirement in this change request.

For FY 2011-12, the Department was appropriated $5,136,921 from the Long Bill (SB 11-209). This amount represents the FY 2010-11 appropriation in the amount of $4,816,124, plus an increase of $320,797 resulting from an annualization for FY 2010-11 DI #8 which is comprised of the following: the restoration of the one-time reduction of $768,237 for FY 2010-11, minus the one-time FY 2011-12 reduction of $447,440, for a net increase of $320,797.

For FY 2012-13, the Department is requesting $5,219,101 which is the FY 2011-12 appropriation of $5,136,921, plus $447,440 which represents the annualization of FY 2010-11 DI #8, less $365,260 for FY 2012-13 R-9: "Refinance Child Support Enforcement Programs General Fund Appropriations with Cash Funds".

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(5) DIVISION OF CHILD WELFARE

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

ADMINISTRATION

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

- Positions responsible to provide supervision to the county departments of social services in the provision of all Child Welfare Services as defined in 26-5-101(3), C.R.S. (2010).
- Response to legislation defining policy and fiscal issues.
- Coordination and collaboration with other Divisions including Self Sufficiency, Information Technology Services, Child Care, Mental Health, Alcohol and Drug Abuse, Youth Corrections, Health and Rehabilitation and Departments including Health Care Policy and Financing, Judicial, and Education. The purpose of this activity is to eliminate service duplication and assure service integration.
- Development, implementation, and monitoring of new policies.
- Response to consumers for information as well as follow-up on complaints.

The Department was appropriated $3,557,876 and 36.5 FTE through SB 09-259 (Long Bill) in FY 2009-10. From the prior year, this line item increased by $750,339 and 5.0 FTE. A $94,038 increase was provided through Prior Year Salary Survey; a $26,825 increase was for the prior year performance-based pay at 80%; a $13,933 and 0.5 FTE increase for the annualization of FY 2008-09 DI#8: "County Foster Care Program Monitoring Specialists and SAFE Training"; a $338,673 and 4.5 FTE increase for DI #6/BA #55: "Child Welfare Staffing Recommendations from the Division Organizational Assessment"; a $321,250 increase for DI #9: "Title IV-E Administrative Claims for CPA Administrative Activities"; refinancing of Federal Funds with General Fund in the amount of $151,483 through SBA #3: "True up Federal Title IV-E Appropriation Earnings"; a $1,365 one-time increase for DI-NP-2: "Postage Increase and Mail Equipment Upgrade," which was part of DPA Common Policy item; a one-time funding reduction of $90,000 on Supplemental Budget Amendment #7 (Child Welfare Rate Study); and a reduction to the personnel services line by

1.82% of $49,027. An increase of $53,282 annualized S-30a: “Hiring Freeze Savings” and an increase of $40,000 to annualize S-2: “Utilities – Increase For Projected Need.”

- *Decision Item #6 / Budget Amendment #55 (FY 2009-10): “Child Welfare Staffing Recommendations from the Division Organizational Assessment”* was approved by the General Assembly for funding of $338,673 and 4.5 FTE in FY 2009-10 and ongoing annual funding of $583,242 and 9.0 FTE to address identified concerns and gaps in the Child Welfare Division’s supervisory responsibility and county oversight, as presented in the 2007 Foster Care Performance Report, the 2008 Child Fatality Report, and the Interim Child Welfare Action Committees Report.
- *Decision Item #9 (FY 2009-10): “Title IV-E Administrative Claims for CPA Administrative Activities”* was approved for $321,250 General Fund in FY 2009-10 and ongoing annual funding of $220,000 General Fund to implement administrative claiming for Federal Title IV-E funds for child placement agencies (CPAs). This was identified in a 2007 State Auditor's Office report as an untapped source of federal revenue. Starting from FY 2010-11, the Department estimates an additional $758,032 Federal Funds (Title IV-E) will be claimed annually upon implementation of the RMS process to claim allowable CPA administrative costs through Title IV-E funding. This may offset the need for General Fund for Child Welfare in future years.
- *SBA #3 (FY 2009-10): “True up Federal Title IV-E Appropriation Earnings”* is to more accurately reflect the amount the Department is actually earning in Title IV-E revenue for specific long bill line items. This is a technical refinancing to more accurately reflect true Title IV-E revenues and will allow the department to more effectively manages these specific long bill line items.

The final FY 2009-10 appropriation was $3,532,864 and 36.5 FTE through HB 10-1302 (Supplemental), resulting in an overall decrease of $25,012 from SB 09-259. Included in the decrease: a reduction of $24,118 related to FY 2010-11 S-NP-1: "Statewide Furlough Impact" and a reduction of $894 for FY 2010-11 S-NP-5: "Mail Equipment Upgrade Supplemental and Budget Amendment."

The Department was appropriated $3,668,920 and 41.0 FTE through HB 10-1376 (Long Bill) in FY 2010-11. From the prior year, this line item increased by $136,056 and 4.5 FTE. Included in the change: an increase of $25,012 to annualize supplemental actions, a reduction of $101,250 for the annualization of FY 2009-10 DI #9: "Title IV-E Administrative Claims for CPA Administrative Activities"; an increase of $244,569 and 4.5 FTE for the annualization of FY 2009-10 DI #6: "Child Welfare Staffing Recommendations from the Division Organizational Assessment"; a reduction of $1,365 for the annualization of FY 2010-11 DI-NP-2: "Postage Increase and Mail Equipment Upgrade"; addition of $49,027 from the previous year’s 1.82% personnel services line reduction; an increase of $627 for the annualization of FY 2009-10 BA-NP-5: "Mail Equipment Upgrade Supplemental and Budget

Amendment"; a reduction of $66,127 for FY 2010-11 BA-NP-1: "Statewide PERA Adjustment"; and a reduction of $14,437 for FY 2010-11 SBA-8: "5% Operating Reduction."

The final FY 2010-11 appropriation was $3,643,587 and 41.0 FTE in the supplemental bill SB 11-141. The changes from HB 10-1376 include a reduction of $25,333 for FY 2010-11 ES-1: “1% Across the Board Personal Services Reduction.”

The Department was appropriated $3,660,163 and 41.0 FTE through the Long Bill, SB 11-209 in FY 2011-12. Changes to the line item from the FY 2010-11 supplemental bill include: an increase of $25,333 to annualize FY 2010-11 ES-1: “1% Across the Board Personal Services Reduction”; an increase of $66,127 to annualize FY 2010-11 BA-NP-1: “Statewide PERA Adjustment”; a reduction of $51,601 from FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction"; a reduction of $25,801 for FY 2011-12 SBA-1: “Statewide 1% General Fund Reduction to Personal Services/Operating”; and an increase of $2,518 for the JBC common policy 1.5% reduction, rather than 2%. SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA,” reduced the FY 2011-12 appropriation by $68,121 to $3,592,042 and 41.0 FTE.

The Department is requesting $3,674,600 and 41.0 FTE in FY 2012-13, an increase of $82,558 from the final FY 2011-12 appropriation. This request includes $68,121 to annualize SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA.” The request also includes an increase of $14,437 to annualize FY 2010-11 SBA-8: “5% Operating Reduction.”

TRAINING

The centralized administration of Child Welfare integrates a competency-based training system to ensure that there is uniform interpretation, integration, and implementation of Federal and State Statutes, Federal and State Regulations, and generally accepted Best Practice Standards. Approximately 85 percent of curriculum development and training is provided by outside contractors, including departments of social work at several colleges and universities and a few for-profit training providers. The training is focused on the development of knowledge, skills, and abilities that workers need to provide mandated services to children and their families at the highest quality. Training is designed to meet federal requirements allowing the State to continue earning Federal Title IV-E revenue and to avoid federal fiscal penalties. The target audiences for the training are county departments of human services child welfare caseworkers, case services aides, and supervisors; child placement and residential treatment service providers; and supportive services providers such as domestic abuse counselors, substance abuse counselors, mental health practitioners, developmental disabilities counselors, and law enforcement officers.

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

The Department was appropriated $5,862,581 and 3.0 FTE through SB 09-259 (Long Bill) in FY 2009-10. From the prior year, this line item increased by $881,119 and added 3.0 FTE, including: $880,718 and 3.0 FTE increase was from DI #7 "Child Welfare Training Academy," as adjusted by JBC action, and a one-time increase of $401 for DI-NP-2 “Postage Increase and Mail Equipment Upgrade,” which was part of a DPA Common Policy item.

Decision Item #7 (FY 2009-10) / SB 09-164: Child Welfare Training Academy was approved by the General Assembly to establish a training academy for newly hired child welfare caseworkers and newly hired or promoted child welfare supervisors. The Academy would provide for new caseworkers thirty hours of pre-requisite computer-based training; seven weeks of pre-service classroom instructions coupled with two weeks of on-the-job training and twenty-four two-day sessions of Legal preparation training; four weeks of pre-service classroom for newly hired or promoted child welfare supervisors and two weeks of on-the-job training; and training evaluation and oversight. The two weeks of on-the-job training for new workers and new supervisors would be coordinated and monitored by five regional Field Training Specialists.

The final FY 2009-10 appropriation was $5,862,319 and 3.0 FTE through HB 10-1302 (Supplemental), an overall decrease of $262 from SB 09-259 for FY 2010-11 S-NP-5: "Mail Equipment Upgrade Supplemental and Budget Amendment."

The Department was appropriated $6,545,439 and 6.0 FTE through HB 10-1376 (Long Bill) in FY 2010-11. From the prior year, this line item increased by $682,858 and 3.0 FTE, including the following: a $689,880 and 3.0 FTE increase for the annualization of FY 2009-10 DI #7 "Child Welfare Training Academy" (SB 09-164); an increase of $91 for the annualization of FY 2010-11 BA-NP-5 "Mail Equipment Upgrade Supplemental and Budget Amendment"; $401 decrease for the annualization of FY 2009-10 DI NP-2: “Postage Increase and Mail Equipment Upgrade” and a reduction of $6,712 for the PERA Adjustment.

The final FY 2010-11 appropriation was $6,543,782 and 6.0 FTE through SB 11-141 (Supplemental). The supplemental bill includes a reduction of $1,657 for FY 2010-11 ES-1: "1% Across the Board Personal Service Reduction."

The Department was appropriated $6,134,611 and 6.0 FTE through the Long Bill, SB 11-209 in FY 2011-12, a reduction of $409,171 from the final FY 2010-11. The reduction includes: an increase of $1,657 to annualize FY 2010-11 ES-1: "1% Across the Board Personal Service Reduction"; an increase of $6,712 from the annualization of FY 2010-11 BA-NP-1: "Statewide PERA Adjustment"; a reduction of $3,391 from FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction"; a reduction of $1,696 for FY 2011-12 SBA-1: "Statewide 1% General Fund Reduction to Personal Services/Operating"; a reduction of $1,103 for the JBC common policy 1.5% reduction, rather than 2%; and a JBC action to reduce the appropriation by $411,350 to offer classes every three weeks instead of two.

SB 11-076, a "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA," reduced the FY 2011-12 appropriation by $7,472 to $6,127,139 and 6.0 FTE.

The Department is requesting $6,134,611 and 6.0 FTE in FY 2012-13, the same amount as the FY 2011-12 appropriation in SB 11-209 (Long Bill). This request includes $7,472 to annualize SB 11-076, a "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA."

FOSTER AND ADOPTIVE PARENT RECRUITMENT, TRAINING, AND SUPPORT

This line item appropriates funding the Department receives to support activities related to the recruitment and retention of foster and adoptive parents. Previously successful recruitment activities include public service announcements for television and radio; the purchase of ads on the radio and in newspapers; a presence at professional gatherings and at community fairs and festivals; the provision of calendars, magnets, brochures, and other materials for use by county and private agency staff; faith-based collaboration and recruitment events; the heart gallery exhibit of foster children needing adoptive families; RTD bus and shelter advertisements; and minority-focused events to assure that foster care and adoptive services satisfy the needs of children with diverse racial and cultural backgrounds. The following retention activities have been initiated: newspaper articles highlighting foster parents in a positive manner, special recognition events honoring foster parents, training with county department staff and private agencies regarding reasons why foster parents resign and guidelines for the development of work plans to address those issues, training for foster parents on rules and regulations that promote self-preservation, focus groups designed to ensure that foster parents have a forum to express their views and needs, a foster parent exit survey that provides understanding as to why foster parents stop fostering, collaboration with the Denver Indian Family Resource Center to understand cultural needs of native foster and kinship parents, and the development of community support to assist foster parents. Materials have been developed to solicit support of foster parents by provision of services; such as respite or mentoring of youth, or through contributions of goods and money; such as offering discounts on merchandise. For the retention of adoptive families, the Colorado Post Adoption Resource Center was developed to aid adoptive families with small financial grants designed to increase the stability of adoptive placements. All of these efforts have included workers from the public and private sectors as well as members of the business community in order to maximize effectiveness and to strengthen working relationships with community partners and the human service system.

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

In FY 2009-10, the Department was appropriated $337,717 and 1.0 FTE through SB 09-259 (Long Bill). From the prior year, this appropriation increased by $3,905. A $2,585 increase was provided through prior year salary survey; a $737 increase was for the prior year performance-based pay at 80%; and a one-time increase of $583 was for DI-NP-2: “Postage Increase and Mail Equipment Upgrade,” which was part of the DPA Common Policy item.

The final FY 2009-10 appropriation was $335,291 and 1.0 FTE through HB 10-1302 (Supplemental), an overall decrease of $2,426 from SB 09-259 that included: a reduction of $2,045 related to FY 2010-11 S-NP-1: "Statewide Furlough Impact," and a reduction of $381 for FY 2010-11 S-NP-5: "Mail Equipment Upgrade Supplemental and Budget Amendment."

In FY 2010-11, the Department was appropriated $328,140 and 1.0 FTE through HB 10-1376 (Long Bill). From the prior year, this line item decreased by $7,151, including: an increase of $2,045 to annualize FY 2010-11 S-NP-1: “Statewide Furlough Impact”; an increase of $381 to annualize FY 2010-11 S-NP-5: "Mail Equipment Upgrade Supplemental and Budget Amendment”; a reduction of $448 for the annualization of FY 2010-11 DI-NP-2 "Postage Increase and Mail Equipment Upgrade"; an increase of $133 for the annualization of FY 2009-10 BA-NP-5 "Mail Equipment Upgrade Supplemental and Budget Amendment"; a reduction of $1,489 for FY 2010-11 BA-NP-1 "Statewide PERA Adjustment"; and a reduction of $7,773 for FY 2010-11 SBA-8: "5% Operating Reduction."

The final FY 2010-11 appropriation was $327,512 and 1.0 FTE through SB 11-141 (Supplemental). The supplemental bill includes a reduction of $628 for FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction.”

The Department was appropriated $327,789 and 1.0 FTE through the Long Bill, SB 11-209 in FY 2011-12, an increase of $277 from FY 2010-11. The reduction includes: an increase of $628 to annualize FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction”; an increase of $1,489 from the annualization of FY 2010-11 BA-NP-1: "Statewide PERA Adjustment"; a reduction of $1,280 from FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction"; a reduction of $640 for FY 2011-12 SBA-1: “Statewide 1% General Fund Reduction to Personal Services/Operating”; and an increase of $80 for the JBC common policy 1.5% reduction, rather than 2%.

SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA,” reduced the FY 2011-12 appropriation by $1,489 to $326,300 and 1.0 FTE.

The Department is requesting $335,562 and1.0 FTE in FY 2012-13, an increase of $7,773 from the FY 2011-12 appropriation in SB 11-209 (Long Bill). This request includes an increase of $7,773 to annualize FY 2010-11 SBA-8: “5% Operating Reduction.”

CHILD WELFARE SERVICES

This line item provides the primary funding for County Departments of Social Services to provide Child Welfare Services. Services that are provided through this block allocation may include but are not limited to, the following: out-of-home placement including foster care, residential care, and Medicaid treatment; adoptions; subsidized adoptions; subsidized adoption case services payments; child welfare-related child care and burials; county case management and administration; and the administration of the Interstate Compact on the Placement of Children for services for children who are either moving to Colorado from another state or are being placed by Colorado in another state. Under Section 26-5-104(4)(a), C.R.S. (2011), county departments are authorized to use this allocation to provide child welfare services without categorical restriction. These funds are allocated to counties under a formula developed by the Child Welfare Allocations Committee. Prior to FY 2001-02, the formula was primarily based upon historical expenditures with increases tied to changes in child population and poverty in each county. Effective with the Department’s FY 2001-02 change request, the basis for increase was shifted to child welfare caseload. Effective FY 2001-02, the Department and the Allocation Committee implemented an optimization model designed to provide an equitable, efficient, accountable, and outcome-based distribution of the child welfare allocation block. In FY 2003-04 the Child Welfare Allocation Committee approved modifying the optimization model to include three new “drivers”: referrals, new adoptions, and the average adoption cost-per-day. The committee also approved additional program costs (child welfare-related child care and foster care case services) to be included into the program service cost driver. With these new additions, the Child Welfare Services appropriation continued to be allocated through the dynamic optimization model.

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

In FY 2007-08, the committee approved suspending the use of the optimization model due to the unexplained fluctuations in the model. The committee approved holding the county allocations at the FY 2006-07 ratios and increasing county allocations by the county's share of the block allocation, i.e., if a county’s allocation equaled 10% of the entire block allocation, then the county was awarded 10% of the new appropriation. The committee has approved resuming use of the optimization model for FY 2011-12.

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

County Capped Allocations. Pursuant to Section 26-5-104 (4), C.R.S. (2011), counties receive capped funding allocations for the administration and provision of child welfare services. Counties are allowed to use capped allocation moneys for child welfare services without categorical restriction. Those counties that serve at least 80 percent of the total child welfare services population (the largest ten counties, currently) receive individual capped allocations, and the remaining small- and medium-sized counties receive separate capped allocations. Each county's allocation consists of local, state, and federal funds. The Department uses *state and federal* funds appropriated through the Child Welfare Services line item to reimburse county departments of social services for 80 percent of related expenses, up to the amount available in each county's allocation. In addition, pursuant to Section 26-5-104 (7), C.R.S. (2011), the Department is authorized, based upon the recommendations of the Allocations Committee; to allocate any unexpended funds at fiscal year-end to any county that has overspent its capped allocation. However, a county may only receive such "close-out" funds for authorized expenditures attributable to caseload increases beyond those anticipated when the allocations were made, and for expenditures *other than* those attributable to administrative and support functions.

The state achieved compliance with federal law regarding placement of a child outside of the home with the passage of SB 07-266, which increased this line by $142,561. SB 07-226 makes several changes to various statutes in the Federal Safe and Timely Interstate Placement of Foster Children Act of 2006, Child and Family Services Improvement Act of 2006, and Adam Walsh Child Protection and Safety Act of 2006. SB 07-226 authorizes the release of certain confidential child abuse information during the screening of prospective foster or adoptive parents. It requires the court to consult with a child, in an age-appropriate manner, regarding the child's permanency plan. It requires all family foster care and kinship care applicants, and all adults who reside in the foster care or kinship care applicant's home, to submit to a fingerprint-based criminal history records check. Finally, it requires the court to ensure that a juvenile and the juvenile's foster parents, pre-adoptive parents, or relatives receive notice of all hearings and reviews concerning the juvenile.

The Department was appropriated through SB 09-259 (Long Bill) $353,575,261 in FY 2009-10. From the prior year, this budget increased by $2,450,606 due to the following:

- Annualized reduction of $2,543,665 from Supplemental / Budget Amendment #18 (FY 2008-09) “CW Block Correction from FY 2008-09 Figure Setting;
- Refinance General Fund with Federal Funds of $1,100,000 through Supplemental / Budget Amendment #22: “CW Services Block Refinance”;
- Annualized increase of $580,299 from Supplemental NP-HCPF-2: “HCPF S-15, BA-14: Reduce Funding for Administrative Case Management”;
- A $4,413,972 increase from Decision Item #10 (FY 2009-10) “Child Welfare Services Block Increase”, and
- Refinance General Fund with Federal Funds of $3,335,847 through Supplemental/ Budget Amendment #56 “Refinance Child Welfare”, (Add-on Supplemental Bill SB 09-259).

Decision Item #10 (FY 2009-10) “Child Welfare Caseload.” This increase in funding was for the Division of Child Welfare, Child Welfare Services line to support children and families receiving services through the Child Welfare Block funding. This request provides appropriate and adequate funding to the Child Welfare Block to continue to meet the need of counties for the care of children requiring protection from abuse and neglect, and their families needing assistance in caring for these children.

The final FY 2009-10 appropriation was $343,705,363 through HB 10-1302 (Supplemental), resulting in an overall decrease of $9,869,898 from SB 09-259, including: refinancing of General Fund with Cash Fund in the amount of $4,028,564 from the annualization of SB 09-267 Special Bill FY 2009-10 "Match Rate County Child Care"; a reduction of $8,413,972 for FY 2009-10 August Budget Reduction: "5-Reduction to the Child Welfare Services Block”; refinancing General Fund with Federal Funds (TANF) in the amount of $3,000,000 from FY 2009-10 December 1, 2009 Reduction: "Refinance $3,000,000 of Child Welfare Services with TANF"; and a reduction of $1,455,926 from the JBC Committee action made during Supplemental.

- SB 09-267 was a Joint Budget Committee bill that required counties to cover a full 20 percent of the cost of out-of-home placement (rather than 10 percent), effective January 1, 2010. The impact of this adjustment is annualized in FY 2010-11, resulting in an increase of $4,028,564 in cash funds (county share) and a reduction in General Fund by the same amount.

- A reduction of $8,413,972 was from the Department August Budget Reduction that was approved during Supplemental. The reduction included:
  A. Defunding the remaining amount funded for the Child Welfare Services Block Increase (DI #10, FY 2009-10) of $4,413,972 Total Funds ($2,646,972 Net General Fund). In FY 2010-11, the total reduction will be $4,413,972 Total Funds ($2,646,972 Net General Fund). This reduction returns the appropriation to the FY 2008-09 level.
  B. Truing-up Medicaid funding within the Child Welfare Services appropriation of $4,000,000 Total Funds ($2,000,000 Medicaid General Fund) to true up how Medicaid expenditures are spent within the Child Welfare Services Block and is inline with historical expenditure amounts.

- A reduction of $1,455,926 in "regular" Title IV-E revenue was approved during Supplemental. This was requested and approved due to Title IV-E revenue not surfacing and is continuing at the same level received during FY 2008-09.

The Department was appropriated $337,475,100 through HB 10-1376 (Long Bill) in FY 2010-11. From the prior year Long Bill appropriation, this line item was reduced by $16,100,161, including: a reduction of $8,413,972 for FY 2009-10 August Budget Reduction: "5-Reduction to the Child Welfare Services Block”; a reduction of $6,635,156 for FY 2010-11 BRI-4 "Two Percent (2%) Community Provider Rate Base Decrease"; refinancing General Fund with Federal Funds (TANF) in the amount of $3,000,000 from FY 2009-10 December 1, 2009 reduction "Refinance $3,000,000 of Child Welfare Services with TANF"; a reduction of $249,950 for FY 2010-11 SBA-6: "Correction to FY 2010-11 Base Budget" related to the annualization SB 09-245 Special Bill FY 2009-10 "Kinship Placement and Guardianship"; refinancing General Fund with Federal Funds (TANF) in the amount of $7,000,000 from FY 2010-11 SBA-7 "Refinance $7,000,000 General Fund of Child Welfare Services with Federal TANF Moneys"; a reduction of $165,000 for an ACM Adjustment; an increase of $2,516,517 for FMAP adjustments; a reduction of $533,014 for a technical correction from the FMAP ARRA corrections; restoring the FMAP Title IV-E refinancing of $1,955,569 General Fund with Federal Fund with the ARRA being extended through the end of SFY 2010-11; a reduction of $10,299,256 due to the declining of Title IV-E earning; an increase of $3,069,461 to help offset the decrease in Title IV-E earnings; and an increase of $4,610,209 to help offset cuts made to this appropriation.

- Senate Bill 09-245 amended the Children's Code to conform with the federal Fostering Connections to Success and Increasing Adoptions Act of 2008 concerning kinship placement. The fiscal note for the bill anticipated county savings of $249,950 total funds in FY 2010-11 associated with the bill.

- The JBC analyst for the Department of Health Care Policy and Financing recommended and had approved a $165,000 General Fund reduction in the Department of Human Services and instead appropriated in the Department of Health Care Policy and Financing where it will be used to draw down matching federal Medicaid funds for county Administrative Case Management. This amount is consistent with the FY 2008-09 actual transfers that occurred between the two departments related to Administrative Case Management and reflects an ongoing effort to more accurately reflect transfers that the departments are authorized to make by statute to maximize federal funding.

- FMAP ARRA Adjustments increased the overall appropriation by $1,983,503. An increase of $2,516,517 for FMAP ARRA adjustments is due to revised projections and also the federal authorities extending the enhanced match rate through June 30, 2011, through the Senate passage of HR 4213 (the second JOBS bill). This bill authorizes continuation of the favorable match for Title IV-E, in addition to continuation of a favorable match for the Medicaid program. Reversing the annualization of General Fund / Federal Fund refinance in the amount of $1,955,569, due to the June 30, 2011, extension date. A technical correction made decreased this appropriation by $533,014. No General Fund was refinanced through this transaction.

- A reduction of $10,299,256 was due to the declining of Title IV-E earnings.

- The JBC analyst recommended, and had approved, an increase of $3,069,461 to help offset the shortfall of Federal Title IV-E funds and resulting decreases in Child Welfare Services allocations. A $900,000 increase in Federal Title XX funds for Child Welfare Services and a reduction to the Child Care Assistance Program line. The Department has on several occasions transferred these funds to help cover federal fund revenue shortfalls in Child Welfare Services. This transfer has been made on a more permanent basis to this appropriation. Also include, an annualized refinancing of $445,747 in General Fund with Federal Title IV-E through Supplemental / Budget Amendment #22: “CW Services Block Refinance.” The additional $1,555,569 increase in General Fund was approved to help offset Federal Title IV-E decreased earnings. The remaining increase of $613,892 is associated with Counties local share of 20 percent.

- Additional adjustments made to the Child Welfare Services appropriation to help offset the sharp decline in Federal Title IV-E revenue. This created a further cut to the County allocation, therefore JBC staff recommended, and had approved, an increase of $4,610,209 ($3,688,167 General Fund, and $922,042 County 20% share).

Special Bill HB 10-1338 "Probation Eligible Two Prior Felony" had several appropriations, one that increased the Child Welfare Services appropriation line by $1,719,794. The General Assembly's intent is to help offset the provider rate reduction in this line and that the change was continuous.

The final FY 2010-11 appropriation, not including the impact of HB 10-1338, is $334,832,758 through SB 11-209 (Add-on Supplemental Bill). The add-on supplemental bill includes a reduction of $2,868,254 for the FY 2010-11 JBC action of adjusting the cash funds for the county share and an increase of $225,912 for the FY 2010-11 JBC action of a 2-week payment delay.

The Department was appropriated $334,835,846 through the Long Bill, SB 11-209 in FY 2011-12, an increase of $3,088 from the final FY 2010-11 appropriation. The increase includes: an increase of $1,719,794 for the annualization from Special Bill HB 10-1338; a reduction of $225,912 to annualize the FY 2010-11 JBC action of a 2-week payment delay; annualizing the refinance of General Fund with Federal Fund in the amount of $3,911,137 from the FMAP ARRA adjustment, a reduction of $1,983,503 from annualizing FY 2010-11 FMAP ARRA adjustments; and an increase of $492,709 to account for the one-time Leap Year adjustment.

The Department is requesting $334,343,137 in FY 2012-13, a reduction of $492,709 from the FY 2011-12 appropriation in SB 11-209 (Long Bill). The reduction of $492,709 is to annualize the FY 2011-12 Leap Year adjustment. The request also annualizes FY 2010-11 BRI-5: "Refinance of $3,000,000 of Child Welfare Services with TANF" by refinancing federal funds (TANF) with General Fund.

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

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

States are allowed to earn Federal Title IV-E funds (Title IV-E refers to a section of the Federal Social Security Act) for a number of activities associated with providing services to certain children who are placed outside their own homes. Specifically, states may earn

Title IV-E funds for the "room and board" costs of providing out-of-home care, for related administrative costs, and for costs associated with training caseworkers, supervisors, and service providers. The Federal Title IV-E program is an open-ended entitlement program, so there is no dollar limit on what any state may earn. Federal Title IV-E funds are earned on a matching basis, and the match ratio varies by activity. In general, Title IV-E funds are provided on a 50/50 basis, except that eligible training expenses are reimbursed at a higher 75/25 (Federal/State) ratio.

In FY 2009-10, the Department was appropriated $1,735,971 Cash Funds through SB 09-259 (Long Bill). This was a continuation from the prior year's budget. In FY 2010-11, this line item appropriation totaling $1,000,000 General Fund was changed to "Title IV-E Related County Administrative Functions." In FY 2011-12, the JBC reinstated the former line item description and appropriated $1,000,000 Cash Funds in SB 11-209. The FY 2012-13 budget request is for $1,000,000 Cash Funds, a continuation of the FY 2010-12 appropriation.

FAMILY AND CHILDREN'S PROGRAMS

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

This program serves children who are dependent and neglected or abused, delinquent or in conflict with their families or communities. In 1991, Article 5.5 was enacted to create the Colorado Family Preservation Act. Although the program is defined in state statutes as Family Preservation, the program is referenced in Colorado Department of Human Services Staff Manual Volume 7 as Core Services. Pursuant to Section 19-3-208, C.R.S. (2011), the Core Services Program serves children that are at imminent risk of out-of-home placement.

Description of "Core Services"
Pursuant to Section 19-3-208, C.R.S. (2011), the following services are to be made available and provided based upon the State's capacity to increase federal funding or any other moneys appropriated for these services and as determined necessary and appropriate by individual case plans:

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

In addition, pursuant to Section 26-5.3-105, C.R.S. (2011), “emergency assistance” was made available to serve the same population. Counties are required to submit a core services plan for approval by the Division of Child Welfare. Counties must have the eight basic core services accessible to children and their families who meet the eligibility criteria for the program. Those services are home-based intervention, intensive family therapy, life skills, day treatment, sexual abuse treatment, special economic assistance, mental health services, and substance abuse. Counties also have the option to provide county-designed services. In order to be eligible for the Core Services Program, each child shall: meet the criteria for Program Area 4, 5, or 6 target group; and, meet the Colorado out-of-home placement criteria at the time of each placement in any Core Services Program; and, require a more restrictive level of care but may be maintained at a less restrictive out-of-home placement or in his/her own home with core services. Core services are provided through an approved county plan as alternatives to out-of-home care or in conjunction with out-of-home care, to either reduce the level of placement needed or to facilitate the child’s move to a permanent family. In order to be eligible for services, the child case must be a Program Area 4, 5, or 6 case - this means the child must meet Colorado’s out-of-home placement criteria and be at imminent risk for out-of-home placement.

In FY 2009-10, the Department was appropriated $45,689,850 through SB 09-259 (Long Bill) in FY 2009-10. The line item remained unchanged with a refinancing of $9.5 million General Fund with Federal TANF funds through FY 2009-10 BA #36: “Refinance Core Programs.”

In FY 2010-11, the Department was appropriated $44,776,053 through HB 10-1376 (Long Bill). From the prior year, this line item decreased by $913,797, which was from FY 2010-11 BRI-4: "Two Percent (2%) Community Provider Rate Base Decrease”.

In FY 2011-12 the Department was appropriated $44,776,053 through SB 11-209 (Long Bill). This was the same amount as the prior year’s appropriation.

The Department is requesting prior year funding be continued at $44,776,053 in FY 2012-13. This amount includes a $9.5 million refinance of Federal TANF funds with General Fund; annualizing FY 2009-10 BA #36: “Refinance Core Programs.”

PERFORMANCE-BASED COLLABORATIVE MANAGEMENT INCENTIVES

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

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

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

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

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

Funding for the Program. House Bill 04-1451 amended a number of existing statutory provisions to change the destination of approximately $2.1 million in civil docket fee revenue. For FY 2007-08, the Performance Incentive Cash Fund was repealed and all moneys in the fund were transferred into the Performance-Based Collaborative Management Incentive Cash Fund (in addition, the fund received transfers from the Family Stabilization Services Fund and from docket fees in civil actions - dissolution of marriage - as specified in Section 13-32-101 (1) (a), C.R.S. (2011). All revenue was made available to provide incentives for those groups that chose to enter into MOUs.

House Bill 08-1005 (Frangas/Boyd) includes several adjustments to this program, including: (1) requires the Division of Youth Corrections to be included in all collaboratives; (2) specifies that the amount of General Fund savings from collaboratives shall be determined in accordance with rules established by the Department of Human Services; (3) authorizes use of moneys in the Collaborative Management Incentive Programs Cash Fund for ongoing external evaluations of the counties participating in the program, and (4) includes an appropriation for such evaluations from the Cash Fund.

In FY 2009-10, the Department was appropriated $3,555,500 through SB 09-259 (Long Bill). Annualization of HB 08-1005 “Conduct ongoing external evaluation of the counties which have entered into the MOU” reduced this appropriation by $10,200.

In FY 2010-11, the Department was appropriated $3,555,500 through HB 10-1376, a continuation from the FY 2009-10 Long Bill (SB 09-259).

In FY 2011-12, SB 11-209 appropriates $3,224,669. The appropriation includes JBC action to spread out two-years of payments to counties. The JBC action resulted in a reduction of $330,831.

The Department is requesting that prior fiscal year (FY 2011-12) funding be continued at $3,224,669 in FY 2012-13.

INDEPENDENT LIVING PROGRAMS

The *Chafee Foster Care Independence Program* is a federally funded program designed to provide independent living resources to youth who are in any of the following situations: in out-of-home care with a goal of other planned permanent living arrangements; in a Division of Youth Corrections community placement; in foster care at age 18; entered adoption assistance at age 16 or older; or entered guardianship assistance at age 16 or older and are under age 21. The eligible youth and young adults in the program are taught skills in financial and budget management, safety, healthy marriage, employment, education, time management, and household management. They are taught other skills and given information in a variety of ancillary areas depending on their individual needs. The relationship between the Chafee Independent Living Program coordinators and the youth and young adult is seen as central to the program. For the last reporting period, the Chafee program served 1,150 youth. The Youth Empowerment System Academy (YES! Academy) provides services to disenfranchised or homeless youth. The YES! Academy is a partnership between the Colorado Department of Human Services Division of Child Welfare, the Colorado Department of Local Affairs Supportive Housing and Homeless Program (SHHP), and County Departments of Social Services/Human Services for the purpose of providing Chafee-eligible young adults with safe and stable housing, employment, education, and community connectedness. There are three contracted YES! Academy service providers, Denver Indian Family Resource Center provides services to youth and young adults determined to be an “Indian Child” while Westside Center and Urban Peaks provide services to primarily urban youth. Education and Training Vouchers provide up to $5,500 per year in educational support to Chafee eligible youth, who have graduated from secondary education and have been accepted into an accredited post-secondary educational institution.

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

- The ETV program offers up to $5,000 per year to eligible youth who have exited foster care, to go to college or attend an accredited vocational or technical training program. Child Welfare has contracted with the Orphan Foundation of America (OFA) to administer and track the ETV funds. The OFA is a non-profit organization dedicated to helping youth transition from foster care to independent adulthood since 1981. CDHS also contracts with the Orphan Foundation of America to administer the Educational and Training Voucher Program for Colorado’s eligible foster care youth.

- In FFY 2004-2005, the Colorado ETV Program disbursed $640,346 to 186 youth in 29 counties throughout Colorado. For FFY 2005-06, 228 eligible youth have applied for the program.

- Colorado has received $769,321 through 2006 for the program.

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

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

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

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

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

- In October 2008, the Fostering Connections Act legislation authorized ETV for youth who were 16 exiting foster care to the Guardianship Assistance Program.

Eligible youth may receive vouchers for up to $5,000 per year for four (4) years to attend college, a university, or an accredited vocational or technical training program. The funds may be used for tuition, books, or qualified living expenses. These funds are available on a first-come, first-served basis to students out of the Colorado foster care system. The Division of Child Welfare contracted with the Orphan Foundation, a non-profit organization, to administer and track Colorado's share of the funds [see www.statevoucher.org].

In FY 2008-09, the Department was appropriated $2,826,582 through HB 08-1375 (Long Bill). This was a continuation from prior year Long Bill (SB 07-239). In FY 2009-10, the Joint Budget Committee approved the recommendation to add 4.0 FTE, which are federally funded on the Long Bill. This budget has not changed since FY 2006-07 and for FY 2012-13 the Department is requesting a continuing appropriation of $2,826,582 and 4.0 FTE.

PROMOTING SAFE AND STABLE FAMILIES PROGRAM

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

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

While a small portion of the federal funds are used to support 2.0 FTE state staff responsible for administering the program, the majority of the funds are made available to local communities and tribes.

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

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

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

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

In FY 2009-10, the Department was appropriated $4,461,376 and 2.0 FTE through SB 09-259 (Long Bill). From the prior year, this line item appropriation increased by $3,717, including: $2,893 increase for a Prior Year Salary Survey and $824 increase for a Prior Year Performance-based Pay at 80%. The final FY 2009-10 appropriation was $4,455,981 and 2.0 FTE through HB 10-1302 (Supplemental), resulting in an overall reduction of $5,395 from SB 09-259 due to FY 2010-11 S-NP-1: "Statewide Furlough Impact."

In FY 2010-11, the Department was appropriated $4,457,448 and 2.0 through HB 10-1376 (Long Bill). From the prior year, this line item appropriation increased by $1,467. The increase includes: an increase of $5,395 to annualize FY 2010-11 S-NP-1: "Statewide Furlough Impact" and a reduction of $3,928 from the FY 2010-11 BA-NP-1: "Statewide PERA Adjustment." The final FY 2010-11 appropriation was $4,456,985 through SB 11-141 (Supplemental). The supplemental bill includes a reduction of $463 for FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction.”

The Department was appropriated $4,456,680 through the Long Bill, SB 11-209 in FY 2011-12, a reduction of $305 from the final FY 2010-11 appropriation. The reduction includes: an increase of $463 to annualize FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction”; an increase of $3,928 from the annualization of FY 2010-11 BA-NP-1: "Statewide PERA Adjustment"; a reduction of $927 from FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction"; a reduction of $1,856 for FY 2011-

12 SBA-1: “Statewide 1% General Fund Reduction to Personal Services/Operating”; and a reduction of $1,913 for the JBC common policy 1.5% reduction, rather than 2%.

SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA,” reduced the FY 2011-12 appropriation by $1,663 to $4,455,017.

The Department is requesting $4,456,680 in FY 2012-13, an increase of $1,663 from the final FY 2011-12 appropriation. This request includes $1,663 to annualize SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA.”

FEDERAL CHILD ABUSE PREVENTION AND TREATMENT ACT GRANT

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

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

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

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

In FY 2009-10, the total appropriation was $386,067 and 3.0 FTE through SB 09-259 (Long Bill). From the prior year, this line item appropriation increased by $7,735 through the following: an increase of $5,986 for a Prior Year Salary Survey; an increase of $1,709 for a Prior Year Performance-based Pay at 80%; and a $40 one-time increase for DI-NP-2: "Postage Increase and Mail Equipment Upgrade," which was part of the DPA Common Policy item. The final FY 2009-10 appropriation was $380,134 and 3.0 FTE through HB 10-1302 (Supplemental), resulting in an overall reduction of $5,933 from SB 09-259 due to FY 2010-11 S-NP-1 "Statewide Furlough Impact".

In FY 2010-11, the Department was appropriated $381,708 and 3.0 FTE through HB 10-1376 (Long Bill). From the prior year, this line item appropriation increased by $1,574, as a result of the following: an increase of $5,933 to annualize FY 2010-11 S-NP-1 "Statewide Furlough Impact"; a reduction of $40 from the annualization of FY 2009-10 DI-NP-2: "Postage Increase and Mail Equipment Upgrade"; and a reduction of $4,319 from FY 2010-11 BA-NP-1 "Statewide PERA Adjustment".

The Department was appropriated $436,054 and 3.0 FTE through the Long Bill, SB 11-209 in FY 2011-12, an increase of $54,346 from FY 2010-11. The increase includes an additional $4,319 from the annualization of FY 2010-11 BA-NP-1: "Statewide PERA Adjustment" and an increase of $50,027 based on a JBC adjustment for an additional amount of anticipated federal funds.
SB 11-076, a "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA," reduced the FY 2011-12 appropriation by $4,324 to $431,730 and 3.0 FTE.

The Department is requesting $436,054 and 3.0 FTE in FY 2012-13, an increase of $4,324 from the final FY 2011-12 appropriation. The increase is to annualize SB 11-076, a "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA."

CHILD WELFARE AND MENTAL HEALTH SERVICES PILOT PROGRAM

Through the General Assembly approval of HB 08-1391, a new line was created in Child Welfare. In FY 2008-09, this line was appropriated $1,925,169 total funding and annualized to $3,472,530 in FY 2009-10. This bill created a three-year pilot program in 3 counties, or groups of counties, to provide mental health assessment and services for abused and neglected children ages 4-10 years and their siblings, and evaluates the effectiveness of such services. The Department was required to issue an RFP to select a contractor to develop and implement the pilot in three counties or groups of counties, and separately, the Department would select the pilot sites to work with the contractor.

Due to the State revenues coming in lower than expected during the September 20, 2008, and the March 20, 2009, forecasts, the Department proposed several reductions. For FY 2008-09 and FY 2009-10, this program was delayed through the enactment of SB 09-207 “Delay Child Welfare Mental Health Pilot” until 2015.

CHILD WELFARE ACTION COMMITTEE

Through the General Assembly enactment of HB 08-1404, a new line was created in Child Welfare. This was a new appropriation of $550,000 for FY 2008-09. This bill provided legislative support and appropriations to assist in the implementation of the Governor’s Executive Order creating a “Child Welfare Action Committee” to reform and improve Colorado’s systems for the protection of children from abuse or neglect. The bill also clarified that the State Department have access to employee files on county social services employees. Combined with the Governor’s Executive Order, the Department would engage in an intensive and extensive review of the entire child protection system, including looking at different models than Colorado’s state supervised-county administered Child Welfare system. In September 2009, the second interim report and recommendations were issued and as a result four (4) bills were introduced and passed during the 2010 legislative session.

Pursuant to Section 26-1-135 (2), C.R.S. (2010), moneys in the Fund were continuously appropriated to the Department of Human Services and did not revert to the General Fund. The Department anticipated that amounts in the cash fund would not be spent as of the end of FY 2008-09 and would instead be spent in FY 2009-10. In FY 2009-10, the Department was appropriated $200,000 in Cash Funds.

This line item was eliminated in FY 2010-11 and beyond.

CHILD WELFARE FUNCTIONAL FAMILY THERAPY

Through a change request for FY 2009-10, a new line was created appropriating $3,281,941 and 0.5 FTE to implement four Functional Family Therapy (FFT) programs in needed areas of Colorado and a half-time Program Administrator to assist in the development and support of these evidence-based services for Child Welfare clients throughout the State. FFT is used both before youth are placed out-of-home in expensive residential settings or institutions, as well as when youth are being discharged following placements. These funds will be first targeted to a county or region of counties participating in the Collaborative Management Program and in need of additional FFT services for populations of youth identified in their Collaborative Management Memorandum of Understanding.

This line has been eliminated during FY 2009-10 due to State revenue coming in lower than expected during the September 20, 2008, and the March 20, 2009, forecasts.

Department of Human Services
Line Item Descriptions

Division of Child Care

FY 2012-13 Budget Request

NOVEMBER 1, 2011

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(6) DIVISION OF CHILD CARE

The Department of Human Services is the State's lead agency in planning and implementing public child care policy. The Division of Child Care is responsible for licensing of child care facilities; monitoring and managing child care assistance (subsidy) programs for low-income families, child care grants, and quality initiatives; and serving as the lead in implementing federal child care programs. The Division of Child Care currently is composed of 64.4 state full time employees (FTE), including Licensing Specialists, Licensing Supervisors, 24-Hour Facility Specialists, Information and Support Staff, Quality Grant Program Staff, Child Care Assistance Program Staff, and Administrators. In addition to state FTE, the State oversees licensing contractors who aid State licensing administrators conduct facility reviews. The overall goal of the Division is to promote quality, accessible, and affordable child care services for Colorado families.

CHILD CARE LICENSING AND ADMINISTRATION

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

Pursuant to Section 26-6-105, C.R.S. (2011), the Department is to establish license fees pursuant to rules promulgated by the State Board of Human Services. Such fees are not to exceed the direct and indirect costs incurred by the Department. The Department is to develop and implement an objective, systematic approach for setting, monitoring, and revising child care licensing fees by developing and using an ongoing method to track all direct and indirect costs associated with child care inspection licensing, by developing a methodology to assess the relationship between licensing costs and fees, and by annually reassessing costs and fees and reporting the results to the State Board. The Department is to consider the licensed capacity of facilities and the time required to license facilities.

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

The Division provides technical assistance to child care providers and establishes educational and experience requirements for child care providers in all facilities.
The Child Care Licensing Appeal Panel reviews provider requests for waivers to licensing regulations. Applicants or licensed providers may appeal any regulation that they believe causes them undue hardship or has been too stringently applied. The Child Care Licensing Appeal Panel of the Division hears an average of 600 appeals a year. To facilitate parents' involvement in monitoring and making decisions about licensed facilities, the Division makes licensing histories of child care facilities available to the public. On average, more than 2,100 licensing histories are reviewed annually.

Prior to FY 2002-03, child care licensing fees had not been adjusted since June 1999. The fee structure that existed in FY 2001-02 generated about $475,000 in cash fund revenues, covering about 11 percent of the costs of the licensing program; the General Fund covered about one-third of such costs, and federal funds covered the remainder (56 percent). In recent years, child care licensing fees have paid between 11 and 15 percent of the costs of the licensing program: cash funds represent about 13 percent of the portion of the child care administration budget allocated for licensing 24-hour and other facilities in FY 2009-10. The most recent child care licensing fee increase was done September 1, 2008. Fees range from $24 per year for a smaller family child care home to $792 for an initial license for a residential child care facility, with higher fees for secure facilities.

The Department was appropriated $6,810,584 and 67.1 FTE through SB 09-259 (Long Bill) in FY 2009-10. From the prior year, this line item appropriation increased by $345,927 and 3.1 FTE, including: an increase of $162,057 for Prior Year Salary Survey; an increase of $46,302 for the Prior Year Performance-based Pay at 80%; an increase of $79,909 and 1.5 FTE from HB 08-1388 "Concerning the Financing of Public Schools"; an increase of $129,293 and 1.6 FTE for FY 2009-10 DI#18 "Child Care Assistance Program Compliance Assurance"; BA #39 "Child Care Licensing and Administration one-time refinancing with Cash Fund" refinanced General Fund with $110,000 Cash Funds; a one-time increase of $9,375 for DI-NP-2: "Postage Increase and Mail Equipment Upgrade," which was part of DPA Common Policy item; and a reduction of $81,009 to reduce the personnel services line by 1.82%, taken by the Joint Budget Committee on April 22, 2009, to help balance the state budget.

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

Decision Item #18: Child Care Assistance Program Compliance Assurance was approved for $129,293 and 1.6 FTE to meet the federal audit requirements specified in Code of Federal Regulations (CFR), Title 45 – Public Welfare – Parts 98 and 99, the official regulations for the Child Care and Development Fund. The personnel are funded using Child Care Development Fund (CCDF) transferred from the Child Care Assistant Program (CCAP) line to the Child Care Licensing and Administration. CFR Title 45 Part 98 Subpart K – Error Rate Reporting – requires states, the District of Columbia, and Puerto Rico to measure, calculate, and report improper payments and identify strategies for reducing future improper payments.

FY 2009-10 spending authority was further reduced by $185,774 and 3.3 FTE as part of the August 24, 2009 reduction plan. FY 2009-10 August Budget Reduction: "6 – Division of Child Care – FTE General Fund Reduction". This reduction annualizes to $218,904 General Fund and 3.5 FTE in FY 2010-11.

The Department was appropriated $6,551,553 and 64.0 FTE through HB 10-1376 (Long Bill) in FY 2010-11. From the prior year Long Bill appropriation, this line item appropriation was reduced by $259,031 and 3.1 FTE, including: a reduction of $218,904 and 3.5 FTE from FY 2009-10 August Budget Reduction annualizing "6-Division of Child Care – FTE General Fund Reduction"; an increase of $28,885 and 0.4 FTE annualizing FY 2009-10 DI #18 "Child Care Assistance Program Compliance Assurance"; a reduction of $7,207 annualizing FY 2009-10 DI-NP-2: "Postage Increase and Mail Equipment Upgrade"; a net effect of $0 from annualizing FY 2009-10 BA #39: "Child Care Licensing and Administration one-time refinancing with Cash Fund" in the amount of $110,000; an increase of $81,009 adding back in the one-time FY 2009-10 personal services cut; a reduction of $41,104 from FY 2010-11 BRI-4: "Two Percent (2%) Community Provider Rate Base Decrease"; an increase of $2,137 annualizing FY 2010-11 BA-NP-5: "Mail Equipment Upgrade Supplemental and Budget Amendment"; a reduction of $90,717 for FY 2010-11 BA-NP-1 " Statewide PERA Adjustment"; and a reduction of $13,130 for FY 2010-11 SBA-8: "5% Operating Reduction."

The final FY 2010-11 appropriation was $6,532,115 and 64.0 FTE through SB 11-141 (Supplemental). The supplemental bill includes a reduction of $19,438 for FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction.”

The Department was appropriated $6,556,852 and 64.0 FTE through the Long Bill, SB 11-209 in FY 2011-12, an increase of $24,737 from the final FY 2010-11 appropriation. The change includes: an increase of $19,438 to annualize FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction”; an increase of $90,717 from the annualization of FY 2010-11 BA-NP-1: "Statewide PERA Adjustment"; a reduction of $39,760 from FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction"; a reduction of $19,880 for FY 2011-12 SBA-1: “Statewide 1% General Fund Reduction to Personal Services/Operating”; and a reduction of $25,778 for the JBC common policy 1.5% reduction, rather than 2%.

SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA,” reduced the FY 2011-12 appropriation by $89,848. HB 11-1145, “Availability Background Check Child Care,” increased the number of child care workers that are required to have a background check. To process the additional workload of the background checks, the bill included an increase of $19,311 and 0.4 FTE. With special bills, the total line item appropriation for FY 2011-12 is $6,486,315 and 64.4 FTE.

The Department is requesting $6,589,293 and 64.4 FTE in FY 2012-13, an increase of $102,978 from the final FY 2011-12 appropriation. This request includes $89,848 to annualize SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA.” The request also includes an increase of $13,130 to annualize FY 2010-11 SBA-8: “5% Operating Reduction.”

FINES ASSESSED AGAINST LICENSEES

Senate Bill 99-152 created the Child Care Cash Fund, which consists of fines collected from licensees by the Department [see Section 26-6-114 (5), C.R.S. (2011)]. Moneys in the fund are continuously appropriated to the Department "to fund activities related to the improvement of the quality of child care in the state of Colorado." Fines have been assessed against unlicensed child care providers for operating illegally and have been assessed against licensed child care providers for consistent violation of regulations.

In FY 2009-10, SB 09-259 (Long Bill) appropriated $32,000, which gave the department an additional $14,000 spending authority to support administration activities directed at child care quality during the fiscal year. In FY 2010-11 and FY 2011-12, HB 10-1376 and SB 11-209, respectively (Long Bill), reduced the appropriation to $20,000, which aligns Child Care fine earnings. The FY 2012-13 request is to continue funding at $20,000.

CHILD CARE ASSISTANCE PROGRAM AUTOMATED SYSTEM REPLACEMENT

For FY 2007-08, the Capital Development Committee authorized the Department to proceed with the replacement and upgrade of its system for managing child care assistance payments and this line has been added to the Long Bill for the Division of Child Care (SB 07-239). Most of the $14.7 million project was funded through the capital construction budget using state-appropriated federal Child Care Development Funds, with a small additional appropriation in the operating budget.

The Child Care Automated Tracking System (CHATS) is a data system that supports the Department and all counties in managing the subsidized child care assistance program (total expenditures of $70 to $100 million, depending on the year). The system serves over 38,000 children within 19,000 low income and disadvantaged families who receive services from 5,500 licensed and legally exempt child care providers. CHATS current functions include: client administration, provider administration, payments, recovery, program technical assistance, program monitoring, and reporting. It was first developed in 1995 on mainframe technology. In FY 2003-04 the Joint Budget Committee appropriated funds for a feasibility study on replacement of the system. The new, more modern system will meet business needs that have changed, improve child care expenditure tracking, provide reconciliation and reporting, and reduce fraud, among other capabilities.

The project replaced the former CHATS system with a web-based system that uses "point of sale" technology. A significant portion of the cost is for "point of sale" technology allowing a family to "swipe" a child care assistance program "electronic card" that reflects the family's child care assistance program authorization. The new system is expected to have a life span of 10 years. Equipment lease and maintenance costs for the point of sale devices are approximately $1.2 million per year and are ongoing during this period. The majority of such maintenance costs are associated with the "point of sale" technology.

In FY 2009-10, the Department was appropriated $103,246. Stand Alone Budget Amendment #4: “CHATS Replacement Project – Operations Budget,” adjusted this appropriation by reducing the annualization of Decision Item #18 (FY 2007-08) by $1,136,045, which increased the overall appropriation by $55,561 to cover pilot cost associated with the development of this project.

In FY 2010-11, the Department requested and had approved the removal of this line through DI-4 "Child Care Automated Tracking System (CHATS) – Point of Sale Maintenance." The remaining $103,246 was transferred to (2) Office of Information Technology Services, Child Care Automated Tracking System (CHATS) [New line] to cover the annual cost of system maintenance for the Child Care Automated Tracking System point of sale system.

CHILD CARE ASSISTANCE PROGRAM

The Division of Child Care is the lead agency on the Colorado Child Care Assistance Program (CCCAP). Senate Bill 97-120 established the CCCAP in Section 26-8-801 through 806, C.R.S. (2011). Child care subsidy programs, such as CCCAP, were promoted under 1996 federal welfare reform legislation to help families become financially independent. Pursuant to Sections 26-1-11 and 26-1-201, C.R.S. (2011), the Department supervises CCCAP services administered by county departments of human/social services. As with other public assistance programs, counties serve as agents of the State and are charged with administering the program in accordance with Department regulations. CCCAP provides financial assistance to low-income families that are working, searching for employment and/or training, and that are enrolled in the Colorado Works Program and need child care services to support their efforts toward self-sufficiency. Additionally, the Division of Child Care is responsible for administering the federal Child

Care Development Fund monies to increase accessibility, availability, and affordability of quality child care services for Colorado's families.

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

Counties receive annual allocations that include county administration and direct services for payments to providers. Each county is responsible for meeting an annual maintenance of effort, as well as a 20% county share of administrative expenditures. The maintenance of effort is established in state statute Section 26-2-804, C.R.S. (2011). Counties may transfer up to 30% of their TANF funds, less any amounts transferred to Child Welfare, into the Child Care Development Fund grant for use in the CCCAP program. State staff, along with county representatives, reviewed the formula used for allocating funds to counties in 2004, resulting in a changed formula for FY 2004-05 and amended for FY 2006-07. A major component of CCCAP expenditures relates to provider reimbursement rates. The State identifies market rates being paid to providers through a bi-annual survey process; however, counties may set their own rates by negotiating higher or lower rates in order to meet local needs.

The Department was appropriated $75,618,195 through SB 09-259 (Long Bill) in FY 2009-10. From the prior year, this line item appropriation decreased by $250,384. Included in this change was: a reduction of $147,138 from DI #18, "Child Care Assistance Program Compliance Assurance"; and a reduction of $103,246 from SBA #4 "CHATS Replacement Project – Operations Budget" as the CHATS system has experienced some delays and therefore the CHATS operation budget is being delayed as well.

The Department was appropriated $74,802,572 through HB 10-1376 (Long Bill) in FY 2010-11. From the prior year, this line item appropriation decreased by $815,623. Included in the change was: a reduction of $29,722 for the annualization of FY 2009-10 DI #18 "Child Care Assistance Program Compliance Assurance"; a reduction of $619,504 for FY 2010-11 DI-4/SBA-2: "Child Care Automated Tracking System (CHATS) – Point of Sale Maintenance"; a reduction of $166,397 for FY 2010-11 SBA #4, funding to come from reducing CCAP vs. the Department request of funding it from the increase of CCDF Grants; and a General Fund/Federal Fund (Child Care Development Fund) refinance of $750,000.

The Department was appropriated $73,976,592 through the Long Bill, SB 11-209 in FY 2011-12, a reduction of $825,980 from the final FY 2010-11 appropriation. The change includes: a reduction of $516,250 to reverse FY 2010-11 SBA-2: "Child Care Automated

Tracking System (CHATS) – Point of Sale Maintenance and Technical Adjustment to Local Share"; a reduction of $309,730 for the JBC action on BA-6: "CHATS Ongoing Support and Maintenance"; and a net zero change for the refinancing of $500,000 General Fund with CCDF funds through JBC action.

The Department is requesting $73,976,592 for FY 2012-13. This is a continuation of the FY 2011-12 funding. Included in the request is a refinance of $817,511 General Fund for federal funds through funding request FY 2012-13 R-10: "Child Care Assistance Program General Fund Refinance."

CHILD CARE ASSISTANCE PROGRAM – AMERICAN RECOVERY AND REINVESTMENT ACT FUNDING

This line item was created during FY 2008-09 when Colorado received an increase in its total Child Care and Development Block Grant from the American Recovery and Reinvestment Act (ARRA). The Joint Budget Committee approved a new line under the Division of Child Care for $11,064,462 on March 20, 2008.

The purposes of the ARRA include the following: (1) to preserve and create jobs and promote economic recovery; (2) to assist those most impacted by the recession; (3) to provide investments needed to increase economic efficiency by spurring technological advances in science and health; (4) to invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits; and (5) to stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases. [ARRA, sec.3 (a)]

The ARRA provides CCDF lead agencies with an opportunity to assist those most impacted by the recession through the provision of funds to expand services to additional children and families facing difficult economic circumstances. The ARRA also provides supplemental targeted funding for investments to improve the quality of child care to support the health and well-being of children. As part of the President's economic stimulus package, the American Recovery and Reinvestment Act of 2009 (ARRA) appropriated an additional $2 billion in CCDF Discretionary funding available to State, Territory, and Tribal lead agencies in FY 2008-09. The final Colorado allocation totaled $24,312,305.

During FY 2009-10, the final ARRA amount differed from the estimated amount input onto this line item through the add-on supplemental bill (SB 09-259) for FY 2008-09. This line item was adjusted to match the ARRA amount awarded to Colorado and is reflected on FY 2009-10 supplemental bill (HB 10-1302). In FY 2009-10, the line item was adjusted to $10,405,227. For FY 2010-11, this funding was removed and the line item was eliminated in HB 10-1376. This one-time infusion of funds funded additional cases during FY 2008-09 and FY 2009-10.

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

This line item was created in FY 2007-08 and combined the former "Grants to Improve the Quality and Availability of Child Care" and "Federal Discretionary Child Care Funds Earmarked for Certain Purposes" line items for a new appropriation of $3,473,633. *"Quality" requirement:* The federal government requires that 4.0 percent of expenditures for Child Care and Development Fund be used to improve service quality. The 4.0 percent calculation is based on total CCDF expenditures, including state expenditures required to match a portion of the federal CCDF grant and expenditures of county transfers of TANF funds to CCDF.

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

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

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

This line item appropriation has not changed since FY 2007-08 and for FY 2012-13 the Department is requesting a continuation of $3,473,633.

GRANTS TO IMPROVE THE QUALITY & AVILABILITY OF CHILD CARE & COMPLY WITH FEDERAL TARGETED FUNDS REQUIREMENTS – AMERICAN RECOVERY AND REINVESTMENT ACT FUNDING

This line item was created during FY 2009-10 when Colorado received an increase in its total Child Care and Development Block Grant from the American Recovery and Reinvestment Act (ARRA) in FY 2008-09. The Joint Budget Committee approved a new line under the Division of Child Care for $2,805,076.

ARRA of 2009 provided a one-time increase to the Discretionary portion of the Child Care Development Fund (CCDF) Block Grant. Colorado's ARRA stimulus award totaled $24,312,305 of increased CCDF funding. As a term and condition of accepting the increased ARRA funding, $3,173,850 of the total amount is required to be spent on activities to improve the quality of infant and toddler care. The remaining $21,138,45 is required to be spent on low-income child care assistance payments.

The funds supplemented existing programs and had an immediate impact to families, providers, and communities in a variety of ways, including: supporting local economic development, increasing access to child care for working parents, and increasing training and professional development for child care providers. The infusion of one-time funds will not require sustainability by the Department and the line item has been removed in FY 2010-11.

EARLY CHILDHOOD COUNCILS

The Early Childhood Councils program includes 30 self-described communities that span 55 counties. Ninety-eight percent of Colorado's population lives within these communities. This project has successfully brought key child care stakeholders together to identify and implement approaches at the local level that provide valuable policy information and allow the development of a seamless and accessible system of care for families. Under these councils, the communities are developing comprehensive child care programs, which integrate Head Start, the Colorado Preschool Program, and CCCAP to result in full-day, full-year child care for low-income families, expanding the availability and quality of child care. In addition, councils address health, mental health, parental education, local licensing models, and other community-based services for families. The ultimate vision is that local seamless systems of care for children and families will evolve which further full-day, full-year quality care alternatives that can better meet the diverse and often complex needs of working parents and their children. The councils have also been the proving ground for the viability and necessity of waivers to state rule, when a current rule impedes the integrated approach to best practice in services. Several waivers have resulted in statewide changes through legislation.

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

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

The passage of House Bill 07-1062, codified at Section 26-6.5-101 et. seq., C.R.S. (2011), renamed, improved, and expanded the Consolidated Child Care Pilot program. The Consolidated Pilot programs were renamed as the Early Childhood Councils. The legislation also expanded the program from the existing 17 communities to 30 communities statewide. Early Childhood Councils are charged with building the foundations of a locally based early childhood system so that more high quality services are available to more children and families. This systems approach that underlies the creation of the Early Childhood Councils differs from the more traditional program-based approach is some important, innovative ways. The Early Childhood Councils represent an intentional move towards integrating early childhood services across four early childhood domains – health, mental health, family support, and early care and education – in order to maximize the effectiveness of local services to children and create a sustainable, long-term investment in improving the quality of those services for children and families. To that end, Early Childhood Councils have the ability to apply for waivers to State rules or regulations that are barriers for achieving more effective and efficient services. Additionally, Early Childhood Councils must each meet specific, defined expectations for building their local early childhood systems; e.g, organizational structure, representation, governance, strategic planning, etc. These specific systems building expectations are delineated in the grant application for the Early Childhood Councils that was developed by the State pursuant to the passage of HB 07-1062. These efforts are further supported in the legislation with the creation of the Early Childhood Councils Advisory Team and an evaluation of the Early Childhood Councils' successes in building their local early childhood system. Finally, the legislation authorized some additional funding in order to make the expansion from 17 to 30 communities feasible and practical; an appropriation of $1.0 million General Fund and $1.0 million federal Child Care Development Funds for the Councils, with an associated reduction to the Colorado Child Care Assistance Program line item. (The $1.0 million General Fund was first appropriated to the Early Childhood Councils Cash Fund and further appropriated to the Department for the Councils; this portion of the appropriation therefore appears in this line item as Reappropriated Funds.)

In FY 2009-10, the Department was appropriated through SB 09-259 (Long Bill) $2,985,201 and 1.0 FTE. From the prior year, this budget increased by $440 for the Prior Year Performance-based Pay at 80%.

In FY 2010-11, the Departments was appropriated through HB 10-1376 (Long Bill) $2,985,201 and 1.0 FTE. This amount was not changed from prior year. The final FY 2010-11 appropriation was $2,479,040 and 1.0 FTE through SB 11-141 (Supplemental). The supplemental bill includes a reduction of $506,161 for the JBC action removing all General Fund for savings to the state.

The Department was appropriated $1,978,317 and 1.0 FTE through the Long Bill, SB 11-209 in FY 2011-12, a reduction of $500,723 from the final FY 2010-11 appropriation. The appropriation reduces federal funding by $500,000 to provide the federal funding used in the CCAP refinance, per JBC action, and reduces the line item appropriation by $723 for the JBC common policy 1.5% reduction, rather than 2%.

The Department is requesting $1,978,317 and 1.0 FTE in FY 2012-13, a continuation of the FY 2011-12 appropriation.

SCHOOL-READINESS QUALITY IMPROVEMENT PROGRAM

The School-readiness Child Care Subsidization Program was created by House Bill 02-1297 [Section 26-6.5-106, C.R.S. (2011)] to improve the quality of licensed child care facilities whose enrolled children ultimately attend elementary schools that are required to implement a priority improvement or turnaround plan as described in Sections 22-11-405 or 22-11-406, C.R.S. The legislation was reauthorized in HB 05-1238 [Hefley/Williams] and the program renamed the School Readiness Quality Improvement Program (SRQIP). The purpose of the program is to improve the school-readiness of children by increasing the quality of child care to assist in closing the achievement gap, and addressing disparities experienced by young children from low-income families.

As revised, the statute specifies that the Department shall award SRQIP funding to eligible Early Childhood Councils. This is achieved via a 3-year grant application program with grant awards distributed to urban, suburban, mountain, and rural communities throughout the state. Local Early Childhood Councils develop plans to engage young children, providers, school, families and communities in order to increase the school-readiness of young children, five years of age and younger, from low-income families. Additionally, each participating local Early Childhood Council must use the Qualistar Colorado Rating and Quality Improvement system. SRQIP grantees also distribute funding to eligible early care and education providers within their communities living in neighborhoods with elementary schools that are required to implement a priority improvement plan or turnaround plan, or are subject to restructuring.

Grantees are selected to participate in the SRQIP based on approval of plans that encompass a variety of criteria including: demonstrated need, number of eligible schools and providers, and plans to track future academic performance of children who participate in the program. As a part of the Qualistar Colorado Rating, programs are given a profile that contains an objective view of both their strengths and areas for improvement. The profile offers suggestions on how to improve the overall quality of a program with respect to the learning environment, family partnerships, training and education, adult-to-child ratios and group size, and program accreditation. The Early Childhood Council facilitates quality improvement activities with their participating providers.

Council's are also required to implement community specific strategies to improve school readiness that place emphasis on: the quality of child guidance practices; the health and safety of children; parent and family engagement; professional development and education; management and leadership; business practices; special needs services; and mental health services.

Program Implementation

Baseline evaluations for grantees are currently in progress, for the grant period from July 1, 2009 to June 30, 2012. All sites participating in the program will undergo baseline evaluation by Qualistar Colorado and have two follow-up evaluations. Each site receives a baseline overall quality Star Rating (provisional, one, two, three, or four stars, with four being the highest level of quality). These Star Ratings are based on many different aspects of a child care program. Rating points are awarded in five quality component areas that comprise each Star Rating level:

- Learning Environment: 0-10 points can be earned. Environmental Rating Scales are used to give an overall picture of the surroundings that have been created for the children and adults who are in the setting. The environment is defined as use of space (including health and safety requirements), materials and experiences to enhance children's development (social, language, and cognitive), daily schedule, and supervision provided. Children who have access to learning materials, time to explore materials and ideas, and a competent and trained adult to guide their learning become curious and active learners. High quality programs promote problem solving, positive peer interaction, social, linguistic, physical, cognitive, and affective development. These competencies all translate to greater school readiness for young children.

- Family Partnerships: 0-10 points can be earned. Scores are based on findings from family questionnaires and program documentation on communication, collaboration, and family involvement opportunities. Family participation in early learning programs is an important component in the continued academic success of children.
- Training and Education: 0-10 points can be earned. Scores are based on the average level of education, training, and experience of each of the providers, teachers, and administrators at the site. Providers that have formal coursework in early childhood education are more able to create age appropriate activities and curricula and are better at promoting positive peer interaction and social development. In addition, administrative staff with formal education and training is more able to provide leadership and support the site's staff in delivering quality learning experiences for children.
- Adult-to-Child Ratios and Group Size: 0-10 points can be earned. Scores are based on the number of children per adult, as well as the ages of the children and the overall group size. Programs that have low adult to child ratios and that have smaller group sizes are more able to deliver higher quality services to children and families. Providers are more able to individualize curriculum and promote positive peer interactions. For infants and toddlers, lower ratios allow more personalized attention to help meet their basic needs. For preschoolers, smaller group sizes help children concentrate and extend learning activities.
- Program Accreditation: 0 or 2 points can be earned. Accrediting bodies currently recognized in the Quality Performance Rating include: National Association for the Education of Young Children, National Association of Family Child Care, Association of Christian Schools International, or the Council on Quality and Leadership. Programs that have achieved national accreditation demonstrate commitment to assessing their own program and working to improve the quality of their program through meeting national standards.
- All of the points that programs earn in each of these quality components are added together to arrive at a Star Rating. Following each rating, an Early Learning Report summarizing the areas of strength and the areas for quality improvement the learning program is generated. Additionally, programs receive a Quality Improvement Plan, based on information gathered from the Star Rating, which includes prioritized recommendations as well as a list of concrete action steps recommended to improve program quality. Specific quality rating information for providers receiving one or more stars is also made available to parents and members of the public through Qualistar's website [www.qualistar.org].

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

In FY 2009-10, the Department was appropriated $2,229,305 and 1.0 FTE through SB 09-259 (Long Bill); this includes an increase of $440 for Prior Year Salary Survey.

In FY 2010-11, the Department was appropriated $2,229,305 and 1.0 FTE through HB 10-1376 (Long Bill). This amount was not changed from prior year.

The Department was appropriated $2,228,586 and 1.0 FTE through the Long Bill, SB 11-209 in FY 2011-12, a reduction of $719 from the final FY 2010-11 appropriation. The reduction is for the JBC common policy 1.5% reduction, rather than 2%.

SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA,” reduced the FY 2011-12 appropriation by $1,841 to $2,226,745 and 1.0 FTE.

The Department is requesting $2,228,586 and 1.0 FTE in FY 2012-13, an increase of $1,841 from the final FY 2011-12 appropriation. This request annualizes SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA.”

Department of Human Services
Line Item Descriptions

Office of Self-Sufficiency

FY 2012-13 Budget Request

NOVEMBER 1, 2011

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(7) Office of Self Sufficiency

(A) Administration

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

Personal Services

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

The Long Bill (SB 09-259) appropriation for FY 2009-10 was $1,696,754 with 22.0 FTE. This included continuation funding in the amount of $1,474,606 with the following adjustments: an increase for salary adjustments for salary act and performance pay totaling $80,613; an increase in the amount of $172,942 to restore hiring freeze savings taken in the prior year; and a reduction in the amount of $31,407 which was part of the 1.82% personal services reduction that came out of a JBC conference committee. The Long Bill appropriation was later adjusted to include a Supplemental (HB 10-1302) action for one-time reduction in the amount of $12,921 for the Statewide Furlough Impact (FY 2010-11 S#NP-1, 01/20/10 JBC Supplemental Hearing, Page 45). The resulting appropriation for FY 2009-10 was $1,683,833 and 22.0 FTE.

The Long Bill (HB 11-209) appropriation for FY 2010-11 was $1,695,888 with 22.0 FTE. This included continuation funding in the amount of $1,683,833 plus $31,407 for the restoration of the prior year's personal services reduction plus $12,921 for the restoration of the prior year's statewide furlough reduction. An adjustment for the PERA reduction in the amount of $32,273 was applied. In addition to the Long Bill, Supplemental (HB 10-1302) action FY 2010-11 ES-1: "1% Across the Board Personal Services Reduction" was applied which amounted to a reduction of $7,123. The final appropriation for FY 2010-11 was $1,688,765 with 22.0 FTE.

For FY 2011-12, the Department received a Long Bill appropriation (SB 11-209) of $1,694,793 with 22.0 FTE, which is the FY 2010-11 final appropriation of $1,688,765 with the following adjustments: plus $7,123 for the restoration of the 1% personal services reduction in the prior year; plus $32,273 for the restoration of the FY 2010-11 PERA reduction; less $25,922 for a 1.5% base reduction; less an additional 1% reduction of $7,446. In addition, SB 11-076 Special Bill "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" in the amount of a $32,881 decrease resulted in a total appropriation of $1,661,912 and 22.0 FTE for FY 2011-12.

FY 2012-13, the Department is requesting an appropriation in the amount of $1,694,793 and 22.0 FTE, which is the FY 2011-12 appropriation plus the annualization of SB 11-076 Special Bill FY 2011-12 "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" in the amount of $32,881.

Operating Expenses

This line item provides funding for operational and training expenses for the Self Sufficiency manager and Food Stamp program.

For FY 2009-10, the Department received a Long Bill (SB 09-259) appropriation of $103,297 which is the continuation funding from FY 2008-09 in the amount of $77,156 with the following adjustments: an increase in the amount of $25,460 for FY 2009-10 Decision Item #25: "Destruction of Obsolete Forms" (02/27/09 JBC Figure Setting, Page 38); and an increase in the amount of $681 for Decision Item #NP-2, which provided additional one-time funding for postage and a mail equipment upgrade.

For FY 2010-11, the Long Bill (HB 10-1376) appropriation for this line was $75,539 which was the FY 2009-10 appropriation of $103,297 with the following adjustments: less $25,460 for the one-time funding for the forms destruction and the postage/mail equipment upgrade; less a 5% operating reduction in the amount of $1,960 for FY 2010-11 SBA#8; plus an additional $156 for the mail equipment upgrade for FY 2010-11 BA#NP-5: and a reduction of $494 relating to the annualization of FY 2009-10 DI#NP-2 for the postage increase and mail equipment upgrade.

For FY 2011-12, the Department received continuation funding through the Long Bill (SB 11-209) in the amount of $75,539.

For FY 2012-13, the Department is requesting $77,499 which is the continuation funding for FY 2011-12 in the amount of $75,539 plus an additional $1,960 for the restoration of the 5% operating reduction that was taken in FY 2010-11.

(B) Colorado Works Programs

Administration

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

The Long Bill (SB 09-259) appropriation for FY 2009-10 was $1,552,298 and 19.0 FTE. This amount was comprised of continuation funding in the amount of $1,495,094 with the following adjustments: an increase for the annual salary adjustments for salary survey and performance pay totaling $57,110; an increase of $94 for FY 2009-10 DI#NP-2 for postage and a mail equipment upgrade. The Long Bill appropriation was later adjusted to include a Supplemental (HB 10-1302) action for a one-time reduction in the amount of $42,909 for the Statewide Furlough Impact for FY 2010-11 S#NP-1 (01/20/10 JBC Supplemental Hearing, Page 45). The resulting appropriation for FY 2009-10 was $1,509,389 and 19.0 FTE.

For FY 2010-11, the Department received a Long Bill (HB 10-1376) appropriation in the amount of $1,568,274 with 19.0 FTE, which is the FY 2009-10 appropriation of $1,509,389 with the following adjustments: plus $42,909 to restore the funding taken in the prior year for the Statewide Furlough Impact; less $94 for the annualization of one-time funding for the postage/mail equipment upgrade from the prior year; plus funding for FY 2010-11 DI-5 (02/17/10 JBC Figure Setting, Page 55) in the amount of $47,267 for on-going TANF funding to pay for certain operating expenses that were not included with FY 2008-09 DI-13; less $31,240 for the PERA reduction; plus an additional $21 for the mail equipment upgrade FY 2010-11 BA#NP-5; and an increase in the amount $22 relating to the annualization of FY 2009-10 DI#NP-2 for the postage increase and mail equipment upgrade.

For FY 2011-12, the Department received a Long Bill appropriation of $1,577,454 with 19.0 FTE, which is the FY 2010-11 appropriation plus $31,240 for the restoration of the FY 2010-11 PERA reduction, less $22,060 for a 1.5% base reduction. In addition, SB 11-076 Special Bill “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA” in the amount of a $28,044 decrease resulted in a total appropriation of $1,549,410 and 19.0 FTE for FY 2011-12.

For FY 2012-13, the Department is requesting an appropriation in the amount of $1,517,246 and 18.0 FTE which is the FY 2011-12 appropriation of $1,549,410 and 19.0 FTE with the following adjustments: an increase in the amount of $28,044 for the annualization of SB 11-076 Special Bill FY 2011-12 “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA”; less $60,208 and 1.0 FTE for FY 2012-13 R-3: “TANF Long-Term Reserve Solvency”.

County Block Grants

This line was created by S.B. 97-120, the Colorado Works Program Act. The General Assembly funded this line to provide funding to county departments of social services to administer the Colorado Works Program (TANF). Counties have the flexibility to use the funds for administration or program needs. The four purposes of the TANF Program are: 1) providing assistance to needy families so that children can be cared for in their own homes or in the homes of relatives; 2) ending the dependence of needy families on government benefits by promoting job preparation, work and marriage; 3) preventing and reducing the incidence of out-of-wedlock pregnancies and establishing annual numerical goals for preventing and reducing the incidence of these pregnancies; and 4) encouraging the formation and maintenance of two-parent families. The line item is funded with federal TANF funds, and State and local funds.

The Long Bill (SB 09-259) appropriation for FY 2009-10 was $151,536,168. This amount represented continuation funding in the amount of $151,941,672 adjusted by a decrease in the amount of $405,504 for FY 2009-10 BA-40 (02/27/09 JBC Figure Setting, Page 44), which withheld the General Fund portion of the County Block Grant.

For FY 2010-11, the Department received continuation funding in the amount of $151,536,168 through the Long Bill (HB 10-1376).

For FY 2011-12, the Department received continuation funding in the amount of $151,536,168 through the Long Bill (SB 11-209).

For FY 2012-13, the Department is requesting an appropriation in the amount of $145,477,854, which is the FY 2011-12 appropriation of $151,536,168 less $6,058,314 for FY 2012-13 R-3: “TANF Long-Term Reserve Solvency”.

Reimbursement to Counties for Prior Year Expenditures Due to Reduction in Federal Maintenance of Effort Requirement

This line was created by S.B. 97-120, the Colorado Works Program Act. Pursuant to Section 26-2-714 (10), C.R.S., this line item provides spending authority for the Department to reimburse counties when the state is notified that its federally required TANF

Maintenance of Effort (MOE) has been reduced based on the State meeting specified work participation rates. If the Department receives notification from the federal government that Colorado met the federal TANF work participation rate for a federal fiscal year, the State is entitled to reduce its TANF MOE spending (State and local expenditures) for that federal fiscal year by five percent ($5,524,726). In order to take advantage of this credit, the Department revises its federal spending report for the relevant federal fiscal year by reducing reported State and local program expenditures by $5,524,726 million and increasing reported federal expenditures by a like amount.

The Long Bill (SB 09-259) appropriated $5,524,726 for this line for FY 2009-10. A Supplemental (HB 10-1302) action, FY 2009-10 S-6 (01/20/10 JBC Supplemental document, Page 35) adjusted the appropriation to $11,049,452 in federal TANF funds in order to allow the State to reimburse the counties for meeting the work participation rates for both FFY 2007 and FFY 2008.

The Long Bill (HB 10-1376) appropriation returned to $5,524,726 for FY 2010-11.

For FY 2011-12, the Department received continuation funding in the amount of $5,524,726 through the Long Bill (SB 11-209).

For FY 2012-13, the Department is requesting continuation funding in the amount of $5,524,726.

County Block Grant Support Fund

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

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

In FY 2008-09, S.B. 08-177 repealed the Short-term Works Emergency Fund and created in its place the County Block Grant Support Fund at Section 26-2-720.5, C.R.S. (2011). The new fund's function is similar to the former, but the criteria by which counties can access the fund is more flexible. The FY 2009-10, FY 2010-11, and FY 2011-12 appropriations were for $1,000,000 in federal TANF funds. The Department is requesting continuation funding in the amount of $1,000,000 for FY 2012-13.

County TANF Reserves for Colorado Works, Child Welfare and Child Care Programs

This line was initially created by S.B. 97-120, the Colorado Works Program Act and was titled County Reserve Accounts. Pursuant to Section 26-2-714 (5) (a), C.R.S., counties are authorized to maintain a County Reserve Account of unspent Colorado Works federal county block grant funds. The appropriation is based on the balance of the county reserves at the end of the prior State fiscal year. Prior to the passage of S.B. 08-177, counties were allowed to keep 100 percent of their unspent TANF dollars. S.B. 08-177 established annual caps that required counties to redirect a portion of their reserves back to the State, beginning on June 30, 2009, ending with a cap of 30 percent for FY 2011-12. S.B. 11-124 was passed by the legislature which, beginning in FY 2010-11, changed the cap on TANF reserves that may be retained by counties to 40 percent of the county block grant at the end of the fiscal year, except for counties with block grants of less than $200,000 per year, which may retain a reserve of up to $100,000.

For FY 2009-10, the Long Bill (SB 09-259) appropriated continuation funding in the amount of $90,609,365 for this line. The Long Bill appropriation was reduced by a Supplemental (HB 10-1302) action in the amount of $33,215,910 for FY 2009-10 S-7: “Adjustment to County Reserve Accounts”. The final FY 2009-10 appropriation was $57,393,455.

For FY 2010-11, the JBC voted to change the name of this line from “County Reserve Accounts” to “County TANF Reserves for Colorado Works, Child Welfare, and Child Care Programs”, and the FY 2010-11 Long Bill (HB 10-1376) appropriated $92,672,487 to this line. County reserve cap levels set forth in S.B. 08-177 apply to all county reserves of TANF dollars, including reserves of TANF funds transferred to Title XX (Child Welfare) and the Child Care development Fund block grant (Child Care). Such reserve amounts reflect TANF funds previously appropriated to counties. The associated letter note was changed to reflect that the line amount is for informational purposes only. The Long Bill appropriation was reduced as the result of a Supplemental (SB 11-141) action in the amount of $37,053,636 for FY 2010-11 S-4: “Colorado Works-Adjustment to County TANF Reserves”. The final appropriation for this line for FY 2010-11 was $55,618,851

The Long Bill (SB 11-209) appropriated continuation funding in the amount of $55,618,851 for FY 2011-12.

For FY 2012-13, the Department is requesting a continuation appropriation of $55,618,851.

County Training

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

For FY 2009-10, the Department was appropriated $592,534 and 2.0 FTE through the Long Bill (SB 09-259) for this line. The appropriation represents continuation funding for in the amount of $584,917 with the following adjustments: an increase of $5,759 for prior year salary survey; $1,638 for prior year performance pay; an increase of $220 from FY 2009-10 DI#NP-2 for a one-time increase in postage and a mail equipment upgrade. In addition to the Long Bill appropriation, there was a Supplemental (HB 10-1302) action for a one-time reduction in the amount of $4,734 for the Statewide Furlough Impact from FY 2010-11 S#NP-1, (01/20/10 JBC Supplemental Hearing, Page 45). The final appropriation for FY 2009-10 was $587,800.

The FY 2010-11, the Long Bill (HB 10-1376) appropriation for this line was $588,968 and 2.0 FTE, which was the FY 2009-10 appropriation in the amount of $587,800 with the following adjustments: an increase in the amount of $4,734 for the restoration of the one-time reduction in the prior year for the Statewide Furlough Impact; less $220 for the one-time funding for the postage/mail equipment upgrade from the prior year; less $3,447 for the Statewide PERA Adjustment for FY 2010-11 BA#NP-1, and a total increase of $101 for common policy adjustments related to postage and mail equipment.

For FY 2011-12, the Department received a Long Bill (SB 11-20) appropriation of $589,744 with 2.0 FTE, which is the FY 2010-11 appropriation of $588,968 plus $3,447 for the restoration of the FY 2010-11 PERA reduction, less $2,671 for a 1.5 percent personal services base reduction. In addition, SB 11-076 Special Bill "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" in the amount of a $3,447 decrease resulted in a total appropriation of $586,297 and 2.0 FTE for FY 2011-12.

FY 2012-13, the Department is requesting an appropriation in the amount of $475,744 and 2.0 FTE, which is the FY 2011-12 appropriation of $586,297, plus $3,447 for the annualization of SB 11-076 Special Bill FY 2011-12 "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA", less $114,000 for FY 2012-13 R-3: "TANF Long-Term Reserve Solvency".

Domestic Abuse Program

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

In FY 2003-04, the General Assembly moved the line from the Child Welfare program to the Colorado Works program. At the same time, the General Fund appropriation was eliminated, due to the General Fund shortfall, and replaced with Temporary Assistance for Needy Families (TANF) federal funds. In addition to the cash funds and the TANF funds, the State also receives $1,555,512 per year in non-appropriated federal Family Violence Prevention Services (FVPSA) funds as a formula grant. FVPSA funds are allocated to domestic violence programs for direct services. The State is allowed to keep five percent of the FVPSA funds for administration.

For FY 2009-10, the Department received a Long Bill (SB 09-259) appropriation in the amount of $990,807 and 2.0 FTE which was comprised of continuation funding for FY 2008-09 in the amount of $983,617; annual salary adjustments for prior year salary survey and prior year performance pay totaling $6,918; and an increase of $272 for FY 2009-10 DI#NP-2 for a one-time postage increase and a mail equipment upgrade. Also, the 2009 General Assembly passed S.B. 09-068, “Funding to Support Domestic Abuse Services”. This legislation added $843,430 in Cash Funds and 0.7 FTE to the line. There was also a Supplemental (HB 10-1302) action for a one-time reduction in the amount of $4,578 for the Statewide Furlough Impact for FY 2010-11 S#NP-1 (01/20/10 JBC Supplemental Hearing, Page 45). The final appropriation for FY 2009-10 was $1,829,659 and 2.7 FTE.

The Long Bill (HB 10-1376) appropriation for FY 2010-11 for this line was $1,830,757 which was the FY 2009-10 ending appropriation of $1,829,659 with the following adjustments: less $209 for the one-time funding for the postage/mail equipment upgrade received in the prior year; plus $4,578 for the restoration of the one-time reduction in the prior year for the Statewide Furlough Impact; a reduction for the Statewide PERA Adjustment for FY 2010-11 BA#NP-1 in the amount of $3,333; and a common policy adjustment for FY 2010-11 BA#NP-5 related to postage and mail equipment amounting to an increase of $62.

For FY 2011-12, the Department received a Long Bill (SB 11-209) appropriation in the amount of $1,831,431 with 2.7 FTE, which is the FY 2010-11 appropriation of $1,830,757, plus $3,333 for the restoration of the FY 2010-11 PERA reduction, less $2,659 for a 1.5 percent personal services base reduction. In addition, SB 11-076 Special Bill "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" in the amount of a $6,284 decrease resulted in a total appropriation of $1,825,147 and 2.7 FTE for FY 2011-12.

For FY 2012-13, the Department is requesting an appropriation of $1,831,431 and 2.7 FTE, which is the FY 2011-12 appropriation of $1,825,147, plus the annualization of SB 11-076 Special Bill FY 2011-12 "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" in the amount of $6,284.

Works Program Evaluation

The Colorado Works evaluation line was first appropriated with federal TANF funds in FY 1998 as part of S.B. 98-185, and later reauthorized by H.B. 04-1030. Those bills required the State Auditor and the Department respectively, to oversee an annual evaluation of the Colorado Works program. The original bill appropriated $1,500,000 in federal TANF funds to the line. That appropriation remained at $1,500,000 until FY 2003-04 when it was decreased to $500,000. The line had remained at $500,000 through FY 2008-09. The statutory authority for the appropriation was repealed on July 1, 2009. The Department submitted and received approval for Decision Item #23 (02/27/09 JBC Figure Setting, Page 47) which allowed for an on-going evaluation of the program through an annual appropriation of $350,000. In addition, Decision Item #NP-2 was approved which provided an additional $29 for a one-time increase in postage and a mail equipment upgrade. The final Long Bill (SB 09-259) appropriation for FY 2009-10 was $350,029. The FY 2010-11 Long Bill (HB 10-1376) appropriation was $350,007, which was the FY 2009-10 appropriation with a net reduction of $22 for some adjustments for the mail equipment upgrade. For 2011-12, the Department received a Long Bill (SB 11-209) appropriation in the amount of $95,000 which represents a negative JBC adjustment in the amount of $255,007 to the prior year's appropriation of $350,007. The Department is requesting continuation funding in the amount of $95,000 for FY 2012-13.

Workforce Development Council

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

Pursuant to Section 24-46.3-101 (8), C.R.S., the Office of Workforce Development is to establish an annual budget for Council functions, activities, and staff. Funding for the Council is to come from administrative moneys from several federal programs delineated in federal law; the allocation of federal funds is determined annually by the Office of State Planning and Budgeting (OSPB).

The FY 2009-10 Long Bill (SB 09-259) appropriation for this line was $105,007. This amount was continued into FY 2010-11 (HB 10-1376), and FY 2011-12 (SB 11-209). The Department is requesting continuation funding for FY 2012-13 in the amount of $105,007.

Promoting Responsible Fatherhood Grant

This line was established through FY 2008-09 Decision Item #16 (02/28/08 JBC Figure Setting, Page 48). Decision Item #16 appropriated $222,222 in the General Fund savings reduced in the County Block Grants line to this line which provides the State match for the federal grant of $2,000,000. The $2,000,000 in federal grant funds is shown for informational purposes. The funds are used to support the administrative functions related to the grant including a statewide public awareness campaign and for providing technical assistance. In addition, funds are allocated to counties and to local/faith based organizations for programs geared towards promoting responsible fatherhood. The Department was appropriated $2,222,222 in FY 2009-10. As part of the budget balancing process for FY 2009-10, a reduction of $150,000 in General Fund was applied to this line, resulting in a total appropriation of $2,072,222. There was also a one-time reduction in Federal Funds in the amount of $6,542 for the Statewide Furlough Impact (S#NP-1, 01/20/10 JBC Supplemental Hearing, Page 45). The resulting appropriation for FY 2009-10 was $2,065,680, $72,222 in General Fund and $1,993,458 in Federal Funds. For FY 2010-11, the prior year's appropriation was increased for the furlough impact reduction from the prior year and was reduced by $4,763 for the Statewide PERA Adjustment (BA#NP-1), resulting in an appropriation of $2,067,459.

The grant expires on September 30, 2011. Therefore, to arrive at the FY 2011-12 Long Bill appropriation in the amount of $518,000, the FY 2010-11 appropriation was reduced by an annualization adjustment amount of $1,554,168 (75 % of $2,072,222) to only include one quarter of the grant. There was also a net increase in the amount of $4,709 resulting from annualizations and a rounding adjustment made by JBC staff to make the appropriation an even amount. There is no request for FY 2012-13.

Colorado Works Program Maintenance Fund

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

For FY 2009-10, the Department received continuation funding through the Long Bill (SB 09-259) in the amount of $3,000,000.

For FY 2010-11, the JBC (02/17/10 JBC Figure Setting, Page 60) reduced the appropriation by $2,036,751 to partially offset the funding for two of the Colorado Works change requests ($1,989,484 for FY 2010-11 DI#7 and $47,267 for FY 2010-11 DI#5). In addition, the appropriation was further reduced by $863,249 to partially fund a refinance of General Fund in the Child Welfare Services line with TANF funds related to SBA#7 (JBC Memo dated 03/17/10). The resulting appropriation Long Bill (HB 10-1376) appropriation for FY 2010-11 was $100,000.

For FY 2011-12, the Department received continuation funding through the Long Bill (SB 11-209) in the amount of $100,000.

The Department is requesting continuation funding for FY 2012-13 in the amount of $100,000.

Colorado Works Statewide Strategic Use Fund

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

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

The Department received continuation funding for FY 2009-10 through the Long Bill (SB 09-259) in the amount of $10,000,000, and had requested continuation funding for FY 2010-11. The appropriation was reduced by $6,000,000 for FY 2010-11 to partially fund a refinance of General Fund in the Child Welfare Services line with TANF funds related to FY 2010-11 SBA#7 (JBC Memo dated 03/17/10). The resulting Long Bill (HB 10-1376) appropriation for FY 2010-11 was $4,000,000. For FY 2011-12, the JBC approved a staff recommendation to reduce $4,000,000 from the Colorado Statewide Strategic Use Fund (SSUF) line, thereby eliminating the line. The $4,000,000 reduction to the SSUF will be used to fund an additional refinance of General Fund in the Child Welfare Services line.

(C) Special Purpose Welfare Programs

(I) Low Income Energy Assistance Program

The LEAP is a federally funded program that provides heating assistance, furnace repair and replacement, and weatherization assistance to households at or below 185% of the Federal Poverty Level. This line provides funding for the benefit payments and for the expenses related to the administration of the program for the State. In addition to the federal funding, the LEAP program has also received funding from other sources such as the State Operational Account of the Severance Tax Trust Fund and from Energy Outreach Colorado which receives funding through the Governor’s Office. Adjustments often need to be made during the year to adjust the appropriation to the amount that the State actually receives from the federal Low-Income Home Energy Assistance Program (LIHEAP).

For FY 2009-10, the Department received a Long Bill (SB 09-259) appropriation in the amount of $33,795,980 and 6.6 FTE which is comprised of continuation funding for FY 2009-10 in the amount of $33,742,345 with the following adjustments: salary adjustments for prior year salary survey and prior year performance pay totaling $20,469; and Decision Item #NP-2 which provided an additional $33,166 for a one-time postage increase and a mail equipment upgrade. There were three supplemental actions that affected the FY 2009-10 appropriation. The first was through a 1331 Supplemental, “TANF Emergency Fund Initiatives”, which provided an additional $8,574,001 one-time TANF funding for benefit payments. The second reduced the appropriation by $12,618 for FY 2010-11 S#NP-1: “Statewide Furlough Impact”. The third supplemental action reduced the line by $21,718 for FY 2010-11 S#NP-5: “Mail Equipment Upgrade”. The final appropriation for FY 2009-10 was $42,335,645 and 6.6 FTE.

For FY 2010-11, the Long Bill (HB 10-1376) appropriated $73,442,997 and 5.6 FTE for this line, which was the FY 2009-10 final appropriation of $42,335,645 and 6.6 FTE with the following adjustments: less the one-time funding in the amount of $33,166 for the postage/mail equipment upgrade; less $8,574,001 for the 1331 supplemental for the TANF funding; plus the restoration of the $12,618 that was taken in the prior year for the Statewide Furlough Impact; plus $21,718 for the restoration of the amount that was taken in the prior year related to the mail equipment upgrade; FY 2010-11 DI#NP-3 which was for a decrease in Federal Funding in the amount of $77,754 and 1.0 FTE related to the Statewide Information Technology Staff Consolidation; FY 2010-11BA#NP-1: “Statewide PERA Adjustment”, which reduced the line by $9,187; FY 2010-11BA#NP-5: “Mail Equipment Upgrade”, which increased the line by $7,561; Annualization of FY 2009-10 DI#NP-2”, which increased the line by $7,668; an addition of $3,250,000 (in Fund 23E) to reflect the anticipated funding from the Operational Account of the Severance Tax Trust Fund; and finally, an increase of $36,501,895 (informational only) to adjust the estimated LIEAP Federal funding that the State anticipates on receiving. There was also an adjustment to correct the funding source on the moneys received from Energy Outreach Colorado, changing the funding from Expropriated Funds to Cash Funds.

For FY 2011-12, the Long Bill (SB 11-209) appropriated $62,950,382 with 5.6 FTE, which is the FY 2010-11 appropriation of $73,442,997, plus $9,187 for the restoration of the prior year PERA adjustment, less a reduction in the amount of $10,501,802 which the JBC approved from a staff recommendation to adjust for the anticipated receipt of moneys from Energy Outreach Colorado and the LIEAP award based on FY 2010-11 data. SB 11-226 Special Bill “Augmentation of the General Fund Through Transfers of Certain Moneys” reduced the line by $3,250,000 to eliminate the funding from the Operational Account of the Severance Tax Trust Fund. In addition, SB 11-076 Special Bill “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA” in the amount of a $10,029 decrease resulting in a total appropriation of $59,690,353 and 5.6 FTE for FY 2011-12.

For FY 2012-13, the Department is requesting an appropriation of $62,910,816 and 5.2 FTE which is the FY 2011-12 appropriation of $59,690,353 and 5.6 FTE with the following adjustments: an increase of $10,029 for the restoration of the prior year PERA adjustment; an increase of $3,250,000 for the restoration of the Severance Tax funding; and a decrease of $39,566 and 0.4 FTE for FY 2012-13 R-7: “Low-Income Telephone Assistance Program Integrity”.

(2) Food Stamp Job Search Units

Food Stamp Job Search (FSJS) Units (called Employment First in Colorado) provide or facilitate employment and training services for all food stamp applicants and recipients determined by the county food assistance worker to be able-bodied and ready to work, and not eligible for services under Colorado Works. The Employment First Program has been operational in Colorado since 1983, when it was initiated as a pilot project under contract with the U.S. Department of Agriculture (USDA). In 1985, the program was mandated nationwide by an amendment to the Federal Food Stamp Act of 1977. The Food Stamp Act was subsequently modified by the

Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 and the Balanced Budget Act of 1997 (P.L. 108-269). The current public law authorizing the program is the Food Stamp Act of 2008, as amended through Public Law 110-246 (effective October 1, 2008). Special 100% federal funds are appropriated nationally for this program. The funds are allocated to the states annually based for the most part on the proportion of the target population in the state compared to the national total. The allocation varies from year to year as the population fluctuates. There are uncapped 50% federal matching funds available to match local and state funds.

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

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

- A portion is designated match to fund participant reimbursement as required by the federal law to reimburse program participants for costs of participation such as transportation for job search or to attend training. Funds must be 50% state/local to be matched by federal funds.
- The remaining is used as match for federal funds which provide the cornerstone of an effective statewide job search assistance program for food stamp recipients as well as supporting a statewide workfare program which allows counties to qualify for enhanced federal reimbursement when food stamp applicants participate in workfare, find a job, and no longer need food stamps.
- The Food Stamp Job Search Program uses the small appropriation of general fund to draw down more than a million dollars in federal 100% and matching funds, which are passed through to the counties. The overall general fund level has changed very little from FY 2006-07 to the present. This is true for both the participant supportive service allocation and the program costs.

Program Costs

For FY 2009-10, the Long Bill (SB 09-259) appropriated $2,067,077 and 6.2 FTE which is the FY 2008-09 appropriation in the amount $2,043,946, plus a total of $23,131 for prior year salary survey and prior year performance pay. In addition to the Long Bill appropriation, there was a Supplemental (HB 10-1302) action for a one-time reduction in the amount of $11,524 for the Statewide Furlough Impact for FY 2010-11 S#NP-1 (01/20/10 JBC Supplemental Hearing, Page 45). The final appropriation for FY 2009-10 was $2,055,553 and 6.2 FTE.

For FY 2010-11, the Department received a Long Bill (HB 10-1376) appropriation of $2,058,687 and 6.2 FTE, which was a continuation level of funding from the prior year in the amount of $2,055,553, plus the restoration of the prior year reduction in the amount of $11,524 for the PERA adjustment, less $8,390 for the Statewide PERA Adjustment for FY 2010-11 BA#NP-1. In addition to the Long Bill, a supplemental action, FY 2010-11 ES-1: “1% Across the Board Personal Services Reduction” reduced the line by $1,784. The final appropriation for FY 2010-11 was $2,056,903 and 6.2 FTE.

For FY 2011-12, the Department received a Long Bill (SB 11-209) appropriation of $2,057,920 with 6.2 FTE, which is the FY 2010-11 appropriation of $2,056,903 with the following adjustments: plus $1,784 for the restoration of the 1% personal services reduction in the prior year; plus $8,390 for the restoration of the FY 2010-11 PERA reduction; less $7,331 for the common policy 1.5% base reduction; less $1,826 for FY 2011-12 SBA-1, the common policy 1.0% personal services reduction. In addition, SB 11-076 Special Bill “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA” in the amount of a $10,838 decrease resulting in a total appropriation of $2,047,082 and 6.2 FTE for FY 2011-12.

The Department is requesting $2,057,920 and 6.2 FTE for FY 2012-13, which is the total appropriation for FY 2011-12 in the amount of $2,047,082, plus $10,838 for the restoration of the reduction taken in the prior year for the PERA adjustment.

Supportive Services

For FY 2009-10, the Department received a Long Bill (SB 09-259) appropriation in the amount of $261,452. This funding was continued into FY 2010-11 (HB 10-1376), and FY 2011-12 (SB 11-209). The Department is requesting continuation funding for FY 2012-13 in the amount of $261,452.

(3) Food Distribution Program

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

FDP works closely with the local office of the USDA and with two partner agencies in Colorado State Government: the Colorado Department of Education, and the Colorado Department of Public Health and Environment.
Currently, the Food Distribution Program provides nutritious commodities through 6 outlets:

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

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

The Department received a Long Bill (SB 09-259) appropriation for FY 2009-10 in the amount of $574,605 and 6.5 FTE, which was the FY 2008-09 appropriation in the amount of $551,499 with the following adjustments: the addition of the annual salary adjustments for salary survey and performance pay totaling $23,029; and FY 2009-10 DI#NP-2 provided an additional $77 for a one-time postage increase and a mail equipment upgrade. In addition to the Long Bill appropriation, there was a Supplemental (HB 10-1302) action for a one-time reduction in the amount of $14,426 for the Statewide Furlough Impact FY 2010-11 S#NP-1 (01/20/10 JBC Supplemental Hearing, Page 45). The final appropriation for FY 2009-10 was $560,179 and 6.5 FTE.

For FY 2010-11, the Department received a Long Bill (HB 10-1376) appropriation of $564,062 and 6.5 FTE for this line, which is the FY 2009-10 final appropriation in the amount of $560,179 with the following adjustments: an increase of $14,426 for the restoration of the funding removed in the prior year for the one-time reduction for the Statewide Furlough Impact; a decrease of $59 for the annualization of the funding received in the prior year for the postage/mail equipment upgrade; a reduction of $10,502 for the Statewide PERA Adjustment (BA#NP-1); an increase of $18 for FY 2010-11 BA#NP-5: "Mail Equipment Upgrade". In addition to the Long Bill, a Supplemental (SB 11-141) action, FY 2010-11 ES-1: "1% Across the Board Personal Services Reduction" reduced the line by $458. The final appropriation for FY 2010-11 was $563,604 and 6.5 FTE.

The Department received a Long Bill (SB 11-209) appropriation for FY 2011-12 in the amount of $566,630 with 6.5 FTE, which is the FY 2010-11 appropriation of $563,604 with the following adjustments: plus $458 for the restoration of the 1% personal services reduction in the prior year; plus $10,502 for the restoration of the FY 2010-11 PERA reduction, less $7,466 for the FY 2011-12 common policy 1.5% base reduction; less $468 for FY 2011-12 SBA-1: "Statewide General Fund Reduction to Personal Services". In addition, SB 11-076 Special Bill "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" in the amount of a $6,724 decrease resulting in a total appropriation of $559,906 and 6.5 FTE for FY 2011-12.

For FY 2012-13, the Department is requesting $566,630 and 6.5 FTE, which is the ending appropriation for FY 2011-12 in the amount of $559,906, plus the restoration of the $6,724 reduction in the prior year for the PERA adjustment.

(4) Low-Income Telephone Assistance Program

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

The Department received a Long Bill (SB 09-259) appropriation of $79,685 and 1.1 FTE for FY 2009-10, which is the FY 2008-09 appropriation of $77,801 with the following adjustments: an increase totaling $1,706 for annual salary adjustments associated with salary survey and performance pay; an increase for FY 2009-10 DI#NP-2 in the amount of $178 for a one-time postage increase and a mail equipment upgrade. In addition to the Long Bill appropriation, there was a Supplemental (HB 10-1302) action for a one-time reduction in the amount of $1,339 for the Statewide Furlough Impact FY 2010-11 S#NP-1 (01/20/10 JBC Supplemental Hearing, Page 45). The final appropriation for FY 2009-10 was $78,346 and 1.1 FTE.

The Department received a Long Bill (HB 10-1376) appropriation of $78,613 and 1.1 FTE for FY 2010-11, which is the FY 2009-10 appropriation in the amount of $78,346, with the following adjustments: a decrease in the amount of $137 for the annualization of the FY 2009-10 postage increase/mail equipment upgrade; an increase of $1,339 for the restoration of the funding for the one-time reduction from the prior year for the Statewide Furlough Impact; a reduction of $975 for the Statewide PERA Adjustment (BA#NP-1); and an increase of $40 for FY 2010-11 BA#NP-5: “Mail Equipment Upgrade”.

For FY 2011-12, the Department received a Long Bill (SB 11-209) appropriation of $78,706 and 1.1 FTE, which is the FY 2010-11 appropriation of $78,613, plus $975 for the restoration of the PERA reduction for FY 2010-11, less $882 for the common policy 1.5% personal services adjustment.

For FY 2012-13, the Department is requesting an appropriation of $118,272 and 1.5 FTE which is the FY 2011-12 appropriation of $78,706 and 1.1 FTE plus $39,566 and 0.4 FTE for FY 2012-13 R-7: “Low-Income Telephone Assistance Program Integrity”.

(5) Income Tax Offset

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

The administrative activities associated with this line are funded with 50 percent General Fund and 50 percent federal funds. The FY 2009-10 Long Bill (SB 09-259) appropriation for this line was $4,128. This appropriation was continued into FY 2010-11 (HB 10-1376), and FY 2011-12 (SB 11-209). The Department is requesting continuation funding for FY 2012-13 in the amount of $4,128.

(6) Electronic Benefits Transfer Service

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

The Department received a Long Bill (SB 09-259) appropriation in the amount of $3,334,903 and 7.0 FTE for FY 2009-10, which is the FY 2008-09 appropriation of $3,201,710, with the following adjustments: an increase totaling $20,025 for the annual salary adjustments for salary survey and performance pay; FY 2009-10 DI#11: "Establish Electronic Benefits Transfer Fraud Investigation Unit" (02/27/09 JBC Figure Setting, Page 53) which provided two additional staff at a cost of $112,981, to allow for increased oversight by the State of possible fraudulent activities relating to food assistance benefits as recommended from an audit recently conducted by the U.S. Department of Agriculture, Office of the Inspector General; FY 2009-10 DI#NP-2 increased the line in the amount of $187 for one-time funding for a postage increase and a mail equipment upgrade. In addition to the Long Bill appropriation, there was a Supplemental (HB 10-1302) action for a one-time reduction in the amount of $8,944 for the Statewide Furlough Impact FY 2010-11 S#NP-1 (01/20/10 JBC Supplemental Hearing, Page 45). The final appropriation for FY 2009-10 was $3,325,959 and 7.0 FTE.

The Department received a Long Bill (HB 10-1376) appropriation of $3,322,180 and 7.0 FTE for FY 2010-11, which is the FY 2009-10 appropriation of $3,325,959, with the following adjustments: an increase of $8,944 for the restoration of the one-time reduction from the prior year for the Statewide Furlough Impact; a decrease of $6,512 for the Statewide PERA Adjustment (BA#NP-1); a decrease for the annualization in the amount of $6,110 for FY 2009-10 DI #11 for the Fraud Investigation Unit; a decrease of $143 for the annualization of the prior year adjustment for the postage/mail equipment upgrade; plus $42 for BA #NP-5, "Mail Equipment Upgrade". In addition to the Long Bill, a Supplemental (HB 10-1302) action for FY 2010-11 ES-1: "1% Across the Board Personal Services Reduction" reduced the line by $1,864. Another Supplemental action (HB 10-1302) for FY 2010-11 S-1: "Additional Funding for Electronic Benefits Transfer Service" (01/19/11 JBC Supplemental Hearing, Page 1) added $358,796 to the line. The supplemental provided additional funding to pay for the increased monthly transaction fees charged by the EBTS vendor as a result of increased caseloads due to the downturn in the economy. The final appropriation for FY 2010-11 was $3,679,112 and 7.0 FTE.

For FY 2011-12, the Department received a Long Bill (SB 11-209) appropriation of $3,679,032 with 7.0 FTE, which is the FY 2010-11 appropriation of $3,679,112, with the following adjustments: an increase of $1,864 for the restoration of the 1% personal services reduction from the prior year; an increase of $6,512 for the restoration of the FY 2010-11 PERA reduction; less $6,560 for the common policy 1.5% base reduction; less $1,896 for FY 2011-12 SBA-1: "Statewide 1% General Fund Reduction to Personal Services/Operating". It should be noted that the prior year supplemental amount for the additional funding for the EBTS vendor carried over in FY 2011-12 for FY 2011-12 DI#1 (02/16/11 JBC Figure Setting, Page 87). In addition to the Long Bill, SB 11-076 Special Bill "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" in the amount of a $10,975 decrease resulting in a total appropriation of $3,668,057 and 7.0 FTE for FY 2011-12.

For FY 2012-13, the Department is requesting $3,679,032 and 7.0 FTE, which is the ending FY 2011-12 appropriation of $3,668,057, plus $10,975 for the restoration of the prior year PERA adjustment.

(7) Refugee Assistance

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

Prior to FY 2005-06, the CRSP appropriation was funded entirely by the federal Refugee Act of 1980 (Refugee Social Services Grant and Cash and Medical Assistance Grant). Funding from the Refugee Act had been continuing to decrease each year related to the provisions of cash and employability services for refugees. To compensate for the decrease in funding, a supplemental request SBA #18 was approved (03-08-09 JBC /figure Setting, page 137) for FY 2006-07. With the support from and collaboration with Colorado Works, this request successfully resulted in a standing line in the Long Bill through which CRSP received $457,132 annually from the federal TANF Block Grant to provide culturally and linguistically specialized employability training. This training is provided through the Colorado Refugee English as a Second Language (CRESL) programs of Emily Griffith Opportunity School (EGOS), and through the Work Styles (WS) pre-employment training programs of Spring Institute for Intercultural Learning (SIIL). A decision item for additional funds was not submitted for FY 2007–08, because there had not been enough time since the receipt of these initial funds to adequately absorb the growth and measure the outcomes from this funding. However, as CRSP began to analyze its data and program evaluations from FFY 2006 (the first full year of program implementation with the increased funds from the TANF Block Grant), and as CRSP began to plan for FFY 2008, it decided to submit a decision item, DI #19 for FY 2008–09 (02-28-08 JBC Figure Setting, page 62), and submitted a supplemental request for FY 2007–08, both based on new data and new information impacting refugee resettlement in Colorado in FFY 2008 and beyond, requesting an additional $358,718. With the approval of the additional TANF funding, the total appropriation for the CRSP for FY 2008-09 was $4,017,400 with 10.0 FTE.

The Department received $4,017,400 and 10.0 FTE for FY 2009-10 through the Long Bill (SB 09-259). There were two Supplemental (HB 10-1302) actions that affected the FY 2009-10 appropriation. The first was through a 1331 Supplemental, “TANF Emergency Fund Initiatives”, which provided an additional $4,383,512 in one-time TANF funding for certain refugee services. The second reduced the appropriation by $5,557 for FY 2010-11 S#NP-1: “Statewide Furlough Impact”. The final appropriation for FY 2009-10 was $8,395,445 with 10.0 FTE.

For FY 2010-11, the Department received a Long Bill (HB 10-1376) appropriation of $15,047,753 and 10.0 FTE, which was the FY 2009-10 appropriation of $8,395,445 with the following adjustments: an increase of $5,557 for the restoration of the reduction for the furlough impact from the prior year; a decrease of $4,383,512 to remove the one-time funding for the 1331 supplemental from the prior year; an increase of $1,989,484 for FY 2010-11 DI#7: “Additional TANF Funding for Refugee Services”; a decrease of $4,046 for FY 2010-11 BA#NP-1: “Statewide PERA Adjustment”; and an increase of $9,044,825 (informational only) to adjust the estimated Federal Refugee Funding that the State anticipates on receiving.

For FY 2011-12, the Department received a Long Bill (SB 11-209) appropriation of $16,786,921 with 10.0 FTE, which is the FY 2010-11 appropriation of $15,047,753 with the following adjustments: an increase of $4,046 for the restoration of the FY 2010-11 PERA reduction; and a $1,735,122 increase to reflect the estimated federal refugee funding (informational only). In addition to the Long Bill, SB 11-076 Special Bill “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA” in the amount of a $2,791 decrease resulting in a total appropriation of $16,784,130 and 10.0 FTE for FY 2011-12.

For FY 2012-13, the Department is requesting an appropriation of $16,736,921 and 10.0 FTE, which is the ending appropriation for FY 2011-12 in the amount of $16,784,130, plus $2,791 for the restoration of the PERA adjustment in the prior year, less $50,000 for FY 2012-13 R-3: “TANF Long-Term Reserve Solvency”.

(8) Systematic Alien Verification for Eligibility

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

The Department received a Long Bill (SB 09-259) appropriation for FY 2009-10 in the amount of of $55,002 and 1.0 FTE, which was the prior year’s appropriation of $53,040 plus an increase totaling $1,962 for the annual salary adjustments for salary survey and performance pay.

The $55,002 and 1.0 FTE was continued into FY 2010-11 through the Long Bill (HB 10-1376). In addition to the Long Bill, a Supplemental (HB 10-1302) action for FY 2010-11 ES-1: “1% Across the Board Personal Services Reduction” reduced the line by $393. The final appropriation for FY 2010-11 was $54,609 and 1.0 FTE.

For FY 2011-12, the Department received a Long Bill (SB 11-209) appropriation of $53,893 with 1.0 FTE, which is the FY 2010-11 ending appropriation of $54,609, with the following adjustments: an increase of $393 for the restoration of the prior year 1% General Fund personal services reduction; a decrease of $716 for the FY 2011-12 common policy 1.5% base reduction; a decrease of $393 for FY 2011-12 SBA-1: “Statewide 1% General Fund Reduction to Personal Services/Operating”. In addition to the Long Bill, SB 11-076 Special Bill “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA” in the amount of a $1,175 decrease resulting in a total appropriation of $52,718 and 1.0 FTE for FY 2011-12.

The Department if requesting $53,893 and 1.0 FTE for FY 2012-13, which is the ending appropriation for FY 2011-12 of $52,718, plus $1,125 for the restoration of the prior year’s PERA adjustment.

(D) Child Support Enforcement

Automated Child Support Enforcement System

The Child Support Enforcement (CSE) Program is mandated by Title IV-D of the Social Security Act and 26-13-101, C.R.S. et. seq.. The Automated Child Support Enforcement System (ACSES) is the automated system that is used to support all required case handling activities for the 142,000 child support cases in Colorado. This line not only contains funding for the ACSES, but also contains funding for significant operational units housed and run by the Division of Child Support Enforcement (CSE) for the benefit of the statewide CSE Program operated by the 64 county CSE Units. Specifically, these operational units include the Family Support Registry (FSR) and the State Directory of New Hires (SDNH).

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

This line was expanded pursuant to S.B. 90-160 and H.B. 92-1232 to fund the implementation and operation of the Family Support Registry. The FSR is the entity responsible for the receipt and disbursement of virtually all child support in the State. In FY 2010-11, the FSR processed $410 million.

The line was further expanded by H.B. 97-1205 to accommodate the child support requirements mandated by the Federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). A number of enforcement remedies and other requirements were added to the Program, the most significant of which was New Hire Reporting. All employers in the state are required to submit new hire reports to the State Directory of New Hires (SDNH) where they are collected and then transmitted to the National Directory of New Hires. Ultimately this data is used by the Program to initiate the withholding of employee wages to meet their child support obligation. For FY 2010-11, approximately 1.2 million new hire reports were processed by the SDNH.

For FY 2009-10, the Department received a Long Bill (SB 09-259) appropriation in the amount of $11,552,799 and 39.9 FTE. This was comprised of the ending appropriation for FY 2008-09 in the amount of $11,342,182, with the following adjustments: an increase totaling $138,004 for the annual adjustments for salary survey and pay for performance; an increase in the amount of $112,884 to restore the hiring freeze savings taken in the prior year; an increase for Decision Item #NP-2 in the amount of $6,274 for a postage increase and a mail equipment upgrade; and a decrease to reduce the line by $46,545 as part of the 1.82% personal services reduction that came out of a JBC conference committee. As part of the budget balancing process for FY 2009-10, an ongoing reduction of $400,000, $136,000 in General Fund and $264,000 in Federal Funds was taken, along with a reduction of $39,911 for the Statewide Furlough Impact (S#NP-1, 01/20/10 JBC Supplemental Hearing, Page 45), and a reduction of $4,109 was taken in order to adjust for the "Mail Equipment Upgrade" (S#NP-5). The final appropriation for FY 2009-10 was $11,108,779 and 39.9 FTE.

For FY 2010-11, the Department received $9,169,069 and 16.9 FTE through the Long Bill (HB 10-1376) which is the prior year's final appropriation of $11,108,779 with the following adjustments: an increase of $39,911 for the restoration of the one-time reduction from the prior year for the Statewide Furlough Impact; an increase of $4,109 for the restoration of the reduction taken in the prior year for S#NP-5 (Mail Equipment); a net reduction of $4,823 for the annualization of FY 2009-10 DI#NP-2, "Postage Increase and Mail Equipment Upgrade"; an increase of $46,545 for the adjustment for the one-time FY 2009-10 personal services cut; a net reduction of $1,880,695 and 23.0 FTE for FY 2010-11 DI#NP-3, "Statewide Information Technology Staff Consolidation"; a one-time reduction of $62,944 for FY 2010-11 BA#NP-1, "Statewide PERA Reduction"; an increase of $1,430 for FY 2010-11 BA#NP-5, "Mail Equipment Upgrade"; an ongoing reduction in the amount of $43,878 for FY 2010-11 SBA-1, "Child Care Automated Tracking System (CHATS)-Infrastructure"; and a reduction in the amount of $39,365 for FY 2010-11 SBA #8, "5% Operating Reduction".

For FY 2011-12, the Department received an appropriation of $9,056,276 with 16.9 FTE through the Long Bill (SB 11-209), which is the FY 2010-11 appropriation of $9,169,069 plus $62,944 for the restoration of the FY 2010-11 PERA reduction, less $105,442 for FY 2011-12 common policy 1.5% personal services base reduction; less an additional 1% reduction of $70,295 (FY 2011-12 SBA-1). In addition, SB 11-076 Special Bill "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" in the amount of a $26,659 decrease resulted in a total appropriation of $9,029,617 and 16.9 FTE for FY 2011-12.

For FY 2012-13, the Department is requesting an appropriation in the amount of $9,095,641 and 16.9 FTE, which is the FY 2011-12 appropriation of $9,029,617, plus the annualization of SB 11-076 Special Bill FY 2011-12 "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" in the amount of $26,659 plus the annualization for FY 2010-11 SBA-8: "5% Operating Reduction" in the amount of $39,365. In addition, the Department submitted a budget reduction proposal, FY 2012-13 R-9: "Refinance Child Support Enforcement Programs General Fund Appropriations with Cash Funds". This net zero request proposes the refinance of $293,460 in General Fund in the ACSES line with Cash Funds reallocated from the County Administration, County Incentive Payments line item appropriation.

Child Support Enforcement

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

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

For FY 2009-10, the Department received a Long Bill (SB 09-259) appropriation of $2,175,345 and 24.5 FTE, which is comprised of continuation funding from the prior year in the amount of $2,075,707, with the following adjustments: a total of $84,009 in annual salary adjustments for salary survey and performance pay; and a one-time increase of $15,629 for Decision Item #NP-2: “Postage Increase and Mail Equipment Upgrade”. In addition to the Long Bill appropriation, there were a couple of supplemental actions which reduced the line. There was a reduction in the amount of $46,853 for the FY 2010-11 S#NP-1: “Statewide Furlough Impact” (01/20/10 JBC Supplemental Hearing, Page 45). There was also a reduction in the amount of $10,234 for FY 2010-11 S#NP-5: “Mail Equipment Upgrade”. The final appropriation for FY 2009-10 was $2,118,258 and 24.5 FTE.

For FY 2010-11, the Department received a Long Bill (HB 10-1376) appropriation of $4,377,818 and 24.5 FTE, which is the prior year's appropriation of $2,118,258 with the following adjustments: an increase of $46,853 to restore the reduction taken in the prior year for the Statewide Furlough Impact; an increase of $10,234 to restore the prior year's reduction for the Mail Equipment Upgrade; a net reduction of $12,018 for the annualization of FY 2009-10 DI #NP-2, “Postage Increase and Mail Equipment Upgrade”; a net increase of $2,259,521 for FY 2010-11 Decision Item #8: “Enhanced Medical Support, Paternity Establishment and Education Initiatives for Child Support Enforcement” (02/17/10 JBC Figure Setting, Page 79); a reduction of $34,111 for FY 2010-11 BA#NP-1, “Statewide PERA Reduction”; an increase of $3,563 for FY 2010-11 BA#NP-5, “Mail Equipment Upgrade”; and a reduction in the amount of $14,482 for FY 2010-11 SBA #8, “5% Operating Reduction”. In addition to the Long Bill, supplemental action FY 2010-

11 ES-1: "1% Across the Board Personal Services Reduction" was applied which amounted to a reduction of $15,918. The final appropriation for FY 2010-11 was $4,361,900 and 24.5 FTE.

For FY 2011-12, the Department received a Long Bill (SB 11-209) appropriation of $3,427,758 and 24.5 FTE, which is the ending appropriation for FY 2010-11 in the amount of $4,361,900, with the following adjustments: an increase of $15,918 for the annualization of the 1% personal services reduction taken in the prior year; an increase of $34,111 for the annualization of the PERA reduction taken in FY 2010-11; a decrease in the amount of $24,389 for the common policy 1.5% personal services reduction; a net decrease in the amount of $943,521 for the annualization to FY 2010-11 DI #8; less an additional 1% reduction of $16,261 (FY 2011-12 SBA-1). In addition, SB 11-076 Special Bill "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" in the amount of a $34,543 decrease resulted in a total appropriation of $3,393,215 and 24.5 FTE for FY 2011-12.

For FY 2012-13, the Department is requesting an appropriation of $2,126,240 and 24.5 FTE, which is the continuation of the FY 2011-12 appropriation in the amount of $3,393,215 with the following adjustments: plus $34,543 for the annualization of SB 11-076 Special Bill FY 2011-12 "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA"; less $1,316,000 for the annualization of FY 2010-11 Decision Item #8: "Enhanced Medical Support, Paternity Establishment and Education Initiatives for Child Support Enforcement"; plus $14,482 for the annualizaton of FY 2010-11 SBA-8: "5% Operating Reduction". In addition, the Department submitted a budget reduction proposal, FY 2012-13 R-9: "Refinance Child Support Enforcement Programs General Fund Appropriations with Cash Funds". This net zero request proposes the refinance of $71,800 in General Fund in the Child Support Enforcement line with Cash Funds reallocated from the County Administration, County Incentive Payments line item appropriation.

(E) Disability Determination Services

Program Costs

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

The Department received a Long Bill (SB 09-259) appropriation for FY 2009-10 in the amount of $17,654,687 and 140.5 FTE which is the continuation of the prior year's appropriation of $17,208,434, with the following adjustments: a total increase of $445,531 for the annual salary adjustments for salary survey and performance pay; and an increase of $722 for FY 2009-10 Decision Item #NP-2: "Postage Increase and Mail Equipment Upgrade". In addition to the Long Bill appropriation, there was a supplemental action, FY 2010-11 S#NP-5: "Mail Equipment Upgrade", which reduced the line by $473. The final appropriation for FY 2009-10 was $17,654,214.

For FY 2010-11, the Department received a Long Bill (HB 10-1376) appropriation of $16,721,506 and 131.7 FTE. The appropriation includes continuation funding for the FY 2009-10 appropriation in the amount of $17,654,214 with the following adjustments: an increase of $473 for the annualization of FY 2010-11 S#NP-5 for the mail equipment upgrade; a decrease in the amount of $722 for the annualization of FY 2009-10 DI#NP-2: "Postage Increase and Mail Equipment Upgrade; a decrease of $752,159 and 8.8 FTE related to DI #NP-3, "Statewide Information Technology Staff Consolidation"; a reduction of $180,632 for FY 2010-11 BA#NP-1, "Statewide PERA Reduction"; an increase $167 for the annualization of FY 2009-10 DI#NP-2: "Postage and Mail Equipment Upgrade"; and an increase of $165 for FY 2010-11 BA#NP-5, "Mail Equipment Upgrade".

The Department received a Long Bill (SB 11-209) appropriation for FY 2011-12 in the amount of $16,902,138 with 121.7 FTE, which is the FY 2010-11 appropriation of $16,721,506 and 131.7 FTE, plus $180,632 for the restoration of the FY 2010-11 PERA reduction. The JBC voted to reduce the FTE by 10.0 FTE and zero dollars, bringing the FTE level down to 121.7 FTE. In addition, SB 11-076 Special Bill "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" in the amount of a $168,853 decrease resulted in a total appropriation of $16,733,285 and 121.7 FTE for FY 2011-12.

For FY 2012-13, the Department is requesting an appropriation of $16,902,138 and 121.7 FTE, which is the FY 2011-12 appropriation of $16,733,285, plus $168,853 for the annualization of SB 11-076 Special Bill FY 2011-12 "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA".

Department of Human Services
Line Item Descriptions

Mental Health and Alcohol and Drug Abuse Services

FY 2012-13 Budget Request

NOVEMBER 1, 2011

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(8) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE SERVICES

(A) ADMINISTRATION

Personal Services

The Personal Services line item includes salaries and benefits for the Office of Behavioral Health Housing central administration.

The appropriation for FY 2009-10 totaling $2,243,843 and 25.4 FTE includes $70,643 for prior year salary survey, $27,232 for prior year performance-based pay, and $5,467 decrease for prior year performance-based pay adjustment (20% non-based) pursuant to the OSPB common policies as well as 1.82% budget balancing personal services reduction totaling $35,284. JBC staff initiative #1 eliminated $59,505 and 0.4 FTE for the Family Mental Health Services Grant Program (Supplemental Requests for FY 2008-09 and FY 2007-08, Department of Human Services, Mental Health and Alcohol and Drug Abuse Division (ADAD) Only, January 29, 2009, Page 11). There were no Change Requests submitted for this line item in FY 2009-10.

The General Assembly included a statewide personal services reduction equivalent to 1.82 percent of each agency's appropriation in the FY 2009-10 Long Bill (SB 09-259). The executive branch was given the flexibility to develop and implement a plan to meet the mandated reduction. The Governor requested an adjustment to the personal services reductions in the FY 2009-10 Long Bill to reflect the actual staffing actions taken by each agency in order to achieve the 1.82 percent decrease. HB 10-1302 Supplemental Bill included S-NP-1 Statewide Furlough Impact to reflect the furlough adjustment in FY 2009-10. The impact of the one-time reduction totaled a decrease of $29,016.

The FY 2010-11 Base Request totaling $2,264,656 and 25.1 FTE deleted $14,471 Cash Funds and 0.3 FTE because SB 07-146 Mental Health Services Pilot Program for Veterans and Families sunsets and added $35,284 in total funds to restore the one-time personal services cut in FY 2009-10.

The Long Bill appropriation for FY 2010-11 totaling $2,217,843 and 25.1 FTE includes the FY 2010-11 Base Request adjustments noted above and $46,813 decrease from BA NP-1 Statewide PERA Adjustment as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 48). The FY 2010-11 Total Appropriation of $2,205,240 and 25.1 FTE further includes FY 2010-11 S#ES-1 "1% Across the Board Personal Services Reduction with a negative impact of $12,603.

The FY 2011-12 Base Request totaling $2,264,656 and 25.1 FTE includes the annualization of both the FY 2010-11 BA-NP-1 Statewide PERA Adjustment of $46,813 and the FY 2010-11 ES-1 “1% Across the Board Personal Services Reduction of $12,603.

The FY 2011-12 November 1 Request totals $2,190,509 and 25.1 FTE and includes FY 2011-12 NP-4: “2% Across the Board Personal Services Reduction” totaling a decrease of $26,142 and FY 2011-12 NP-7: “Statewide PERA Adjustment” totaling a decrease of $48,005.

The FY 2011-12 Long Bill appropriation totaling $4,462,567 and 55.9 FTE includes an increase of $26,142 to annualize the FY 2011-12 NP-4: “2% Across the Board Personal Services Reduction”, FY 2011-12 NP-7: “Statewide PERA Adjustment” totaling an increase of $48,005 and a decrease of $26,998 because HB 07-1057 “Family Advocacy Demonstration Programs” sunsets. JBC Staff recommendations (FY 2011-12 Figure Setting Department of Human Services , Mental Health and Alcohol and Drug Abuse Services, March 9, 2011, Page 11) included a decrease of $13,071 for the FY 2011-12 “1% Personal Services Reduction”, “1.5% Personal Services Base Reduction” totaling a decrease of $33,565 and the consolidation of Administration personal services by combining this line item and the Alcohol and Drug Abuse Division personal services line item totaling an increase of $2,271,545 and 30.8 FTE.

The FY 2011-12 Long Bill appropriation plus SB 11-076 Special Bill FY 2011-12 “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA” in the amount of a $73,828 decrease resulted in a total appropriation of $4,388,739 and 55.9 FTE for FY 2011-12.

The FY 2012-13 Base Request totaling $4,462,567 and 55.9 FTE includes the annualization of SB 11-076 Special Bill FY 2011-12 “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA” in the amount of a $73,828 increase.

Operating Expenses

This appropriation includes general operating, travel, capital outlay and transfer expenditures for the Office of Behavioral Health and Housing central administration.

The FY 2009-10 Base Request totals $95,512. The FY 2009-10 Request includes Decision Items #NP-1 State Fleet Variable Cost $331 decrease and NP-2 Postage Increase and Mail Equipment Upgrade $929 decrease pursuant to the OSPB common policies. Decision Item #NP-2 was appropriated as requested in FY 2009-10.

The Department of Personnel and Administration received funds to purchase mail equipment and software in the FY 2009-10 budget process. The intent was to replace obsolete items as well as purchase equipment required by the United States Postal Service (USPS) in order to maintain the State's mail discounts. The equipment will be amortized over eight years. However, due to federal restrictions, the equipment must be purchased via a five year least purchase agreement. S-NP-5 Mail Equipment Upgrade Supplemental and Budget Amendment reduced the line item in the amount of $608 decrease in General Fund in FY 2009-10.

The FY 2010-11 Base Request totaling $95,512 included the annualization of Decision Item #NP-2 Postage Increase and Mail Equipment Upgrade decrease in the amount of $929.

The appropriation for FY 2010-11 totaling $93,846 includes S-NP-5/BA-NP-5 Mail Equipment Upgrade Supplemental and Budget Amendment in the amount of $789 decrease in General Fund and SBA-8 General Operating Expenses Reduction based on a five percent reduction of operating costs that support departmental personnel as directed by the Office of State Planning and Budgeting (OSPB) totaling $1,806 (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 49).

The FY 2011-12 Base Request and the FY 2011-12 November 1 Request totals $93,846.

The total appropriation for FY 2011-12 totaling $290,672 includes a decrease of $1,096 because of HB 07-1057 “Family Advocacy Demonstration Programs” and JBC actions to reduce operating expenses in the amount of $8,482 and consolidate Administration operating expenses by combining this line item and the Alcohol and Drug Abuse Division operating expenses line item totaling an increase of $206,404 (FY 2011-12 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 9, 2011, Page 12).

The FY 2012-13 Base Request totals $292,478 and includes an increase of $1,806 for the annualization of FY 2010-11 SBA-8: “5% Operating Reduction.”

Indirect Cost Assessment

This line item reflects the monies anticipated to be recovered from federal sources that allow for indirect administrative costs. These monies are used to offset General Fund expenditures in the Department of Human Services Executive Director’s Office. SB 09-259 and HB 10-1376 appropriated $27,138 Federal Funds in FY 2009-10 and FY 2010-11 respectively.

The FY 2011-12 Base Request and the FY 2011-12 November 1 Request totals $27,138 Federal Funds.

The appropriation for FY 2011-12 totaling $270,861 includes the JBC Staff recommendation to combine the ADAD Indirect Cost Assessment line item in the amount of $243,723 and the Federal Indirect Cost line item in the amount of $27,138 into one line item titled "Indirect Cost Assessment." (Staff Comebacks, Department of Human Services (EDO/MHADAD), JBC Staff Memorandum, March 17, 2011, Page 2) and (FY 2011-12 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 9, 2011, Page 13).

The FY 2012-13 Base Request totals $270,861.

Federal Programs and Grants

The Division of Behavioral Health applies for a variety of federal grants designed to enhance mental health services in Colorado. The Federal Programs and Grants line item includes special purpose demonstration projects and research program grants funded at the Division level by the federal government.

The appropriation for FY 2009-10 (SB 09-259) totals $2,531,634 and 11.0 FTE $15,669 for prior year salary survey, $5,647 for prior year performance-based pay, and ($1,129) for prior year performance-based pay adjustment (20% non-based) pursuant to the OSPB common policies. There were no Change Requests submitted for this line item in FY 2009-10.

The General Assembly included a statewide personal services reduction equivalent to 1.82 percent of each agency's appropriation in the FY 2009-10 Long Bill (SB 09-259). The executive branch was given the flexibility to develop and implement a plan to meet the mandated reduction. The Governor requested an adjustment to the personal services reductions in the FY 2009-10 Long Bill to reflect the actual staffing actions taken by each agency in order to achieve the 1.82 percent decrease. HB 10-1302 Supplemental Bill included S-NP-1 Statewide Furlough Impact to reflect the furlough adjustment in FY 2009-10. The impact of the one-time reduction totaled $18,113.

The FY 2010-11 Base Request totaled $2,531,634 and 11.0 FTE.

The appropriation for FY 2010-11 totaling $2,518,447 and 11.0 FTE includes BA NP-1 Statewide PERA Adjustment totaling a decrease of $13,187 (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 50).

The FY 2011-12 Base Request totaling $2,531,634 and 11.0 FTE includes the annualization of FY 2010-11 BA-NP-1 Statewide PERA Adjustment in the amount of $13,187 Federal Funds.

The FY 2011-12 November 1 Request totaling $2,517,892 and 11.0 FTE includes FY 2011-12 NP-7: “Statewide PERA Adjustment” in the amount of a $13,742 Federal Funds decrease.

The FY 2011-12 Long Bill (SB 11-209) totaling $2,525,646 and 6.0 FTE removes FY 2011-12 NP-7: “Statewide PERA Adjustment” for an increase of $13,742 and incorporates two JBC Staff recommendations; a decrease of $5,988 for “1.5% Personal Services Base Reduction” (FY 2011-12 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 9, 2011, Page 14) and a reduction of 5.0 FTE (Department of Human Services FTE Adjustments, JBC Staff Memorandum, March 30, 2011, Page 3).

The FY 2011-12 Long Bill appropriation plus SB 11-076 Special Bill FY 2011-12 “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA” totaling a decrease of $13,742 resulted in a FY 2011-12 appropriation totaling $2,511,904 Federal Funds and 6.0 FTE.

The FY 2012-13 Base Request totaling $2,525,646 Federal Funds and 6.0 FTE includes the addition of $13,742 for the annualization of SB 11-076 Special Bill FY 2011-12 “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA.”

Other Federal Grants

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

The appropriation for FY 11-12 Long Bill totaling $457,383 includes the JBC Staff recommendation to move this line item appropriation from the (8)(D)(1) Alcohol and Drug Abuse Division Administration to the (8)(A) Mental Health and Alcohol and Drug

Abuse Services Administration section of the Long Bill. (Staff Comebacks, Department of Human Services (EDO/MHADAD), JBC Staff Memorandum, March 17, 2011, Page 2).

The FY 12-13 Base Request totals $457,383 Federal Funds.

Supportive Housing and Homeless Program

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

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

FY 2009-10 Decision Item #13 Homeless Program Funding requested $241,718 General Fund (annualizes to $254,752 General Fund in FY 2010-11) for Supportive Housing and Homeless Programs (SHHP) to continue operating several of the Department's homeless programs. The homeless programs for which funding are requested include the Shelter Plus Care (S+C) Program, the Office of Homeless Youth Services, and participation in initiatives related to homelessness. This funding request included three components:

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

Line Item Descriptions FY 12-13 BUDGET REQUEST

The appropriation for FY 2009-10 totaling $20,091,488 and 19.0 FTE includes $40,243 for prior year salary survey, $14,490 for prior year performance-based pay, and $2,898 decrease for prior year performance-based pay adjustment (20% non-based) pursuant to the OSPB common policies as well as $1,731 for Decision Item #NP-2 Postage Increase and Mail Equipment Upgrade.

The Department of Personnel and Administration received funds to purchase mail equipment and software in the FY 2009-10 budget process. The intent was to replace obsolete items as well as purchase equipment required by the United States Postal Service (USPS) in order to maintain the State's mail discounts. The equipment will be amortized over eight years. However, due to federal restrictions, the equipment must be purchased via a five year least purchase agreement. S-NP-5 Mail Equipment Upgrade Supplemental and Budget Amendment reduced the line item in the amount of $1,134 General Fund in FY 2009-10.

The General Assembly included a statewide personal services reduction equivalent to 1.82 percent of each agency’s appropriation in the FY 2009-10 Long Bill (SB 09-259). The executive branch was given the flexibility to develop and implement a plan to meet the mandated reduction. The Governor requested an adjustment to the personal services reductions in the FY 2009-10 Long Bill to reflect the actual staffing actions taken by each agency in order to achieve the 1.82 percent decrease. HB 10-1302 Supplemental Bill included S-NP-1 Statewide Furlough Impact to reflect the furlough adjustment in FY 2009-10. The impact of the one-time reduction totaled $41,572.

The FY 2010-11 Base Request totaled $20,089,757 and 19.0 FTE and included the $1,731 decrease due to the annualization of FY 2008-09 Decision Item #NP-2 Postage Increase and Mail Equipment Upgrade.

The appropriation for FY 2010-11 totaling $20,059,749 and 19.0 FTE included BA NP-1 Statewide PERA Adjustment totaling a decrease of $30,266 and the annualization of S-NP-5 Mail Equipment Upgrade Supplemental and Budget Amendment in the amount of $1,473 Federal Funds decrease as requested (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 52).

The FY 2011-12 Base Request totaling $20,090,015 and 19.0 FTE includes the annualization of FY 2010-11 BA-NP-1 Statewide PERA Adjustment in the amount of $30,266 Federal Funds.

The FY 2011-12 November 1 Request totals $20,067,600 and 19.0 FTE includes the FY 2011-12 Base Request and FY 2011-12 NP-7: “Statewide PERA Adjustment” in the amount of $22,415 Federal Funds decrease.

The FY 2011-12 Long Bill (SB 11-209) totaled $20,071,828 Federal Funds and 19.0 FTE and included a reversal of FY 2011-12 NP-7: “Statewide PERA Adjustment” for an increase of $22,415 that was partially offset by a $18,187 decrease from the JBC action “1.5% Personal Services Base Reduction” (FY 2011-12 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 9, 2011, Page 15).

The FY 2011-12 Long Bill appropriation totaling a negative $22,415 includes SB 11-209 and SB 11-076 Special Bill FY 2011-12 “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA” totaling a decrease of $22,415 and HB 11-1230 Special Bill FY 2011-12 “Consolidation of State programs that distribute federal moneys to persons needing assistance in obtaining housing into the Department of Local Affairs” totaling a decrease of $20,071,828 Federal Funds and 19.0 FTE.

The FY 2012-13 Base Request is $0 since the SHHP was moved to the Department of Local Affairs as a result of HB 11-1230.

(B) MENTAL HEALTH COMMUNITY PROGRAMS

(1) Mental Health Services for the Medically Indigent

Services for Indigent Mentally Ill Clients

Community programs provide the majority of the services delivered in the public mental health system. Colorado’s public mental health system is comprised of community-based mental health programs overseen by the Division of Mental Health (DMH). This line item provides for the following services: partial care, outpatient, case management, long term care, inpatient care, residential care, sheltered workshop/vocational, chronically mentally ill services, and children’s crisis services.

The FY 2009-10 Base Request totaled $41,648,905.

Budget Reduction BA-24 Reduce Forensics Community Based Services Flexible Funds reduced new funding for Community Mental Health Centers to provide services to clients who were committed to the Colorado Mental Health Institute at Pueblo (CMHIP) as Not Guilty by Reason of Insanity and transitioned to community placement in the amount of $10,000 General Fund.

The appropriation for FY 2009-10 totaled $39,839,202. JBC staff also changed the title of the line item from Services for 10,296 Indigent Mentally Ill Clients to Services for Indigent Mentally Ill Clients. There were no Change Requests submitted for this line item in FY 2009-10.

The November 6, 2009 Budget Request includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease that totals a reduction of $18,151,245 including $10,170,199 decrease in Net General Fund. The request decreases the base appropriation for all community provider services in the Department of Human Services by two percent (2%) in FY 2010-11.

There are several departments in the State that contract with community providers to provide services to eligible clients. The General Assembly has historically appropriated annual inflationary increases or cost of living adjustments for community providers to fund services that might otherwise be delivered by State FTE**.** The Department is requesting a 2.0% decrease for all client service providers due to the projected State revenue shortfall. This line item would be reduced by $668,874 General Fund as a result of the Departmental Request.

The FY 2010-11 Base Request totaled $39,839,202.

The appropriation for FY 2010-11 totaling $39,170,328 includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease in the amount of $668,874 General Fund that decreases the base appropriation for community provider services by two percent in FY 2010-11 as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 53).

The FY 2011-12 Base Request, the FY 2011-12 November 1 Request and the FY 2011-12 appropriation total $39,170,328.

The FY 2012-13 Base Request totals $39,170,328.

Medications for Indigent Mentally Ill Clients

As part of the FY 2008-09 supplemental presentation, JBC Staff recommended that a new line item be added to the Long Bill for medications for indigent mentally ill clients in order to separate community provider and medication funding and to increase transparency in the Long Bill. $1,713,993 General Fund was moved from the Services for 10,296 Indigent Mentally Ill Clients line item to establish this new line item. (FY 2009-10 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Division Only, March 3, 2009, Page 23).

The FY 2010-11 Base Request totaled $1,713,993.
The appropriation for FY 2010-11 totals $1,713,993 as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 54).

The FY 2011-12 Base Request, the FY 2011-12 November 1 Request and the FY 2011-12 appropriation total $1,713,993 General Fund.

The FY 2012-13 Base Request totals $1,713,993 General Fund.

Early Childhood Mental Health Services

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

The appropriation totaled $1,170,078 in FY 2009-10. There were no Change Requests submitted for this line item in FY 2009-10.

The November 6, 2009 Budget Request includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease that totaled a $18,151,245 decrease including $10,170,199 Net General Fund decrease. The request decreases the base appropriation for all community provider services in the Department of Human Services by two percent (2%) in FY 2010-11.

There are several departments in the State that contract with community providers to provide services to eligible clients. The General Assembly has historically appropriated annual inflationary increases or cost of living adjustments for community providers to fund services that might otherwise be delivered by State FTE**.** The Department is requesting a 2.0% decrease for all client service providers due to the projected State revenue shortfall. This line item would be reduced by $23,402 General Fund as a result of the Departmental Request.

The FY 2010-11 Base Request totaled $1,170,078.

The appropriation for FY 2010-11 totaling $1,146,676 includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease in the amount of ($23,402) General Fund that decreases the base appropriation for community provider services by two percent in FY 2010-11 as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, FY 2011-12 appropriation Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 54).

The FY 2011-12 Base Request, the FY 2011-12 November 1 Request and the FY 2011-12 appropriation total $1,146,676 General Fund.

The FY 2012-13 Base Request totals $1,146,676 General Fund.

Assertive Community Treatment Programs

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

The appropriation totaled $1,316,734 in FY 2009-10. There were no Change Requests submitted for this line item in FY 2009-10.

The November 6, 2009 Budget Request includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease that totaled a decrease of $18,151,245 including $10,170,199 Net General Fund decrease. The request decreased the base appropriation for all community provider services in the Department of Human Services by two percent (2%) in FY 2010-11.

There are several departments in the State that contract with community providers to provide services to eligible clients. The General Assembly has historically appropriated annual inflationary increases or cost of living adjustments for community providers to fund services that might otherwise be delivered by State FTE**.** The Department is requesting a 2.0% decrease for all client service providers due to the projected State revenue shortfall. This line item would be reduced by $13,167 General Fund and $13,167 Cash Funds as a result of the Departmental Request.

The FY 2010-11 Base Request totaled $1,316,734.

The appropriation for FY 2010-11 totaling $1,290,400 includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease in the amount of $26,334 total funds that decreases the base appropriation for community provider services by two percent in FY 2010-11 as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 55).

The FY 2011-12 Base Request, the FY 2011-12 November 1 Request and the FY 2011-12 appropriation total $1,290,400.

The FY 2012-13 Base Request totals $1,290,400.

Alternatives to Inpatient Hospitalization at a Mental Health Institute

The JBC Staff recommended consolidating the Alternatives to Inpatient Hospitalization at the Mental Health Institute at Pueblo, the Alternatives to Inpatient Hospitalization at the Mental Health Institute at Fort Logan, the Alternatives to the Fort Logan Aftercare Program and the Alternatives to Inpatient Hospitalization for Youth line items into a single new line item titled Alternatives to Hospitalization at the Mental Health Institutes to reflect the total funding of $2,977,822 for alternatives to services at the Mental Health Institutes in FY 2007-08. (FY 2007-2008 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Administration and Mental Health Sections Only, March 14, 2007, Page 50.)

The appropriation totaled $3,022,489 in FY 2009-10. There were no Change Requests submitted for this line item in FY 2009-10.

The FY 2010-11 Base Request totals $3,202,668 and includes a budget reduction proposal (12- Close 59 Beds at the Colorado Mental Health Institute at Fort Logan) to close 59 beds at the Colorado Mental Health Institute at Fort Logan effective January 1, 2010. The proposal also includes funding for the Community Mental Health Centers (CMHCs) and Behavioral Healthcare Organizations (BHOs) to provide services for the indigent patients currently served on the units proposed for closure and for the placement of elderly patients currently served in the CMHIFL Geriatrics unit in community residential or inpatient facilities (including Medicaid and Medicare eligible facilities). In addition to the closure of the 59 beds effective January 1, 2010, this proposal includes the closure of the twenty-bed Therapeutic Residential Child Care Facility (TRCCF) as of July 1, 2010 for a total closure of 79 beds at the CMHIFL in FY 2010-11.

The fiscal impact for the Colorado Department of Human Services as a result of the proposed bed closures is a reduction of $1,366,097 Net General Fund and 48.4 FTE in FY 2009-10 and a reduction of $4,211,643 Net General Fund and 126.6 FTE in FY 2010-11. These savings are offset by a fiscal impact to the Department of Health Care Policy and Financing (HCPF) of $524,863 in FY 2009-10 (including $201,601 General Fund and $323,262 Federal Funds) and $1,049,726 in FY 2010-11 (including $464,033

General Fund and $585,693 Federal Funds). The fiscal impact to HCPF includes an adjustment for American Recovery and Reinvestment Act funds.

The FY 2010-11 annualization of the August 24, 2009 budget reduction proposal includes $105,988 General Fund for the CMHCs and the BHOs to provide services for the indigent patients currently served on the units proposed for closure and for the placement of elderly patients currently served in the CMHIFL Geriatrics unit in community residential or inpatient facilities (including Medicaid and Medicare eligible facilities) and $74,191 for Children and adolescents who are not Medicaid eligible because their parents exceed Medicaid income and/or asset limits would present at private hospitals. It is estimated that 0.21 ADA on the Children's unit and 0.385 ADA on the Adolescent unit are indigent and would need additional funding in FY 2009-10. The Division of Behavioral Health (DBH) would allocate the additional funding appropriated in the Alternatives to Inpatient Hospitalization line item to the Community Mental Health Centers.

The November 6, 2009 Budget Request includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease that totals an $18,151,245 decrease including a $10,170,199 Net General Fund decrease. The request decreases the base appropriation for all community provider services in the Department of Human Services by two percent (2%) in FY 2010-11.

There are several departments in the State that contract with community providers to provide services to eligible clients. The General Assembly has historically appropriated annual inflationary increases or cost of living adjustments for community providers to fund services that might otherwise be delivered by State FTE**.** The Department is requesting a 2.0% decrease for all client service providers due to the projected State revenue shortfall. This line item would be reduced by $64,053 General Fund as a result of the Departmental Request.

The FY 2010-11 Base Request totaling $3,202,668 included the FY 2010-11 August Budget Reduction Annualization: "12-Close 59 Beds at the Colorado Mental Health Institute at Fort Logan" in the amount of $180,179 General Fund.

The appropriation for FY 2010-11 totaling $3,138,615 includes the FY 2010-11 Base Request adjustment and Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease in the amount of $64,053 General Fund that decreases the base appropriation for community provider services by two percent in FY 2010-11 as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 55).

The FY 2011-12 Base Request, the FY 2011-12 November 1 Request and the FY 2011-12 appropriation total $3,138,615 General Fund.

The FY 2012-13 Base Request totals $3,138,615 General Fund.

Enhanced Mental Health Pilot Services for Detained Youth

The Enhanced Mental Health Pilot Services for Detained Youth Program (Turnabout Program) was established by Joint Budget Committee action in FY 2005-06. This program is a collaborative effort jointly administered by the Division of Behavioral Health (DBH) and the Division of Youth Corrections (DYC). The program was designed to meet the mental health and substance use treatment needs of detained youth who are not Medicaid eligible at pilot sites in Jefferson County and Mesa County. Services are provided by two Community Mental Health Centers (CMHCs). The Jefferson Center for Mental Health and Colorado West Regional Mental Health Center provide detention center based and community outpatient based services including assessments, group and individual therapy, substance use disorder treatment, case management, transition services, Functional Family Therapy, Multi-Systemic Therapy, etc

The appropriation totaled $507,920 in FY 2009-10. There were no Change Requests submitted for this line item in FY 2009-10.

The FY 2010-11 Base Request totaled $0 as a result of a budget reduction proposal 11- Eliminate the Enhanced Mental Health Pilot Services for Detained Youth Program) totaling $580,385 General Fund ($380,940 Division of Behavioral Health and $199,445 Division of Youth Corrections) in FY 2009-10 and $773,847 ($507,920 Division of Behavioral Health and $265,927 Division of Youth Corrections) in FY 2010-11 to eliminate the Enhanced Mental Health Pilot Services for Detained Youth Program.

The consequence of eliminating this program would be a reduction of available mental health services for detained/post-detained youth in the Grand Mesa Youth Services Center (Western Slope) and Mount View Youth Services Center (Central Colorado excluding Denver) catchment areas.

The appropriation for FY 2010-11 is $0 (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 56).

Funding for FY 2011-12 was neither requested nor appropriated (FY 2011-12 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 9, 2011, Page 21).

Family Advocacy Demonstration Sites

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

BA-16 Technical Corrections to Tobacco Settlement Monies requested $36,877 Cash Funds to correct the appropriation of tobacco settlement monies pursuant to special bill legislation HB 07-1057. The General Assembly appropriated the funds as requested and added $2,354 cost-of-living adjustment for a total appropriation of $196,154 in FY 2009-10. (FY 200-10 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Division Only, March 3, 2009, Page 25).

The November 6, 2009 Budget Request includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease that totals a decrease of $18,151,245 including $10,170,199 Net General Fund decrease. The request decreases the base appropriation for all community provider services in the Department of Human Services by two percent (2%) in FY 2010-11.

There are several departments in the State that contract with community providers to provide services to eligible clients. The General Assembly has historically appropriated annual inflationary increases or cost of living adjustments for community providers to fund services that might otherwise be delivered by State FTE**.** The Department is requesting a 2.0% decrease for all client service providers due to the projected State revenue shortfall. This line item would be reduced by $3,923 Cash Funds as a result of the Departmental Request.

The total FY 2010-11 Base Request totaled $196,154.
The appropriation for FY 2010-11 totals $196,154.

The FY 2011-12 Base Request and the FY 2011-12 November 1 Request eliminates the $196,154 Cash Funds appropriation for the line item since HB 07-1057 Family Advocacy Demonstration Program sunsets.

The appropriation for FY 2011-12 is $0 as requested by the Department (FY 2011-12 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 9, 2011, Page 22).

Mental Health Services for Juvenile and Adult Offenders

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

The appropriation totaled $4,066,149 in FY 2008-09. There were no Change Requests submitted for this line item in FY 2009-10. However, JBC staff increased the line item by $91,151 to correct an error in the distribution of tobacco monies such that the appropriation for FY 2009-10 totals $4,157,300.

The FY 2010-11 Base Request totaled $4,092,997 as a result of Special Bill 09-269 Adjustment of the Allocation of Tobacco Litigation Settlement Moneys received by the State in the amount of ($64,303).

The November 6, 2009 Budget Request included Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease that totals a decrease of $18,151,245 including $10,170,199 Net General Fund decrease. The request decreased the base appropriation for all community provider services in the Department of Human Services by two percent (2%) in FY 2010-11.

There are several departments in the State that contract with community providers to provide services to eligible clients. The General Assembly has historically appropriated annual inflationary increases or cost of living adjustments for community providers to fund services that might otherwise be delivered by State FTE**.** The Department is requesting a 2.0% decrease for all client service providers due to the projected State revenue shortfall. This line item would be reduced by $81,860 Cash Funds as a result of the Departmental Request.

The appropriation for FY 2010-11 totaling $3,812,463 includes the FY 2010-11 Base Request adjustment as well as an adjustment in the tobacco settlement distribution in the amount of $280,534 decrease in Cash Funds. JBC staff did not recommend Budget Reduction Item 4 Two Percent (2%) Community Provider Base Decrease since no General Fund savings would be achieved (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 57).

The FY 2011-12 Base Request and the FY 2011-12 November 1 Request total $3,812,463 Cash Funds.

The FY 2011-12 appropriation totaling $3,455,461 includes an adjustment in the tobacco settlement distribution in the amount of $357,002 decrease in Cash Funds (FY 2011-12 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 9, 2011, Page 22).

The FY 2012-13 Base Request totals $3,455,461.

Veteran Mental Health

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

S-16/BA-16 Technical Corrections to Tobacco Settlement Monies included a $4,283 Cash Funds decrease adjustment to correct the amount appropriated from the Mental Health Services Pilot Program Fund. (Supplemental Requests for FY 2008-09 and FY 2007-08, Department of Human Services, Mental Health and Alcohol and Drug Abuse Division Only, January 29, 2009, Page 3). Therefore, the appropriation totaled $285,529 in FY 2008-09 and FY 2009-10.

The FY 2010-11 Base Request eliminated the entire appropriation for the line item ($285,529 Cash Funds) because SB 07-146 Mental Health Services Pilot Program for Veterans and Families sunsets.

The appropriation for FY 2010-11 is $0 as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 57).

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

HB 99-1116 established the Child Mental Health Treatment Act (CMHTA), which provides parents the option of mental health treatment residential services for children without requiring a dependency and neglect action. HB 04-1421 allocated tobacco settlement moneys for the implementation and appropriation for child mental health treatment. The program, codified in 27-10.3-101 through 107, C.R.S. (2005), provides parents the option of residential services for mental health treatment without going through the local county Departments of Social Services or the court.
The program provides funding to assist the family in placing a child in a therapeutic residential child care facility (TRCCF) when the child is not categorically eligible for Medicaid based on income criteria or suitable for placement based on "dependency and neglect"

criteria. Funding helps to cover the initial costs of treatment and room and board costs for the child who will subsequently be Medicaid eligible based on a disability and temporary placement in the residential treatment center. The Department covers sliding scale parent fees and expenses that are not paid by private insurance, Medicaid, and Supplemental Security Income (SSI) benefits for children in the program.

The appropriation totaled $991,211 in FY 2009-10. There were no Change Requests submitted for this line item in FY 2009-10.

The November 6, 2009 Budget Request includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease that totals a $18,151,245 decrease including $10,170,199 Net General Fund decrease. The request decreases the base appropriation for all community provider services in the Department of Human Services by two percent (2%) in FY 2010-11.

There are several departments in the State that contract with community providers to provide services to eligible clients. The General Assembly has historically appropriated annual inflationary increases or cost of living adjustments for community providers to fund services that might otherwise be delivered by State FTE**.** The Department is requesting a 2.0% decrease for all client service providers due to the projected State revenue shortfall. This line item would be reduced by a total of $14,217 as a result of the Departmental Request.

The FY 2010-11 Base Request totaled $991,211.

The appropriation for FY 2010-11 totaling $976,994 includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease in the amount of $14,217 total funds that decreases the base appropriation for community provider services by two percent in FY 2010-11. The appropriation also includes a JBC staff technical correction in the amount of $19,613 Cash Funds offset by $19,613 General Fund decrease and $23,631 Medicaid General Fund to correctly reflect the funding for Children Mental Health Treatment. In addition, Medicaid General Fund was decreased by $13,542 to reflect the 69.1% adjustment in ARRA funding in FY 2010-11 (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 58).

The FY 2011-12 Base Request and FY 2011-12 November 1 Request totals $976,994 and includes the annualization of the FY 2010-11 ARRA Adjustment in the amount of $13,542 Medicaid General Fund.

The FY 2011-12 appropriation and the FY 2012-13 Base Request total $976,994.

(C) MENTAL HEALTH INSTITUTES

Mental Heath Institutes

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

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

Stand Alone Budget Amendment SBA#1- Mental Health Institute Menu Planning and Food Preparation and Office of Operations Consolidation of Food Purchases eliminated duplicative functions that resulted in a savings to the State of $98,794 and 1.9 FTE in FY 2008-09 and $98,794 and 1.9 FTE in FY 2009-10. The Department consolidated meal preparation and food related purchasing in an effort to increase efficiency and reduce costs by consolidating menu preparation and food ordering at Fort Logan and Pueblo Mental Health Institutes. (FY 2008-09 Figure Setting Department of Human Services Office of Operations and Services for People with Disabilities, March 5, 2008, Page 37.)

The FY 2009-10 Base Request totaling $98,911,403 and 1277.2 FTE includes $2,318,263 for prior year salary survey, $1,043,745 for prior year performance-based pay, and $208,749 decrease for prior year performance-based pay adjustment (20% non-based) pursuant to the OSPB common policies. FY 2009-10 continuation base adjustments include $286,192 to delete one-time costs of FY 2008-09 Decision Item #1 Staff and Operating Expenses for the New HSFI at CMHIP; $1,187,325 and 17.6 FTE annualization of FY 2008-09 Decision Item #1 and $89,672 annualization of FY 2008-09 Decision Item #7 Compression Pay for Nurse I at the Colorado Mental Health Institutes. In addition, the FY 2009-10 request includes $31,764 for DI#NP-1 State Fleet Variable Cost and $3,064 for DI#NP-2 Postage Increase and Mail Equipment Upgrade pursuant to the OSPB common policies.

FY 2009-10 Decision Item #5 Direct Care Capital Outlay for Regional Centers, Mental Health Centers, and Facilities Management and Facilities Management Operating Increase requests $569,359 total fund increase for direct care capital outlay items: $77,650 for the Mental Health Institutes, $164,250 for the Regional Centers for the Developmentally Disabled, and $327,459 for the Division of Facilities Management to replace old, deteriorated, and broken furniture, fixtures, and equipment. FY 2009-10 is the first year of a four-year plan for capital outlay replacement for the Regional Centers and the first year of a two-year plan for the Mental Health Institutes and the Office of Operations, Division of Facilities Management. The Mental Health Institutes do not have a separate appropriation for capital outlay. All such purchases are included in the general operating budget. The Institutes have not received an increase related to capital outlay in over five years.
Both the Colorado Mental Health Institute at Fort Logan and the Colorado Mental Health Institute at Pueblo continue to experience difficulty in replacing furniture, fixtures, and equipment in a timely manner. The annual funding for the Institutes for Capital Outlay is inadequate.

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

Only large cost items of $5,000+ have been included in the request. There are a myriad of other small equipment needs in the $1,000-$4,999 range that are small individually, but total hundreds of thousands of dollars in the aggregate.

Year 1 FY 2009-10 Equipment	**Comments**	**AHA Useful Lives**	**FY 2009-10 Request**
CMHIFL—Electorencephalographic (EEG) machine for Medical Clinic	Replace existing machine that is 29 years old and obsolete; the study is printed on paper that is no longer manufactured; bought up all the paper from various suppliers several years ago; have a 1 year supply left, then the machine will be useless; must be replaced as EEG studies are a vital part of the psychiatric work-up of patients.	Electroencephalograph, 7 years	$ 40,000
CMHIP—Patient furniture for Forensic Advanced Cognitive Behavioral Unit (Wardrobes and Captain's Beds w/drawers Qty—10 each)	Current wardrobes and beds are over 20 years old and are basically falling apart; some patients no longer have a wardrobe as the one they were using became so bad it was disposed of.	Beds, Manual 15 years	$ 13,170
CMHIFL—Women's bathroom remodel on Adult Team 2	Currently Adult Team 2 has one bathroom for 16 female patients; due to safety concerns, only one patient can use the bathroom at a time unless staff is present; as a result, there have been numerous patient complaints related to the delay in having access to the bathroom; existing bathroom is constructed in such a way that it can be divided into 2 with a tub or shower, toilet, and sink in each half; having 2 bathrooms will reduce the delay in access to a bathroom, thereby reducing the potential for conflict, reducing staff needed for monitoring, and increasing patient privacy.	Partitions, toilet 15 years	$ 7,150
CMHIP—Integrated Bolt Down Security Seating for Dining Area on Locked Adolescent Unit (Qty—5 Tables)	Currently dining room has tables with individual chairs; this is a maximum security unit with high risk children who have picked up and thrown chairs at staff and peers; requested seating bolts to the floor and chairs cannot be separated to use as a weapon.		$ 5,830
CMHIP—Centrifuge for Laboratory Department	Need to replace existing centrifuge purchased 10/01/89; currently 19 years old.	Centrifuge 7 years	$ 6,500

Year 1 FY 2009-10 Equipment	**Comments**	**AHA Useful Lives**	**FY 2009-10 Request**
CMHIFL—Replace carpet in the Pharmacy Department	Existing carpet is worn and ripped at the seams; CMS surveyor identified it as a fall risk and safety hazard for staff; need to replace as soon as possible.	Carpet 5 years	$ 5,000
Total FY 2009-10			**$ 77,650**

FY 2009-10 Decision Item #17 Inflationary Increase for DHS Residential Programs requests additional operating funds of $561,152 and $511,539 Net General Fund for FY 2009-10 to address the high food and utilities inflation rates that impact the operating budgets of the Department of Human Services residential programs (Mental Health Institutes, Regional Centers for the Developmentally Disabled, and the Division of Youth Corrections). The request includes a 1.5% increase or $113,547 and $96,515 Net General Fund in the utilities appropriation to assist the Department in covering the inflationary increases of electric, natural gas, water and sewerage, and coal.
The request also includes an 8.5% or $447,605 and $415,024 Net General Fund in various appropriations that incur food costs as part of the operations of a residential program. $192,181 General Fund is requested for the Mental Health Institutes at Pueblo and Fort Logan. (FY 2009-10 Staff Figure Setting Department of Human Services Office of Operations and Services for People with Disabilities, March 4, 2009, Page 43).

Separate line items were established for the Colorado Mental Health Institute at Fort Logan and the Colorado Mental Health Institute at Pueblo in FY 2009-10 based on the Joint Budget Committee staff figure setting recommendation in order to track Institute expenditures and ensure transparency in reporting. The personal services and operating expenses at the Institutes were previously combined in the FY 2005-06 Long Bill to allow the Department greater flexibility and minimize over expenditure issues.

Mental Health Institute- Ft. Logan

The FY 2009-10 Long Bill appropriation (SB 09-259) totals $27,212,895 and 338.8 FTE. The appropriation includes $28,490 for the annualization of FY 2008-09 Decision Item #7 Compression Pay for Nurse 1 at the Colorado Mental Health Institutes, $680,796 prior year salary survey, $240,539 for prior year performance-based pay pursuant to the OSPB common policies as well as 1.82% budget balancing personal services reduction in the amount of $451,492.

In addition, Decision Item #5 Direct Care Capital Outlay for Regional Centers, Mental Health Institutes and Facilities Management and Facilities Management Operating Increase in the amount of $47,150 (FY 2009-10 Staff Figure Setting Department of Human Services Office of Operations and Services for People with Disabilities, March 4, 2009, Page 34), Non-prioritized Decision Item #NP-2 Postage Increase and Mail Equipment Upgrade appropriated $794 (FY 2009-10 Staff Figure Setting Office of Operations and Services for People with Disabilities, March 4, 2009, Page 37) and Budget Amendment BA-5 Mental Health Institute Revenue Adjustment totaled ($84,473) Net General Fund in FY 2009-10.

The FY 2010-11 Base Request totaled $18,785,216 and 228.5 FTE and includes the deletion of $47,150 in one-time costs and $67,375 annualization for the FY 2009-10 Decision Item #5 Direct Care Capital Outlay as well as the annualization in the amount of $794 decrease for FY 2008-09 Decision Item #NP-2 Postage Increase and Mail Equipment Upgrade. The Base Request also includes an adjustment for the one-time FY 2009-10 personal services cut of $451,492 and the annualization of the FY 2010-11 August 24, 2009 Budget Reduction Proposal 12- Close 59 Beds at the CMHIFL totaling a decrease of $8,898,602 and 110.3 FTE.

Budget Reduction Proposal 12- Close 59 Beds at the Colorado Mental Health Institute at Fort Logan closes 59 beds at the Colorado Mental Health Institute at Fort Logan effective January 1, 2010. The proposal also includes funding for the Community Mental Health Centers (CMHCs) and Behavioral Healthcare Organizations (BHOs) to provide services for the indigent patients currently served on the units proposed for closure and for the placement of elderly patients currently served in the CMHIFL Geriatrics unit in community residential or inpatient facilities (including Medicaid and Medicare eligible facilities). See Alternatives to Inpatient Hospitalization at a Mental Health Institute line item.

In addition to the closure of the 59 beds effective January 1, 2010, this proposal includes the closure of the twenty-bed Therapeutic Residential Child Care Facility (TRCCF) as of July 1, 2010 for a total closure of 79 beds at the CMHIFL in FY 2010-11. The budget reduction proposal includes the closure of the following treatment units at the CMHIFL:

> Geriatrics Unit (25 beds): The budget reduction proposal would close the 25-bed Geriatrics unit for a savings of $1,009,084 Net General Fund and 19.2 FTE in FY 2009-10 and $2,374,767 and 38.3 FTE in FY 2010-11. The Institutes would continue to operate two 20-bed Geriatrics units at the CMHIP.
>
> TRCCF (20 beds): The TRCCF serves youth referred by county Departments of Social Services and the Division of Youth Corrections. This proposal would close the 20-bed Therapeutic Residential Child Care Facility effective July 1, 2010 for a Net General Fund savings of $575,061 and 29.8 FTE in FY 2010-11.

Adolescent Unit (18 beds): This proposal would close the 18-bed inpatient adolescent unit for a savings of $189,713 Net General Fund and 15.8 FTE in FY 2009-10 and $673,866 and 31.7 FTE in FY 2010-11. This unit provides inpatient psychiatric treatment services for adolescents, typically 12 to 18 years of age.

Children's Unit (16 beds). The Children's unit provides inpatient psychiatric treatment services for children ages four to twelve years old. This proposal would close the 16-bed inpatient Children's unit at Fort Logan for a savings of $257,390 Net General Fund and 13.4 FTE in FY 2009-10 and $768,128 and 26.8 FTE in FY 2010-11. In FY 2008-09, the program admitted 228 patients and the Average Daily Attendance was 8.9 for an occupancy rate of 60.1 percent. In FY 2008-09, 89.5 percent of the 228 children admitted to Fort Logan were Medicaid eligible at admission.

The Department of Personnel and Administration received funds to purchase mail equipment and software in the FY 2009-10 budget process. The intent was to replace obsolete items as well as purchase equipment required by the United States Postal Service (USPS) in order to maintain the State's mail discounts. The equipment will be amortized over eight years. However, due to federal restrictions, the equipment must be purchased via a five year least purchase agreement. S-NP-5 Mail Equipment Upgrade Supplemental and Budget Amendment reduced the line item in the amount of ($1,171) General Fund in FY 2009-10.

The General Assembly included a statewide personal services reduction equivalent to 1.82 percent of each agency's appropriation in the FY 2009-10 Long Bill (SB 09-259). The executive branch was given the flexibility to develop and implement a plan to meet the mandated reduction. The Governor requested an adjustment to the personal services reductions in the FY 2009-10 Long Bill to reflect the actual staffing actions taken by each agency in order to achieve the 1.82 percent decrease. HB 10-1302 Supplemental Bill included S-NP-1 Statewide Furlough Impact to reflect the furlough adjustment in FY 2009-10. The impact of the one-time adjustment totaled $201,100 General Fund.

FY 2010-11 Budget Request Amendment titled Therapeutic Residential Child Care Facility at the Colorado Mental Health Institute at Fort Logan proposal in the amount of $2,145,988 total funds, $575,061 Net General Fund and 29.8 FTE amended the August 25, 2009 budget reduction item that closed 59 beds at the Colorado Mental Health Institute at Fort Logan. The proposal added funding for FY 2010-11 to keep the 20-bed Therapeutic Residential Child Care Facility (TRCCF) at Fort Logan open. Other components of the August 25, 2009 budget reduction remained intact.

The budget reduction amendment in effect reduced the August 25, 2009 budget reduction titled "Close 59 Beds at the Colorado Mental Health Institute at Fort Logan" from $10,917,875 total funds, $4,211,643 Net General Fund and 126.6 FTE (as included in the FY 2010-11 Base Request) to a revised savings of $8,771,827 total funds, $3,636,582 Net General Fund and 96.8 FTE.

The Long Bill appropriation for FY 2010-11 totaling $19,882,955 and 252.2 FTE includes the FY 2010-11 Base Request adjustments, annualization of FY 2008-09 DI#NP-2 “Postage Increase & Mail Equipment Upgrade in the amount of $794 General Fund, BA NP-1 Statewide PERA Adjustment totaling $437,022 decrease, the annualization of S-NP-5 Mail Equipment Upgrade Supplemental and Budget Amendment in the amount of $1,521 decrease. The appropriation also includes SBA-8 General Operating Expenses Reduction based on a five percent reduction of operating costs that support departmental personnel as directed by the Office of State Planning and Budgeting totaling $19,054 and $1,554,542 and 23.7 FTE total funding for the FY 2010-11 Budget Request Amendment for the TRCCF at the Colorado Mental Health Institute at Fort Logan (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 64).

The FY 2010-11 Long Bill appropriation plus three change requests; FY 2010-11 S#2: “Colorado Mental Health Institutes Revenue Adjustment” totaling $0 Total Funds (Supplemental Request for FY 2010-11 Department of Human Services (Office of Information Technology Services and Mental Health and Alcohol and Drug Abuse Services), January 21, 2011, Pages 1-3 and 6-7), FY 2010-11 S#7: “Direct Care Nursing Staff Shift Coverage at the Colorado Mental Health Institutes” totaling an increase of $60,824 and 1.6 FTE (Supplemental Request for FY 2010-11 Department of Human Services (Mental Health and Alcohol and Drug Abuse Services), January 27, 2011, Pages 1-4), and FY 2010-11 S#ES-1: “1% Across the Board Personal Services Reduction” totaling a decrease of $25,136, resulting in a total appropriation for FY 2010-11 of $19,918,643 and 253.8 FTE.

The FY 2011-12 Base Request totaling $20,319,977 and 252.2 FTE includes the annualization of FY 2010-11 BA-NP-1 Statewide PERA Adjustment totaling an increase of $437,022 in General Funds, FY 2010-11 S#2: “Colorado Mental Health Institutes Revenue Adjustment” totaling $0 Total Funds, FY 2010-11 S#7: “Direct Care Nursing Staff Shift Coverage at the Colorado Mental Health Institutes” totaling a decrease of $60,824 and 1.6 FTE, and FY 2010-11 S#ES-1: “1% Across the Board Personal Services Reduction” totaling an increase of $25,136.

The FY 2011-12 November 1 Request totaling $19,944,981 and 252.2 FTE includes FY 2011-12 NP-4: “2% Across the Board Personal Services Reduction” totaling a decrease of $51,985 General Fund and FY 2011-12 NP-7: “Statewide PERA Adjustment” totaling a decrease of $323,011.

The FY 2011-12 Long Bill appropriation totaling $19,296,714 and 206.3 FTE includes FY 2010-11 S#2: “Colorado Mental Health Institutes Revenue Adjustment” totaling $0 Total Funds, FY 2010-11 S#7 “Direct Care Nursing Staff Shift Coverage at the Colorado Mental Health Institutes” totaling an increase of $60,824 and 1.6 FTE, FY 2011-12 BA#5 “Direct Care Nursing Staff Shift Coverage at the Colorado Mental Health Institutes” totaling an increase of $299,276 and 8.6 FTE. It also includes reversal of both FY 2011-12 NP-4: “2% Across the Board Personal Services Reduction” totaling an increase of $51,985 General Fund and FY 2011-12 NP-7:

“Statewide PERA Adjustment” totaling an increase of $323,011. During Figure Setting, JBC Staff recommended FY 2011-12: “1% Personal Services Reduction” totaling a decrease of $25,993, “1.5% Personal Services Base Reduction” totaling a decrease of $88,097, “0.2 % Personal Services Reduction” totaling a decrease of $15,634, FY 2011-12 SBA-3: “Close the 20-bed TRCCF at the CMHIFL” totaling a decrease of $1,253,639 and 23.7 FTE, and “JBC Staff FTE Technical True-up” for a decrease of 12.4 FTE (FY 2011-12 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 9, 2011, Pages 28-33). During Comebacks, JBC Staff recommended to correct the FY 2011-12 MHI Revenue Adjustment for an impact of $0 Total Funds (Staff Comebacks, Department of Human Services (EDO/MHADAD), JBC Staff Memorandum, March 17, 2011, Page 2). A later JBC Staff Memorandum recommended an FTE reduction of 20.0 FTE (Department of Human Services FTE Adjustments, JBC Staff Memorandum, March 30, 2011, Page 3).

The FY 2011-12 Long Bill appropriation plus SB 11-076 Special Bill FY 2011-12 “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA” totaling a decrease of $323,011, results in a total appropriation for FY 2011-12 of $18,973,703 and 206.3 FTE.

The Base Request for FY 2012-13 totaling $19,273,397 and 206.3 FTE includes annualizations of FY 2010-11 SBA-8: “5% Operating Reduction” totaling an increase of $19,054, FY2011-12 SBA-3: “Close the 20-bed TRCCF at the CHMIFL” totaling a decrease of $42,371, and SB 11-076 “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA” totaling an increase of $323,011. The November 1 Request for FY 2012-13 totaling $19,289,621 and 201.3 FTE includes FY 2012-13 R-2: “Electronic Health Record and Pharmacy System Feasibility Study at the Mental Health Institutes” totaling an increase of $16,224.

Mental Health Institute- Pueblo

The FY 2009-10 Long Bill appropriation (SB 09-259) totals $69,256,814 and 928.2 in FY 2009-10. The appropriation includes $61,182 for the annualization of FY 2008-09 Decision Item #7 Compression Pay for Nurse 1 at the Colorado Mental Health Institutes; $1,637,467 prior year salary survey, $594,457 for prior year performance-based pay pursuant to the OSPB common policies as well as 1.82% budget balancing personal services reduction in the amount of $1,149,048. Also included is the annualization of FY 2008-09 Decision Item #1 Staff and Operating for the New High Security Forensic Institute at the Colorado Mental Health Institute at Pueblo totaling $1,187,325 and 17.6 FTE and $286,192 decrease to delete one-time costs associated with Decision Item #1.

In addition, Decision Item #5 Direct Care Capital Outlay for Regional Centers, Mental Health Institutes and Facilities Management and Facilities Management Operating Increase in the amount of $19,000 General Fund and $2,270 for Non-prioritized Decision Item #NP-2 Postage Increase and Mail Equipment Upgrade was appropriated in FY 2009-10. Budget Amendment BA-5 Mental Health Institute Revenue Adjustment totaled $781,021 Net General Fund decrease in FY 2009-10. FY 2009-10 budget reduction proposal Budget Amendment BA-31 General Hospital Closure totaled $648,107 General Fund and 10.2 FTE decrease.

The Department of Personnel and Administration received funds to purchase mail equipment and software in the FY 2009-10 budget process. The intent was to replace obsolete items as well as purchase equipment required by the United States Postal Service (USPS) in order to maintain the State's mail discounts. The equipment will be amortized over eight years. However, due to federal restrictions, the equipment must be purchased via a five year least purchase agreement. S-NP-5 Mail Equipment Upgrade Supplemental and Budget Amendment reduced the line item in the amount of $835 General Fund in FY 2009-10.

The General Assembly included a statewide personal services reduction equivalent to 1.82 percent of each agency’s appropriation in the FY 2009-10 Long Bill (SB 09-259). The executive branch was given the flexibility to develop and implement a plan to meet the mandated reduction. The Governor requested an adjustment to the personal services reductions in the FY 2009-10 Long Bill to reflect the actual staffing actions taken by each agency in order to achieve the 1.82 percent decrease. HB 10-1302 Supplemental Bill included S-NP-1 Statewide Furlough Impact to reflect the furlough adjustment in FY 2009-10. The impact of the one-time adjustment totaled $554,168 General Fund.

The FY 2010-11 Base Request totaling $70,060,538 and 923.0 FTE included the deletion of $19,000 in one-time costs for the FY 200-10 Decision Item #5 Direct Care Capital Outlay as well as the annualization in the amount of $2,270 decrease for FY 2008-09 Decision Item #NP-2 Postage Increase and Mail Equipment Upgrade. The base also includes an adjustment for the one-time FY 2009-10 personal services cut of $1,149,048 and the annualization for FY 2009-10 BA-31 General Hospital Closure totaling $324,054 and 5.2 FTE decrease.

The Long Bill appropriation for FY 2010-11 totaling $68,827,749 and 923.0 FTE includes deleting one-time costs ($19,000 General Fund) for FY 200-10 DI#5 Direct Care Capital Outlay, annualization totaling $324,054 and 5.2 FTE decrease for FY 2009-10 BA-31 General Hospital closure, $1,149,048 to restore the FY 2009-10 personal services reduction, BA NP-1 Statewide PERA Adjustment totaling a decrease of $1,159,233, and the annualization of S-NP-5 Mail Equipment Upgrade Supplemental and Budget Amendment in the amount of $1,084 decrease. The appropriation also includes SBA-8 General Operating Expenses Reduction based on a five percent reduction of operating costs that support departmental personnel as directed by the Office of State Planning and Budgeting totaling $74,742 decrease and the ARRA adjustment in the amount of $337,989 Medicaid General Fund decrease (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 71).

The FY 2010-11 total appropriation totaling $69,220,060 and 926.7 FTE includes FY 2010-11 S#2: “Colorado Mental Health Institutes Revenue Adjustment” totaling $0 Total Funds (Supplemental Request for FY 2010-11 Department of Human Services (Office of Information Technology Services and Mental Health and Alcohol and Drug Abuse Services), January 21, 2011, Pages 1-3 and 6-7), FY 2010-11 S#7 “Direct Care Nursing Staff Shift Coverage at the Colorado Mental Health Institutes” totaling an increase of $133,999 and 3.7 FTE (Supplemental Request for FY 2010-11 Department of Human Services (Mental Health and Alcohol and Drug Abuse Services), January 27, 2011, Pages 1-4), FY 2010-11 S#ES-1 “1% Across the Board Personal Services Reduction” totaling a decrease of $89,938, the HCPF-MGF Adjustment totaling $0 Total Funds but a decrease of $126,528 Medicaid General Funds, JBC Staff recommended the FFS Payment Delay True-Up totaling an increase of $348,250.

The FY 2011-12 Base Request totaling $69,986,982 and 923.0 FTE includes the annualization of FY 2010-11 BA-NP-1 Statewide PERA Adjustment totaling an increase $1,159,233, the annualization of FY 2010-11 ARRA adjustment in the amount of $337,989 Medicaid General Fund, annualization of FY 2010-11 S#2: “Colorado Mental Health Institutes Revenue Adjustment” totaling $0 Total Funds, annualization of FY 2010-11 S#7 “Direct Care Nursing Staff Shift Coverage at the Colorado Mental Health Institutes” totaling a decrease of $133,999 and 3.7 FTE, annualization of FY 2010-11 S#ES-1 “1% Across the Board Personal Services Reduction” totaling an increase of $89,938, the HCPF-MGF Adjustment totaling $0 Total Funds but an increase of $126,528 Medicaid General Funds, annualization of the FFS Payment Delay True-Up totaling a decrease of $348,250.

The FY 2011-12 November 1 Request totaling $68,146,208 and 918.0 FTE includes FY 2011-12 NP-4: “2% Across the Board Personal Services Reduction” totaling a decrease of $184,460, FY 2011-12 NP-7: “Statewide PERA Adjustment” totaling a decrease of $1,099,998 and FY 2011-12 DI#5: “Transfer Sol Vista Youth Services Center FTE to the Division of Youth Corrections” in the amount of $548,765 Reappropriated Funds and 5.0 FTE decrease. 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. Also included in the November 1 Request is FY 2011-12 NP-2: “HCPF-BRI-2 Medicaid Fee-for-Service Payment Delay” $7,551 Reappropriated Funds decrease. The Department of Health Care Policy and Financing is requesting a reduction of $7,825,473 total funds and $3,625,022 General Fund in FY 2011-12; and a reduction of $8,334,542 total funds and $3,862,342 General Fund in FY 2012-13. To achieve these savings, the Department proposes to implement a permanent three-week delay before paying fee-for-service claims. This request also includes the repayment of the FY 2010-11 three-week delay proposed in the Department's request ES-2, "Fee-for-Service Delay in FY 2010-11."

The FY 2011-12 Long Bill appropriation (SB 11-209) totaling $68,748,737 and 925.7 FTE includes reversals of several decision items; FY 2011-12 NP-2: "HCPF-BRI-2 Medicaid Fee-for-Service Payment Delay" $7,551 Reappropriated Funds increase, FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction" totaling an increase of $184,460, FY 2011-12 NP-7: "Statewide PERA Adjustment" totaling an increase of $1,099,998. It also includes FY 2010-11 S#7 "Direct Care Nursing Staff Shift Coverage at the Colorado Mental Health Institutes" totaling an increase of $133,999 and 3.7 FTE, FY 2011-12 BA#5: "Direct Care Nursing Staff Shift Coverage at the Colorado Mental Health Institutes" totaling an increase of $659,639 and 18.1 FTE, and FY 2010-11 BA#1: "Colorado Mental Health Institutes Revenue Adjustment" totaling $0 Total Funds. There were also a number of JBC Staff recommendations included; FY 2011-12 1% Personal Services Reduction totaling a decrease of $92,230, 1.5% Personal Services Base Reduction totaling a decrease of $332,381, 0.2% Personal Services Reduction totaling a decrease of $58,507, FTE Technical True-Up adding 12.4 FTE, Circle Program totaling a decrease of $1,000,000 and 14.5 FTE (FY 2011-12 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 9, 2011, Pages 33-38), Correct FY12 MHI Revenue Adjustment totaling $0 Total Funds (Staff Comebacks, Department of Human Services (EDO/MHADAD), JBC Staff Memorandum, March 17, 2011, Page 2), and an FTE Reduction totaling a decrease of 12.0 FTE (Department of Human Services FTE Adjustments, JBC Staff Memorandum, March 30, 2011, Page 3).

The FY 2011-12 Long Bill appropriation plus SB 11-076 Special Bill FY 2011-12 "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" totaling a decrease of $1,099,998 and HB 11-1043 Special Bill FY 2011-12 "Medical Marijuana" totaling an increase of $1,000,000 General Funds and 14.5 FTE result in a total appropriation for FY 2011-12 of $68,648,739 and 940.2 FTE.

The FY 2012-13 Base Request totaling $69,823,479 and 940.2 FTE includes annualizations of FY2010-11 SBA-8: "5% Operating Reduction" totaling an increase of $74,742 and SB 11-076 "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" totaling an increase of $1,099,998. The FY 2012-13 November 1 Request totaling $69,882,255 and 940.2 FTE includes FY 2012-13 R-2: "Electronic Health Record and Pharmacy System Feasibility Study at the Mental Health Institutes" totaling an increase of $58,776.

General Hospital

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

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

The FY 2009-10 Long Bill appropriation (SB 09-259) totaling $877,246 and 12.0 FTE includes $72,263 prior year salary survey, $26,099 for prior year performance-based pay pursuant to the OSPB common policies as well as 1.82% budget balancing personal services reduction totaling $14,934. Also included is the annualization of FY 2008-09 Decision Item #1 Staff and Operating for the New High Security Forensic Institute at the Colorado Mental Health Institute at Pueblo totaling a $29,501 decrease. BA-NP-DOC-1 Medical Per Offender Per Month (POPM) totaled $15,765 decrease and Budget Amendment BA-5 Mental Health Institute Revenue Adjustment totaled $140,186 Net General Fund decrease in FY 2009-10.

Budget Amendment BA-31 General Hospital Closure (FY 200910 budget reduction proposal submitted January 26, 2009) totaling $2,089,768 Net General Fund and 35.7 FTE in FY 2009-10 eliminates the 20-bed General Hospital at the Colorado Mental Health Institute at Pueblo. This closure would be effective November 1, 2009. In FY 2010-11, this closure results in a reduction of $3,134,652 Net General Fund and 53.7 FTE.

The General Hospital is a 20-bed medical surgical unit that serves CMHIP patients and Colorado Department of Corrections (CDOC) inmates. The Department would contract with Pueblo area hospitals and other medical providers to replace the services currently provided by the General Hospital. Cost benefit calculations indicate closing the General Hospital and contracting out for these services would result in an estimated net annual savings of $3.1 million General Fund annually, including $2.1 million in FY 2009-10.

The Department proposed the closure because the General Hospital has operated at a very low census for the past several years. Currently it is operating at an occupancy rate of only 40%. Therefore, it is an extremely inefficient use of state resources. Efforts by both CMHIP and CDOC over the last several years to increase utilization of the General Hospital have proven unsuccessful. In addition, the General Hospital performs a service outside of the mission of CMHIP in that it provides acute medical care, rather than adhering to CMHIP's core mission as a psychiatric hospital. CMHIP will still be required to provide for the medical care needs of its patients and will do so through the use of a third party medical care administrator, similar to the model that is used at Fort Logan and by the CDOC. The Department of Corrections currently uses a third party administrator for its medical care for its inmates, so the Department does not anticipate that the closure of the General Hospital will have a significant impact on its inmates. The Department of Corrections has indicated that it supports this action. The Joint Budget Committee approved $2,343,975 and 24.0 FTE savings and staff recommended reduced revenue adjustment backfill totaling a decrease of $128,224 in FY 2009-10.

The FY 2010-11 Base Request eliminated the General Hospital line item as a result of the adjustment for the one-time FY 2009-10 personal services cut of $14,934 and the annualization for FY 2009-10 BA-31 General Hospital Closure totaling $892,180 and 12.0 FTE.

The Joint Budget Committee agreed with the staff recommendation to approve the Department's request not to appropriate funds for the General Hospital in FY 2010-11 (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 73).

Educational Programs

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

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

FY 2009-10 Decision Item #17 Inflationary Increase for DHS Residential Programs requests additional operating funds of $561,152 and $511,539 Net General Fund for FY 2009-10 to address the high food and utilities inflation rates that impact the operating budgets of the Department of Human Services residential programs – the Mental Health Institutes, Regional Centers for the Developmentally Disabled, and the Division of Youth Corrections. The request includes a 1.5% increase or $113,547 and $96,515 Net General Fund in the utilities appropriation to assist the department in covering the inflationary increases of electric, natural gas, water and sewerage, and coal. The request also includes an 8.5% or $447,605 and $415,024 Net General Fund in various appropriations that incur food costs as part of the operations of a residential program. $192,181 General Fund is requested for the Mental Health Institutes at Pueblo and Fort Logan. (FY 2009-10 Staff Figure Setting Department of Human Services Office of Operations and Services for People with Disabilities, March 4, 2009, Page 43).

The FY 2009-10 Long Bill appropriation (SB 09-259) totals $720,820 and 15.0 in FY 2009-10. The appropriation includes $17,316 prior year salary survey and $5,187 for prior year performance-based pay pursuant to the OSPB common policies as well as Budget Amendment BA-5 Mental Health Institute Revenue Adjustment totaling $18,147 decrease in Net General Fund in FY 2009-10.

FY 2009-10 Supplemental (HB 10-1302) included the FY 2010-11 August Budget Reduction #12- Close 59 Beds at the Colorado Mental Health Institute at Fort Logan totaling a decrease of $167,007 and 4.2 FTE and S-NP-1 Statewide Furlough Impact to reflect the furlough adjustment in FY 2009-10. The impact of the one-time adjustment totaled $7,097 General Fund.
The FY 2010-11 Base Request totaled $115,762 and 2.7 FTE as a result of FY 2010-11 August Budget Reduction annualization of the 12- Close 59 Beds at the CMHIFL budget reduction proposal totaling $605,058 and 12.3 FTE.

The Long Bill appropriation for FY 2010-11 totaling $344,508 and 7.7 FTE includes the FY 2010-11 Base Request adjustment, $2,770 to restore the FY 2009-10 personal services reduction, the annualization of FY 2009-10 S-NP-1: “Statewide Furlough Impact” in the amount of $7,097 General Fund, and $218,879 and 5.0 FTE total funding for the FY 2010-11 Budget Request Amendment for the TRCCF at the Colorado Mental Health Institute at Fort Logan as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 74).

The FY 2010-11 Long Bill appropriation plus FY 2010-11 S#ES-1: “1% Across the Board Personal Services Reduction” totaling a decrease of $42 result in a total appropriation for FY 2010-11 of $344,466 and 7.7 FTE.

HB 10-1369 Special Bill “Concerning the Financing of Public Schools, and Making an Appropriation Therefore” includes an appropriation that is transferred from the Facility Schools Funding line item. The $13,439 decrease in Reappropriated Funds for FY 2010-11 is offset by a corresponding increase in the General Fund appropriation in this line item

The FY 2011-12 Base Requests totals $344,508 and 7.7 FTE including an annualization of FY 2010-11 S#ES-1: “1% Across the Board Personal Services Reduction” totaling an increase of $42.

The FY 2011-12 November 1 Request totaling $342,789 and 7.7 FTE includes FY 2011-12 NP-4: “2% Across the Board Personal Services Reduction” totaling a decrease of $83 General Fund and FY 2011-12 NP-7: “Statewide PERA Adjustment” totaling a decrease of $1,636.

The FY 2011-12 Long Bill appropriation totaling $134,788 and 2.7 FTE includes reversals of FY 2011-12 NP-4: “2% Across the Board Personal Services Reduction” and FY 2011-12 NP-7: “Statewide PERA Adjustment” totaling increases of $83 and $1,636 respectively, FY 2011-12 “1% Personal Services Reduction” totaling a decrease of $42, FY2011-12 BA#1: “Colorado Mental Health Institutes Revenue Adjustment” totaling $0 Total Funds, FY 2011-12 SBA-3: “Close the 20-bed TRCCF at the CMHIFL” totaling a decrease of $227,359 and the JBC Staff recommended taking a Department of Education adjustment to add $17,681 in Reappropriated Funds.

The Long Bill appropriation for FY 2011-12 with SB 11-076 Special Bill FY 2011-12 “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA” totaling a decrease of $1,055 result in a total appropriation for FY 2011-12 of $133,733 and 2.7 FTE.

The Base Request for FY 2012-13 totaling $134,788 and 2.7 FTE includes the annualization of SB 11-076 Special Bill FY 2011-12 “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA” totaling an increase of $1,055.

(D) ALCOHOL AND DRUG ABUSE DIVISION

(1) ADMINISTRATION (Section was consolidated into (A) Administration since prior year)

Personal Services

The Alcohol and Drug Abuse Division (ADAD), in the Division of Behavioral Health, manages the General Fund appropriations, various Cash Fund programs, Federal Block Grant, multiple federal discretionary grant programs, and contracts with the four Managed Service Organizations (MSOs) that subcontract with 42 treatment providers in approximately 200 treatment sites throughout Colorado. The Division also oversees and provides technical assistance to 98 prevention program contracts. The Division monitors the providers and collects programmatic data for state and federal reporting requirements and is also responsible for licensing and monitoring treatment providers and managing the involuntary commitment process for persons incapacitated due to the abuse of drugs or alcohol.

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

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

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

The report titled Education/Treatment Intervention Among Drinking Drivers and Recidivism, dated June 2008 was developed by a Statistical Analyst IV position currently employed in the ADAD. This 1.0 FTE has been funded historically by federal funds. However, in FY 2007-08, a one-time appropriation was approved to fund 25% or 0.25 FTE of the position from the PDDCF. In order to continue the work associated with maintaining the data collection, evaluation and reporting, ten percent (0.10 FTE) of this position would need to be funded permanently by the PDDCF. The Department plans to absorb the associated change in workload within the existing ADAD FTE authority. (FY 2009-10 Staff Figure Setting Department of Human Services Mental Health and Alcohol and Drug Abuse Division Only, March 3, 2009, Page 51.)

In addition to the funding included in the Base Request, the appropriation for FY 2009-10 included BA-17- Departmental Technical to delete $7,500 for one-time consulting fees for HB 08-1314 Gambling Addiction Counseling, $59,700 and 0.7 FTE for administrative expenses recommended by JBC staff, 1.82% budget balancing personal services reduction in the amount of $41,974 and $9,915 for personal services included Decision Item #24 to increase the PDD Program spending authority. The appropriation totaled $2,267,652 and 30.8 FTE in FY 2009-10.

The General Assembly included a statewide personal services reduction equivalent to 1.82 percent of each agency's appropriation in the FY 2009-10 Long Bill (SB 09-259). The executive branch was given the flexibility to develop and implement a plan to meet the mandated reduction. The Governor requested an adjustment to the personal services reductions in the FY 2009-10 Long Bill to reflect the actual staffing actions taken by each agency in order to achieve the 1.82 percent decrease. HB 10-1302 Supplemental Bill included S-NP-1 Statewide Furlough Impact to reflect the furlough adjustment in FY 2009-10. The impact of the one-time adjustment amounted to an $18,360 reduction in total funds.
The FY 2010-11 Base Request totaling $2,309,626 and 30.8 FTE included an adjustment of $41,974 to restore the one-time personal services cut in FY 2009-10.

The Long Bill appropriation for FY 2010-11 totaling $2,265,700 and 30.8 FTE includes the FY 2010-11 Base Request adjustment noted above and BA NP-1 Statewide PERA Adjustment totaling ($43,926) as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 75).

The FY 2010-11 Long Bill appropriation plus FY 2010-11 S#ES-1: "1% Across the Board Personal Services Reduction" totaling a decrease of $2,997 results in a total appropriation of $2,262,703 and 30.8 FTE for FY 2010-11.

The FY 2011-12 Base Request totals $2,309,626 and 30.8 FTE and includes the annualizations of both FY 2010-11 BA-NP-1 Statewide PERA Adjustment totaling $43,926 General Fund and FY 2010-11 S#ES-1: "1% Across the Board Personal Services Reduction" totaling an increase of $2,997.

The FY 2011-12 November 1 Request totaling $2,276,930 and 30.8 FTE includes FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction" totaling a decrease of $6,873 and FY 2011-12 NP-7: "Statewide PERA Adjustment" totaling a decrease of $25,823.

The Long Bill appropriation for FY 2011-12 totaling $0 and 0 FTE includes the FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction" totaling an increase of $6,873 and FY 2011-12 NP-7: "Statewide PERA Adjustment" totaling an increase of $25,823. JBC Actions included the FY 2011-12 1% Personal Services Reduction totaling a decrease of $3,437; 1.5% Personal Services Reduction totaling a decrease of $34,644 and a decrease of $2,271,545 and 30.8 FTE to consolidate this line item appropriation in the (8)(A) Mental Health and Alcohol and Drug Abuse Services Administration Personal Services line item. (FY

2011-12 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 9, 2011, Pages 40-41).

Operating Expenses

The FY 2009-10 Base Request totals $191,902. The FY 2009-10 request included $1,017 for DI#NP-1 State Fleet Variable Cost and $1,385 for DI#NP-2 Postage Increase and Mail Equipment Upgrade pursuant to the OSPB common policies and Decision Item #24 Increase Persistent Drunk Driver Programs Spending Authority includes an additional $95 in Cash Fund spending authority from the Persistent Drunk Driver Cash Fund (PDDCF) for supplies and telephone expenses for the Statistical Analyst IV position. (FY 2009-10 Staff Figure Setting Department of Human Services Mental Health and Alcohol and Drug Abuse Division Only, March 3,2009, page 51).

The appropriation for FY 2009-10 totals $207,582 and includes $1,385 for DI#NP-2 Postage Increase and Mail Equipment Upgrade and $14,295 for administrative operating expenses recommended by JBC staff (3-19-2009).

The Department of Personnel and Administration received funds to purchase mail equipment and software in the FY 2009-10 budget process. The intent was to replace obsolete items as well as purchase equipment required by the United States Postal Service in order to maintain the State's mail discounts. The equipment will be amortized over eight years. However, due to federal restrictions, the equipment must be purchased via a five year least purchase agreement. S-NP-5 Mail Equipment Upgrade Supplemental and Budget Amendment reduced the line item in the amount of $907 Federal Funds in FY 2009-10.
The FY 2010-11 Base Request totaled $206,197 and included the annualization of Decision Item #NP-2 Postage Increase and Mail Equipment Upgrade in the amount of $1,385 Federal Funds decrease.

The appropriation for FY 2010-11 totaling $206,404 includes the FY 2010-11 Base Request adjustment noted above and the annualization of S-NP-5 Mail Equipment Upgrade Supplemental and Budget Amendment in the amount of $207 Federal Funds as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 76).

The FY 2011-12 Base Request and FY 2011-12 November 1 Request totals $206,404.

The FY 2011-12 Long Bill totals $0. The JBC Staff recommended consolidating this line item in the (8)(A) Mental Health and Alcohol and Drug Abuse Services Operating Expenses line item thereby decreasing the appropriation in the amount $206,404 (FY

2011-12 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 9, 2011, Page 41).

Other Federal Grants

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

The appropriation for FY 2009-10 totals $457,383. There were no Change Requests submitted for this line item in FY 2009-10.

The FY 2010-11 Base Request totaled $457,383. There were no Change Requests submitted for this line item in FY 2010-11.

Joint Budget Committee Staff recommended a continuation appropriation of $457,383 federal funds from various discretionary substance abuse treatment grants for FY 2010-11 (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 77).

The FY 2011-12 Base Request and FY 2011-12 November 1 Request totals $457,383 Federal Funds.

The Long Bill appropriation for FY 2011-12 totals $0. The JBC Staff recommended moving this line item to the (8)(A) Mental Health and Alcohol and Drug Abuse Services Administration section of the Long Bill by decreasing the line item appropriation in the amount of $457,383 (FY 2011-12 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 9, 2011, Page 42).

Indirect Cost Assessment

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

The appropriation for FY 2009-10 (SB 09-259) totals $243,723. There were no Change Requests submitted for this line item in FY 2009-10

The FY 2010-11 Base Request totaled $243,723. There were no Change Requests submitted for this line item in FY 2010-11.

Joint Budget Committee Staff recommended a continuation appropriation of $243,723 for FY 2010-11 (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 77).

The FY 2011-12 Base Request and FY 2011-12 November 1 Request totals $243,723.

The Long Bill appropriation for FY 2011-12 totals $0. The JBC Staff recommended consolidating this line item and the Federal Indirect Cost line item in the (8)(A) Mental Health and Alcohol and Drug Abuse Services section of the Long Bill into one line item appropriation for Indirect Cost Assessment. As a result, the funding was decreased in the amount of $243,723 (FY 2011-12 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 9, 2011, Page 41).

(1) Treatment Services

Treatment and Detoxification Contracts

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

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

The intent of the ADAD Treatment Contracts is to purchase coordinated and comprehensive services for specific low-income populations of highest priority to the state and federal governments, as well as for clients outside the specific priority populations. ADAD treatment contracts must also implement principles of managed care in providing such services in order to expand capacity and improve treatment outcomes while controlling cost. The required basic treatment services in the Treatment Contracts are detoxification, outpatient opioid replacement treatment, individual, group and family outpatient therapy, intensive outpatient therapy, transitional residential treatment, therapeutic community and intensive residential treatment. These services are delivered through statewide contracts with four managed service organizations, which subcontract with providers in six geographic regions.
Supplemental/Budget Amendment S-17/BA-17- Departmental Technical added $15,000 to Cash Funds and subtracted $15,000 Reappropriated Funds to correct the CF/RF funding split and JBC staff initiated #2 Staff Technical Corrections deleted ($10,592) General Fund cost of living adjustment in FY 2008-09 and FY 2009-10 (Supplemental Requests for FY 2008-09 and FY 2007-08, Department of Human Services, Mental Health and Alcohol and Drug Abuse Division Only, January 29, 2009, Page 13).

The appropriation for FY 2009-10 totals $23,411,200 and includes the following in addition to BA-17 and #2 Staff Technical Corrections noted above:

- Decision Item #15 Increase Dug Offender Surcharge Spending Authority request for $250,000 additional Cash Fund spending authority from the Drug Offender Surcharge Fund (DOSF) was approved by the General Assembly. The Interagency Advisory Committee on Adult and Juvenile Correctional Treatment (IAC-AJCT), the entity responsible for developing the annual DOSF allocation, approved this request for enhancing the availability of offender oriented substance abuse treatment services based on revenue projections for FY 2009-10. The Department will utilize the funds to increase and/or enhance outpatient continuing care treatment services for drug offenders.

- BA-17- Departmental Technical as requested subtracted $310,661 General Fund to delete funding for the Provider Performance Monitoring System (PPMS) that should not have been included in the FY 2009-10 budget request. Joint Budget Committee action instead reduced the funding for the PPMS to $200,000 by reducing the General Fund appropriation in the amount of $110,661.

- BA#45 Reduce STIRRT Continuing Care Funds budget reduction proposal totaling $300,000 General Fund reduces the appropriation for continuing care services in the Short-term Intensive Residential Remediation and Treatment (STIRRT) Program effective July 1, 2009. The Department requested $701,740 as part of Decision Item for FY 2007-08, which was also identified as part of the Governor's Recidivism Reduction package. The program targets offenders with substance use disorder or co-occurring (substance use and mental health) disorders and was intended to reduce the use of alcohol, marijuana, cocaine/crack and methamphetamine.

  For FY 2007-08, $509,312 of these funds was reverted at the end of due to underutilization. The Department estimates that $341,576 will be reverted for FY 2008-09. This proposal would permanently reduce the funds appropriated for STIRRT continuing care services by $300,000 beginning July 1, 2009. JBC staff recommended reducing the appropriation in the amount of $340,000 in the STIRRT line item and transferring the funding to the Treatment and Detoxification line item in FY 2009-10.

The FY 2010 Base Request totals $23,411,200. The November 6, 2009 Budget Request includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease that totals ($18,151,245) including ($10,170,199) net General Fund. The request decreases the base appropriation for all community provider services in the Department of Human Services by two percent (2%) in FY 2010-11.

There are several departments in the State that contract with community providers to provide services to eligible clients. The General Assembly has historically appropriated annual inflationary increases or cost of living adjustments for community providers to fund services that might otherwise be delivered by State FTE**.** The Department is requesting a 2.0% decrease for all client service providers due to the projected State revenue shortfall. This line item would be reduced by $231,381 General Fund as a result of the Departmental Request.

The total FY 2010-11 Base Request totaled $23,411,200.

The appropriation for FY 2010-11 totaling $23,179,819 includes $231,381 General Fund decrease for FY 2010-11 Budget Reduction Item #4- Two Percent (2%) Community Provider Base Decrease as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 77).

The FY 2011-12 Base Request, the FY 2011-12 November 1 Request and the FY 2011-12 appropriation total $23,179,819.

The FY 2012-13 Base Request totals $23,179,819.

Case Management for Chronic Detoxification Clients

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

The FY 2009-10 base request totals $369,361. There were no Change Requests submitted for this line item in FY 2009-10

The FY 2010-11 Base Request totaled $369,361. The November 6, 2009 Budget Request includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease that totals $18,151,245 including $10,170,199 Net General Fund. The request decreases the base appropriation for all community provider services in the Department of Human Services by two percent (2%) in FY 2010-11.

There are several departments in the State that contract with community providers to provide services to eligible clients. The General Assembly has historically appropriated annual inflationary increases or cost of living adjustments for community providers to fund services that might otherwise be delivered by State FTE**.** The Department is requesting a 2.0% decrease for all client service providers due to the projected State revenue shortfall. This line item would be reduced by $50 General Fund as a result of the Departmental Request.

The appropriation for FY 2010-11 totaling $369,311 includes $50 General Fund decrease for FY 2010-11 Budget Reduction Item #4-Two Percent (2%) Community Provider Base Decrease as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 78).

The FY 2011-12 Base Request, the FY 2011-12 November 1 Request and the FY 2011-12 appropriation total $369,311.

The FY 2012-13 Base Request totals $369,311.

Short-term Intensive Residential Remediation and Treatment (STIRRT)

FY 2007-08 Priority #2 titled Expansion of Short-term Intensive Residential Remediation Treatment (STIRRT) Programs included in Governor Ritter's Recidivism Reduction Package submitted on February 10, 2007 requested $1,492,115 to expand the Short-term Intensive Residential Remediation Treatment (STIRRT) Program to reduce recidivism among adult offenders, age 18 years or older, who have been unsuccessful in community treatment for drug and alcohol abuse and continue to commit offenses. The request included:

- $567,000 for a new STIRRT program in Rifle, serving 130 females and 260 male adult offenders and providing continuing care to 220 offenders for eight months;
- $419,448 for a new STIRRT program in Ft. Collins serving 260 adult male offenders and providing continuing care to 150 male offenders for eight months;
- $262,667 to expand the STIRRT program at Arapahoe House to provide 300 adult male offenders with continuing care for eight months and offer psychiatric services and a 30-day supply of medications to offenders with co-occurring disorders;
- $243,000 to expand the STIRRT program in Pueblo to provide continuing care to 130 adult offenders for eight months.

The FY 2009-10 base request totals $3,750,570. There were no Change Requests submitted for this line item in FY 2009-10

Supplemental/Budget Amendment S-17/BA-17- Departmental Technical subtracts $9,533 General Fund to correct provider rate increase incorrectly applied to the FY 2008-09 appropriation. (Supplemental Requests for FY 2008-09 and FY 2007-08, Department of Human Services, Mental Health and Alcohol and Drug Abuse Division Only, January 29, 2009, Page 4).

In FY 2009-10, JBC staff recommended reducing the appropriation in the amount of $340,000 in the STIRRT line item and transferring the funding to the Treatment and Detoxification line item in FY 2009-10 pursuant to BA#45 Reduce STIRRT Continuing Care Funds. (FY 200-10 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Division Only, March 3, 2009, Page 56).

The FY 2010-11 Base Request totals $3,401,037. The November 6, 2009 Budget Request includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease that totals ($18,151,245) including ($10,170,199) net General Fund. The request decreases the base appropriation for all community provider services in the Department of Human Services by two percent (2%) in FY 2010-11.

There are several departments in the State that contract with community providers to provide services to eligible clients. The General Assembly has historically appropriated annual inflationary increases or cost of living adjustments for community providers to fund services that might otherwise be delivered by State FTE**.** The Department is requesting a 2.0% decrease for all client service providers due to the projected State revenue shortfall. This line item would be reduced by $60,354 General Fund as a result of the Departmental Request.

The total FY 2010-11 Base Request totaled $3,401,037.

The appropriation for FY 2010-11 totaling $3,340,683 includes $60,354 General Fund decrease for FY 2010-11 Budget Reduction Item #4- Two Percent (2%) Community Provider Base Decrease as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 78).

The FY 2011-12 Base Request, the FY 2011-12 November 1 Request and the FY 2011-12 appropriation total $3,340,683.

The FY 2012-13 Base Request totals $3,340,683.

High Risk Pregnant Women Program

The High Risk Pregnant Women Program (i.e. Special Connections) is an entitlement program funded by Medicaid to serve pregnant women in need of substance use disorder treatment. This program was developed with the following goals: l) to produce a healthy infant; 2) to reduce or stop the substance using behavior of the pregnant woman during and after the pregnancy; 3) to promote and assure a safe child-rearing environment for the newborn and other children; and 4) to maintain the family unit, the mother, infant, and other family members. Low-income pregnant women, regardless of Medicaid eligibility, may receive these services from 13 designated treatment providers throughout the state. The services include an in-depth assessment, individual and group counseling, case management services, health education, and urinalysis screening and monitoring.

In 1991, the General Assembly adopted S.B. 91-056 to create a health care and treatment program for women and their children who are at risk of poor birth outcomes due to maternal substance use disorders. The program is funded by Medicaid and administered by the Alcohol and Drug Abuse Division (ADAD) in the Department of Human Services. Beneficiaries of the Special Connections program include mothers, their children, the community, Colorado taxpayers and future generations of children. Untreated substance use disorders are well-known to be an inter-generational problem, and when pregnant women use alcohol and illegal substances during their pregnancies, they subject their unborn children to future cognitive impairment and difficulties with executive functioning, as well as increased susceptibility to substance use disorders problems of their own, which are then passed in turn to future generations. Pregnancy is the optimal time in a woman's life for intervention in this cycle. For a woman with a history of substance use disorders who has struggled to break this pattern, residential treatment during pregnancy is often the best opportunity to begin the recovery process

The FY 2009-10 Request totals $2,039,945 and includes $1,013,698 base request and Decision Item #14 that requests an increase to the High-Risk Pregnant Women Program due to a projected increase in utilization and cost of this Medicaid entitlement program. This program was overspent in FY 2006-07 and FY 2007-08 due to improvements to the program and fluctuations in the program's case mix. The Department requested a spending authority increase of $1,026,247 in Reappropriated Funds (50% federal Medicaid funds and 50% General Fund transferred from the Department of Health Care Policy and Financing) for the High Risk Pregnant Women Program line item. (FY 200-10 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Division Only, March 3, 2009, Page 58).
S-8 HRPW Program Late Supplemental requested an increase of $597,350 Reappropriated Funds for FY 2008-09 based on the expenditure pattern, client modality and ad hoc client data available for women enrolled in the High Risk Pregnant Women Program.

The FY 2010-11 Base Request totals $2,039,945. The November 6, 2009 Budget Request includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease that totals $18,151,245 decrease including $10,170,199 Net General Fund decrease. The request decreases the base appropriation for all community provider services in the Department of Human Services by two percent (2%) in FY 2010-11.

There are several departments in the State that contract with community providers to provide services to eligible clients. The General Assembly has historically appropriated annual inflationary increases or cost of living adjustments for community providers to fund services that might otherwise be delivered by State FTE**.** The Department is requesting a 2.0% decrease for all client service providers due to the projected State revenue shortfall. This line item would be reduced by $40,799 Reappropriated Funds as a result of the Departmental Request.

The total FY 2010-11 Base Request totaled $2,039,945.

The appropriation for FY 2010-11 totaling $1,999,146 includes $40,799 Reappropriated Fund and $20,399 Medicaid General Fund decrease for the FY 2010-11 Budget Reduction Item #4- Two Percent (2%) Community Provider Base Decrease. In addition, Medicaid General Fund was decreased by $231,701 to reflect the 69.1% adjustment in ARRA funding in FY 2010-11 (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 79).

The FY 2011-12 Base Request and FY 2011-12 November 1 Request totals $1,999,146 Reappropriated Funds and includes the annualization of FY 2010-11 ARRA adjustment in the amount of $231,701 Medicaid General Fund.

The FY 2011-12 appropriation and the FY 2012-13 Base Request total $1,999,146 Reappropriated Funds.

Family Centered Treatment

FY 2009-10 Decision Item #26 Family Centered Substance Use Disorder Treatment for Families Involved in the Child Welfare System requests $647,344 General Fund in FY 2009-10 and FY 2010-11 to provide a two-year pilot program for family-centered substance use disorder treatment for families involved in the child welfare system. The additional funding will enable the Division of Behavioral Health (DBH) Alcohol and Drug Abuse Division (ADAD) to implement a Family Centered Treatment Service Model that is currently recognized by the U.S. Department of Health and Human Services Substance Abuse Mental Health Services Administration (SAMHSA)/Center for Substance Abuse Treatment (CSAT) as state of the art in working with families in which there are substance use disorders.

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

BA-41 budget reduction proposal eliminated Decision Item #26 Family Centered Substance Use Disorder Treatment for Families Involved in the Child Welfare System. (FY 200-10 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Division Only, March 3, 2009, Page 60).

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

FY 2009-10 Decision Item #27 Integrated School-based Mental Health and Substance Use Treatment for Adolescents requests $908,620 Reappropriated Funds to implement integrated, evidence-based, school-based substance use treatment services in 26 metropolitan Denver middle and high schools. The funding will be used to contract with community programs to provide direct counseling services to students.

Current funding resources for school-based substance abuse services include grants, public school district dollars, etc. The Colorado Department of Education (CDE) allocates funds to school districts to establish, operate, and improve local programs of school drug and violence prevention, early intervention, rehabilitation referral, and education in elementary through secondary schools. The dollars allocated by CDE are federal funds under The Safe and Drug-Free Schools and Communities Program (SDFS-CP) (separate from the funds awarded for use by the Governor's discretion). These funds are also referred to as Title IV, Part A of the federal No Child Left Behind Act of 2001. The City and County of Denver funds a program located in a Denver Public High School, through federal funds received from the Department for substance abuse primary prevention services. These dollars awarded under a SAMHSA Discretionary – Strategic Prevention Framework State Incentive Grant to the Department and are awarded under contracts, based on proposals, to local communities. Specific to substance abuse treatment services, there are programs that are currently funded through local / private donations and contributions.

JBC staff did not recommend Decision Item #27 because it is questionable as to whether State Education Funds may be used for this purpose. (FY 2009-10 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Division Only, March 3, 2009, Page 60).

(2) Prevention and Intervention

Prevention Contracts

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

The FY 2009-10 base request totals $3,887,638. There were no Change Requests submitted for this line item in FY 2009-10

The FY 2010-11 Base Request totaled $3,887,638. The November 6, 2009 Budget Request includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease that totals $18,151,245 including $10,170,199 Net General Fund. The request decreases the base appropriation for all community provider services in the Department of Human Services by two percent (2%) in FY 2010-11.

There are several departments in the State that contract with community providers to provide services to eligible clients. The General Assembly has historically appropriated annual inflationary increases or cost of living adjustments for community providers to fund services that might otherwise be delivered by State FTE**.** The Department is requesting a 2.0% decrease for all client service providers due to the projected State revenue shortfall. This line item would be reduced by $687 General Fund as a result of the Departmental Request.

The appropriation for FY 2010-11 totaling $3,886,951 includes $687 General Fund decrease for FY 2010-11 Budget Reduction Item #4- Two Percent (2%) Community Provider Base Decrease as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 80).

The FY 2011-12 Base Request, the FY 2011-12 November 1 Request and the FY 2011-12 appropriation total $3,886,951.

The FY 2012-13 Base Request totals $3,886,951.

Persistent Drunk Driver Programs

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

The FY 2009-10 base request totals $1,046,408. FY 2009-10 Decision Item #24 Increase Persistent Drunk Driver Programs Spending Authority requests an additional $52,500 for education and prevention strategies in Bent, Cheyenne and Custer counties and $9,291 for DUI curriculum training in Cash Fund spending authority from the Persistent Drunk Driver Cash Fund (PDDCF).
Additional funding is needed to prevent persistent drunk driving by enhancing prevention programs and education for high risk youth in three counties that have shown favorable outcomes based on effectiveness evaluations. These programs incorporate experiential activities that emphasize the risk of underage drinking and drunk driving in addition to providing opportunities to learn how to select and enjoy healthy alcohol-free activities.

Supplemental/Budget Amendment S-17/BA-17- Departmental Technical adds $143,215 to Cash Funds and subtracts $143,215 Reappropriated Funds to correct CF/RF funding split. (Supplemental Requests for FY 2008-09 and FY 2007-08, Department of Human Services, Mental Health and Alcohol and Drug Abuse Division Only, January 29, 2009, Page 4).
Decision Item #24- Increase PDD Spending Authority requested an additional $71,801 in Cash Fund spending authority from the Persistent Drunk Driver Cash Fund. This request will enable the Persistent Drunk Driver Committee to make informed data-driven decisions, determine funding priorities, increase the competency levels of counselors delivering Driving Under the Influence (DUI) education and treatment, and expand education services and prevention strategies for youth. The request includes $10,010 for DUI offender data collection, evaluation and reporting; $52,500 for education and prevention strategies in Bent, Cheyenne and Custer counties and $9,291 for DUI curriculum training. JBC staff recommended a total of $61,791 ($52,500 + $9,291). (FY 2007-08 Figure Setting Department of Human Services Office of Operations, Division of Child Care and Mental Health and Alcohol and Drug Abuse Services, Alcohol and Drug Abuse Division Only, February 14, 2007, Page 68.)

The FY 2010-11 Base Request totals $1,106,635 that included the decrease of $1,564 due to the annualization of DUI curriculum training (Decision Item #24.) There were no Change Requests submitted for this line item in FY 2010-11.

The Joint Budget Committee approved the staff recommendation to appropriated $1,106,635 Cash Funds in FY 2010-11 as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 80).

The FY 2011-12 Base Request and FY 2011-12 November 1 Request totals $1,106,635 Cash Funds.

The FY 2011-12 appropriation totaling $1,670,823 includes a Judicial Department BA to consolidate the PDDCF totaling an increase of $564,188 (FY 2011-12 Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 9, 2011, Page 46).

The FY 2012-13 Base Request totals $1,670,823 Cash Funds.

Law Enforcement Assistance Fund Contracts

The Colorado General Assembly created the Law Enforcement Assistance Fund [(Section 43-4-402 (2), C.R.S. (2005)] in 1982 to promote the prevention of drunk driving. The fund collects a surcharge on drunk and drugged driving convictions to help pay for enforcement, laboratory charges and prevention programs. The Alcohol and Drug Abuse Division receives 20 percent of the dollars specifically to establish impaired driving prevention programs.

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

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

The FY 2009-10 base request totals $255,000. Supplemental/Budget Amendment S-17/BA-17- Departmental Technical adds $5,000 to Cash Funds and subtracts $5,000 Reappropriated Funds to correct CF/RF funding split. The Law Enforcement Assistance Fund is appropriated directly to DHS and, therefore, should be a Cash Fund appropriation. (Supplemental Requests for FY 2008-09 and FY 2007-08, Department of Human Services, Mental Health and Alcohol and Drug Abuse Division Only, January 29, 2009, Page 4).

The FY 2010-11 Base Request totaled $255,000. There were no Change Requests submitted for this line item in FY 2010-11.
The Joint Budget Committee approved the staff recommendation to appropriated $255,000 Cash Funds in FY 2010-11 (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 81).

The Base Request for FY 2011-12, the FY 2011-12 November 1 Request and the FY 2011-12 appropriation total $255,000 Cash Funds.

The FY 2012-13 Base Request totals $255,000 Cash Funds.

(3) Other Programs
Federal Grants

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

The FY 2009-10 Base Request totaled $5,063,429. There were no changes to this line item in FY 2009-10.

The FY 2010-11 Base Request totaled $5,063,429. There were no changes to this line item in FY 2010-11. The Joint Budget Committee approved the staff recommendation to appropriate $5,063,429 continuing funds in FY 2010-11 (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 81).

The FY 2011-12 Base Request, the FY 2011-12 November 1 Request and the FY 2011-12 appropriation total $5,063,429.

The FY 2012-13 Base Request totals $5,063,429.

Balance of Substance Abuse Block Grant Programs

This appropriation is combined with funds appropriated for treatment and prevention contracts to provide services to meet the needs of specific populations. This flexibility is essential in meeting the five earmarked requirements of each Block Grant award (administration, drug/alcohol treatment, prevention, women's services, and HIV early intervention) and to implement the Managed Service Organization designation” process by contracting with designated (by law) intermediary organizations for treatment services.
This line item includes federal Substance Abuse Prevention and Treatment Block Grant allocations. The Division has the flexibility to allocate funds in this line item to the Community Programs Treatment Contracts. The block grant requires that 35 percent of the funds are used for alcohol abuse programs, 35 percent for drug abuse, 20 percent for prevention, and the remaining 10 percent can be applied to any of the three areas.

The FY 2009-10 base request totals $6,675,155. There were no changes to this line item in FY 2009-10.

The FY 2010-11 Base Request totaled $6,675,155. The November 6, 2009 Budget Request includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease that totals $18,151,245 including $10,170,199 Net General Fund. The request decreases the base appropriation for all community provider services in the Department of Human Services by two percent (2%) in FY 2010-11.

There are several departments in the State that contract with community providers to provide services to eligible clients. The General Assembly has historically appropriated annual inflationary increases or cost of living adjustments for community providers to fund services that might otherwise be delivered by State FTE**.** The Department is requesting a 2.0% decrease for all client service providers due to the projected State revenue shortfall. This line item would be reduced by $3,795 General Fund as a result of the Departmental Request.

The appropriation for FY 2010-11 totaling $6,671,360 includes $3,795 General Fund decrease for the FY 2010-11 Budget Reduction Item #4- Two Percent (2%) Community Provider Base Decrease as requested by the Department (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 82).

The FY 2011-12 Base Request, the FY 2011-12 November 1 Request and the FY 2011-12 appropriation total $6,671,360.

The FY 2012-13 Base Request totals $6,671,360.

Community Prevention and Treatment

The FY 2009-10 line item appropriation (SB 09-259) totaling $992,081 includes the FY 2009-10 tobacco allocation increase in the amount of $22,387 and JBC staff administrative and operating expenses adjustment ($73,995) (Department of Public Health and Environment Figure Setting document).
The FY 2010-11 Base Request totaled $976,005 and includes Special Bill 09-269 Adjustment of the Allocation of Tobacco Litigation Settlement Moneys Received by the State in the amount of ($16,076).

The November 6, 2009 Budget Request includes Budget Reduction Item 4 titled Two Percent (2%) Community Provider Base Decrease that totals $18,151,245 including $10,170,199 Net General Fund. The request decreases the base appropriation for all community provider services in the Department of Human Services by two percent (2%) in FY 2010-11.
There are several departments in the State that contract with community providers to provide services to eligible clients. The General Assembly has historically appropriated annual inflationary increases or cost of living adjustments for community providers to fund services that might otherwise be delivered by State FTE**.** The Department is requesting a 2.0% decrease for all client service providers due to the projected State revenue shortfall. This line item would be reduced by $19,520 Cash Funds as a result of the Departmental Request.

The appropriation for FY 2010-11 totaling $905,871 includes the FY 2010-11 Base Request adjustment and ($70,134) adjustment in the amount of tobacco settlement Cash Funds in FY 2010-11.

The FY 2011-12 Base Request and FY 2011-12 November 1 Request total $905,871 Cash Funds.

The FY 2011-12 appropriation totaling $816,621 includes an adjustment in the amount of tobacco settlement Cash Funds totaling a decrease of $89,250.

The FY 2012-13 Base Request totals $816,621 Cash Funds.

Gambling Addiction Counseling Services

This program was established in HB08-1314 to provide gambling addiction counseling to Colorado residents. Monies from the Local Limited Gaming Impact Fund (2%) are transferred to the Gambling Addiction Account for grant awards to provide gambling addiction counseling, including prevention and education, to Colorado residents. The Department may use a portion of the moneys in the Gambling Addiction Account to cover the Department’s direct and indirect costs associated with administering the grant program (not to exceed 10% for FY 2008-09 and 5% for FY 2009-10).

Grants are awarded to state, local, public or private entities and programs that provide gambling addiction counseling services and that utilize nationally accredited gambling addiction counselors. For FY 2008-09, 10% of the moneys in the Gambling Addiction Account were earmarked for grants to addiction counselors who are actively pursuing national accreditation as gambling addiction counselors. This program is repealed effective July 1, 2013.

$143,818 was appropriated in FY 2008-09 ($129,961 for programmatic funding in this line item and $13,857 and 0.1 FTE in the Alcohol and Drug Abuse Division Personal Services line item).

Supplemental/Budget Amendment S-17/BA-17- Departmental Technical (submitted December 30, 2008) added $14,766 for grant funds pursuant to HB 08-1314 in FY 2009-10.

The FY 2010-11 Base Request totaled $144,727. There were no changes to this line item in FY 2010-11.

The Joint Budget Committee approved the staff recommendation to appropriate $144,727 continuing Reappropriated Funds from the Local Government Limited Gaming Impact Fund in FY 2010-11 (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 82).

The FY 2011-12 Base Request, the FY 2011-12 November 1 Request and the FY 2011-12 appropriation total $144,727 Reappropriated Funds.

The FY 2012-13 Base Request totals $144,727 Reappropriated Funds.

Rural Substance Abuse Prevention and Treatment

HB 09-1119 “Concerning Creation of a Program to Assist Entities Providing Programs to Address Substance Abuse Problems in Rural Areas of Colorado” established the Rural Alcohol and Substance Abuse Prevention and Treatment Program that consists of the Rural Youth Alcohol and Substance Abuse Prevention and Treatment Project and the Rural Detoxification Project.

The Rural Alcohol and Substance Abuse Cash Fund was also created to be comprised of moneys collected from additional penalty surcharges assessed for persons convicted of driving under the influence (DUI), DUI per se, driving while ability impaired (DWAI), habitual user of controlled substances and underage drinking and driving (UDD) to be repealed effective July 1, 2016. New penalty surcharges are also established for other alcohol and drug related offenses upon conviction or a deferred sentence.

Revenue from the Rural Alcohol and Substance Abuse Cash Fund will be used to provide direct services. The implementation date is on or after January 1, 2011 subject to the availability of sufficient moneys to operate an effective program. $88,443 was appropriated for FY 2010-11.

The Joint Budget Committee approved the staff recommendation to appropriate $88,443 continuing Cash Funds from the Rural Alcohol and Substance Abuse Cash Fund in FY 2010-11 (FY 2010-2011 Staff Figure Setting Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, March 2, 2010, Page 83).

The FY 2011-12 Base Request, the FY 2011-12 November 1 Request and the FY 2011-12 appropriation total $88,443 Cash Funds.

The FY 2012-13 Base Request totals $88,443 Cash Funds.

(E) CO-OCCURRING BEHAVIORAL HEALTH SERVICES

Behavioral Health Services for Juveniles and Adults at Risk or Involved in the Criminal Justice System (HB 10-1284)

HB 10-1284 “Concerning Regulation of Medical Marijuana, and making an appropriation therefore regulates medical marijuana by creating state and local medical marijuana licensing authority” creates the state medical marijuana licensing authority within the Enforcement Division of the Department of Revenue as well as local licensing authorities throughout the state. The bill was signed into law by the Governor on June 7, 2010.

Commencing on or after July 1, 2010, the General Assembly shall annually appropriate the first $2 million in sales taxes paid by persons or entities licensed by Article 43.3 of Title 12, C.R.S. equally to the Department of Human Services and the Department of Health Care Policy and Financing to be used to provide integrated behavioral health services for juveniles and adults with substance use disorders or with substance use disorders and mental health treatment needs who are involved with, or at risk of involvement with, the criminal justice system.

The Department of Human Services shall ensure that appropriations in this line item are distributed through designated Managed Service Organizations and Community Mental Health Centers (CMHCs). Said appropriations shall be based on, but not limited to, substance use and mental health prevalence data that is developed working collaboratively with the MSOs and CMHCs.

As of July 1, 2010, $334,227 General Fund was appropriated to the Department of Human Services for the implementation of this act. The FY 2011-12 Base Request and FY 2011-12 November 1 Request totals $334,227 General Fund.

The FY 2011-12 Long Bill appropriation totaling $1,000,000 includes an adjustment in funding for the Department of Revenue Estimate totaling an increase of $665,773.

HB 11-1043 Special Bill FY 2011-12 Appropriation "Medical Marijuana" transferred $1,000,000 General Fund to the Mental Health Institute- Pueblo line item appropriation to fund the Circle Program. The FY 2011-12 appropriation for this line item is $0.

The FY 2012-13 Base Request is $0.

Substance Use Disorder Offender Services (HB 10-1352)

HB 10-1352 "Concerning Changes to Crimes Involving Controlled Substances, and making an Appropriation in Connection Therewith" declared that community-based substance abuse treatment and education programs, in conjunction with mental health treatment as necessary, provide effective tools in the effort to reduce drug usage and criminal behavior in communities. Therapeutic intervention and ongoing individualized treatment plans offer a potential alternative to incarceration. To those ends it appropriated the generated savings to the Drug Offenders Surcharge Fund.

The funding for FY 2011-12 totaling $1,450,000 was appropriated by HB 10-1352 Special Bill FY 2011-12 Appropriation "Changes to Crimes Involving Controlled Substances."

The FY 2012-13 Base Request totals $1,450,000.

Department of Human Services
Line Item Descriptions

Services For People With Disabilities

FY 2012-13 Budget Request

NOVEMBER 1, 2011

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(9) SERVICES FOR PEOPLE WITH DISABILITIES

(A) COMMUNITIY SERVICES FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

(1) ADMINISTRATION

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

PERSONAL SERVICES

Personal Services funds salaries and benefits of staff of the Division for Developmental Disabilities who oversee state programs for persons with developmental disabilities. Personal Services is calculated in accordance with Budget Instructions. Increases to the base budget for FY 2009-10 were for common policy and pay for performance increases, annualization of SB 08-002 and a reduction of $33,000 for HB 08-1246 because this was a one-time expense for a total request of $2,923,535. The FY 2009-10 Long Bill SB 09-259 includes a one-time reduction of $53,132 for a total of $2,870,403. A supplemental reduction for Statewide Furlough impact reduced personal services by $27,090 so supplemental bill HB 10-1302 changed the appropriation to $2,843,313. In addition, a late supplemental moved staff from HB 09-1237 from the Custodial Funds for Early Intervention to this line adjusting this line to $2,884,078. For FY 2010-11, the one-time 1.82% personal services reduction was restored by adding $53,132, A one-time PERA adjustment reduced the line by $60,232, the annualized FTE from HB 09-1237 added an additional $40,765, the one-time furlough was restored adding $27,090 adjusting the line to $2,944,833. For FY 2011-12 reversal of the PERA adjustment of $60,232 and an additional PERA decrease of $56,353 as well as a 2% Personal Services reduction of $58,470 adjusted the request to $2,890,242 and 36.0 FTE.

For FY 2009-10, the Department was appropriated $2,870.403 and 34.0 FTE through SB 09-259 (Long Bill). From the prior year, this budget increased by $177,343: a reduction of $2,754 from the annualization of FY 2008-09 DI #6 “ICF/MR Conversion”; $100,048 increase was provided through the Special Bill SB 08-002 “Family Caregiver for Developmentally Disabled; $100,935 increase was provided through Prior Year Salary Survey; $32,246 increase was for the Prior Year Performance-based Pay at 80%; a reduction to reduce personnel services line by 1.82% of $53,132 taken by the Joint Budget Committee April 22, 2009 to help balance the state budget.

Supplemental Bill, HB 10-132 amended FY 2009-10 Long Bill to $2,843,313 and 34.0 FTE, with a one-time reduction of $27,090 from FY 2009-10 S-NP-1 “Statewide Furlough Impact”. The final FY 2009-10 appropriation was $2,884,078 and 35.0 FTE through HB 10-1376 (Add-on Supplemental), resulting in an overall increase of $40,765 and 1.0 FTE from the Joint Budget Committee approving the Staff analyst to move HB 09-1237

For FY 2010-11, the Department was appropriated $2,944,833 and 36.0 FTE through HB 10-1376 (Long Bill). From the prior year, this budget increased by $74,430: a reduction of $60,232 from FY 2010-11 BA-NP-1 "Statewide PERA Adjustment"; an increase of $53,132 from annualizing FY 2009-10 personal service reduction; and an increase of $81,530 and 1.0 FTE from the annualization of HB 09-1237. The final FY 2010-11 appropriation was $2,916,182 and 36.0 FTE through SB 11-141 (Supplemental Bill), resulting in an overall decrease of $28,651 from the one-time FY 2010-11 ES-1 “1% Across the Board Personal Service Reduction”.

For FY 2011-12, the Department was appropriated $2,930,754 and 36.0 FTE through SB 11-209 (Long Bill). From the prior year, this budget decreased by $14,079: an increase of $60,232 from the annualization of FY 2010-11 BA-NP-1 "Statewide PERA Adjustment"; a reduction of 74,308 from FY 2011-12 SBA-1 “Statewide 1% General Fund Reduction to Personal Services and Operating”; and a reduction of $3 from the JBC Action on Common Policy reduction to be 1.5% instead of 2%.

For FY 2012-13, the Department is requesting a continuation of FY 2011-12 appropriation of $2,930,754 and 36.0 FTE.

OPERATING EXPENSES

This appropriation funds operating expenses for the administrative functions of the Division, including funding for materials, supplies, travel expenses or any other overhead costs associated with Division programs.

The total FY 2009-10 continuation request is $153,744. A late supplemental moved operating funding from HB 09-1237 from the Custodial Funds for Early Intervention to this line adjusting this line to $159,922. For FY 2010-11, the postage increase was reversed modifying the line as well as annualization of SB 08-002 of $5,183 and SB 09-1237 of $950 and a 5% reduction of $12,632 adjusted this line to $143,019. This is also continuation for FY 2011-12. The base requests for FY 2012-13 is $155,651 which includes an increase of $12,632 for the annualization of FY 2010-11 SBA-8 “5% Operating Reduction”.

COMMUNITY AND CONTRACT MANAGEMENT SYSTEM

The appropriation funds the development and maintenance of the Community Contract and Management System (CCMS). This information technology system is used to track developmental disability contracts and payments, as well as program information, general demographics and waiting list information required to be submitted pursuant to Section 27-10.5-103(1) (d), C.R.S. Information from the system is transmitted to the Medicaid Management Information System (MMIS) for Medicaid reimbursement to providers.

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

The FY 2012-13 base requests remains unchanged since FY 2009-10 at $137,480.

MEDICAID WAIVER TRANSITION COSTS

This line funds ongoing costs associated with the administration of the Supports Intensity Scale (SIS) used to determine the needs and authorized funding for people with developmental disabilities.

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

Under the long-term plan, levels of need will be set based on an acuity tool (the "Supports Intensity Scale" (SIS)) that measures the intensity of service needs that impact costliness of service provision with up to 7 levels for difficulty of care. The rates associated with difficulty of care levels are structured based on work with a rate-setting consultant, detailed assumptions and federal requirements. DDD moved to a new interim rate structure for both the Comprehensive HCBS-DD Medicaid waiver program effective FY 2006-07. The State has committed to federal authorities that it will migrate to a new long-term rate structure for the Comprehensive Waiver program effective January 1, 2009 and a new long-term rate structure for the Supported Living Services (HCBS-SLS) Medicaid waiver program effective July 1, 2009. The long-term rate structures will be based on client needs, as assessed, on the Supports Intensity Scale (SIS) tool. The General Assembly previously appropriated funds for one-time costs associated with administering the SIS tool to Comprehensive Waiver clients.

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

Assembly was meeting. These included the re-administration of the SIS to some Comprehensive Waiver clients and a sample of SLS clients (required to develop a new SLS rate structure), associated costs for Department-processing of PAR documents, and funding for computer-system modifications. The FY 2007-08 amount is for administering the SIS and entering PARs for those SLS clients who were not part of the sample funded through the June 2007 emergency supplemental.

The FY 2009-10 requests is a continuation amount of $93,140 for ongoing SIS implementation. The FY 2010-11 request was reduced by $13,477 for the SIS contract reducing the appropriation to $79,663. FY 2011-12 appropriated $70,000 through SB 11-209 (Long Bill). The reduction for SIS training and audits of $9,663 was approved by the Joint Budget Committee. The Department is requesting a continuation base of $70,000 for FY 2012-13.

(2) PROGRAM COSTS

The Program Costs appropriation provides funding for services and case management for persons with developmental disabilities as defined under Section 27-10.5-102 (11), C.R.S. as follows:

(11) (a) "Developmental disability" means a disability that is manifested before the person reaches twenty-two years of age, that constitutes a substantial disability to the affected individual, and that is attributable to mental retardation or related conditions which include cerebral palsy, epilepsy, autism, or other neurological conditions when those conditions result in impairment of general intellectual functioning or adaptive behavior similar to that of a person with mental retardation. Unless otherwise specifically stated, the federal definition of "developmental disability" found in 42 U.S.C. sec. 15001 et seq. shall not apply.

(b) "Person with a developmental disability" means a person determined by a community centered board to have a developmental disability and shall include a child with a developmental delay.

(c) "Child with a developmental delay" means:

(I) A person less than five years of age with delayed development as defined by the department; or

(II) A person less than five years of age who is at risk of having a developmental disability as defined by the department.

Many individuals with developmental disabilities have a long-term need for assistance with the normal activities of daily living, and are extremely vulnerable to abuse, neglect, mistreatment, and exploitation. An individual's level of need is assessed in terms of their individual characteristics, and whether that individual has access to the necessary supports and services in their life. Although many persons with developmental disabilities age 18 and older continue to reside with their parents, parents are not legally required to provide housing, care and supervision to an adult son or daughter with a developmental disability. The Division for Developmental Disabilities (DDD) within the Department of Human Services administers the developmental disability programs. DDD has limited funds with which to serve eligible individuals.

Service Delivery System – There are three principal types of service organizations that serve persons with developmental disabilities in Colorado: (1) Community Centered Boards (CCBs) either deliver services directly and/or contract with Program Approved Service Agencies (PASAs) and other Service Provider Organizations (SPOs) to provide services and supports to individuals receiving services, (2) Program Approved Service Agencies may either contract with CCBs or may provide services directly, and (3) state-operated service organizations called Regional Centers (RCs). Regional Centers are described separately in another section that follows.

The State contracts for case management services with twenty CCBs. CCBs are private non-profit organizations designated in state statute (Sections 27-10.5-102 (3) and 105, C.R.S.) as the single entry point into the long-term service and support system for persons with developmental disabilities. Each CCB has a non-overlapping geographic service region.

ADULT COMPREHENSIVE SERVICES

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

The FY 2009-10 Long Bill SB 09-259 reflects an appropriation of $273,785,089. A Medicaid provider rate reduction decreased the appropriation by $4,532,861 as well as an increase for $443,295 resulting on closure for the skilled nursing facility at Grand Junction Regional Center adjusted the appropriation to $269,695,523. For FY 2010-11 annualization of resources adds $1,665,778, annualization of the skilled nursing facility of $3,894,751, a 2% provider rate decrease of $4,744,787 and additional adjustments to provider rate as well as JBC staff adjustment reducing an additional $1,507,219 adjusts the request to $269,004,046. FY 2010-11 DI-

3 "Services for People with Disabilities-Reduction Necessary to Cover Medicaid" increased the appropriation by $37,443,077 and another increase was made to adjust payment delays of $2,670,369. The final FY 2010-11 appropriation was $309,117,492 through SB 11-209 (Add-on Supplemental)

For FY 2011-12, the Department was appropriated $294,416,214 through SB 11-209 (Long Bill). From the prior year, this budget increased by $25,412,168: an increase of $707,355 for a leap year adjustment, an increase of $24,589,498 from FY 2010-12 DI #3 "Services for People with Disabilities - Reduction Necessary to Cover Medicaid"; new resource funding (DI #4) for an increase of $2,932,845; a Medicaid Fee-For-Service payment delay (NP-2) for a reduction of $239,127; a one-time catch up for payment increased this line by $91,966; and a reduction of $2,670,369 was approved by the Joint Budget Committee for NP-3 "Medicaid Fee for Service Payment Delay". For FY 2012-13, the Department is requesting an appropriation of $300,556,696 which includes an increase of $2,932,845 for the annualization of FY 2011-12 DI-4: "Services for People with Disabilities- New Funding Developmental Disabilities Services"; a reduction of $707,335 reversing the one-time leap year adjustment; and an increase of $3,914,972 from Request #1 "New Funding - Developmental Disabilities Services".

ADULT SUPPORTED LIVING SERVICES

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

The FY 2009-10 Long Bill SB 09-259 reflects an appropriation of $54,167,273. A reduction of $866,106 from FY 2010-11 August Budget Reduction "16-Provider Rate Reduction" adjusted the final FY 2009-10 appropriation to $53,301,167 through HB 10-1302 (Supplemental Bill).

For FY 2010-11, the annualization from DI #3 and amended by the Budget Amendment #33 increased funding of $215,804 for new caseload in FY 2009-10, a reduction of $1,154,808 from the retraction of the Medicaid waiver provider rate, and a reduction of $910354 from the 2% Community Provider Rate Base reduction adjusted the appropriation to $52,317,915. Final FY 2010-11 was amended through the Add-on Supplemental (SB 11-209) reducing the appropriation to $43,498,363. A total reduction of $8,819,552 was due to a reduction of $9,879,035 from FY 2010-11 DI #3 "Services for People with Disabilities-Reduction Necessary to Cover Medicaid" and an increase of $1,059,483 from JBC Staff adjustment to the payment delay.

For FY 2011-12, a reduction of $9,968,753 from FY 2011-12 DI #3 "Services for People with Disabilities - Reduction Necessary to Cover Medicaid" and from JBC Staff adjustment for the Cost Containment associated with DI #3; an increase of $180,944 from FY 2011-12 DI #4 "Services for People with Disabilities - New Funding Development Disabilities Services"; and a reduction of $1,000,000 from JBC Staff adjustment for one-time catch up payment adjusted the FY 2011-12 appropriation to $41,530,106 through SB 11-209 (Long Bill). For FY 2012-13, the Department is requesting $42,469,990 resulting in an increase of $180,944 from the annualization of FY 2011-12 DI-4 "Services for People with Disabilities- New Funding Developmental Disabilities Services" and an increase of $758,940 from Request #1 “New Funding - Developmental Disabilities Services".

EARLY INTERVENTION SERVICES

Early Intervention Services provides infants and toddlers from birth through age two who are determined eligible based on a developmental delay or disability, and their families with services and supports to enhance child development in the areas of cognition, speech, communication, physical development, motor development, vision, hearing, social emotional development, self-help skills; early identification, screening and assessment services; and procedural safeguards.

Early Intervention Services are funded with State General Fund in this Program and utilizing a funding hierarchy to determine the appropriate funding source to be used in order to maximize state and federal funding under the Individuals with Disabilities education Act (IDEA) Part C (described in another line). Early Intervention Services include the following:

- Assistive Technology Services
- Audiology Services
- Developmental Intervention Services
- Health Services
- Nutrition Services
- Occupational Therapy Services

- Physical Therapy Services
- Psychological Services
- Respite Care Services
- Service Coordination
- Social Emotional Services
- Speech Language Pathology Services
- Transportation
- Vision Services

More information is available on the following website: http://www.eicolorado.org

For FY 2009-10, the department was appropriated $11,098,328 authorized through SB 09-259 (Long Bill). For FY 2010-11 the appropriation increased by $1,700,000 from Early Intervention JBC Staff adjustment made March 18, 2011 bring up the appropriation to $12,798,328 (HB 10-1376). For FY 2011-12 the appropriation increased by $2,162,602 from FY 2011-12 DI-4 "Services for People with Disabilities - New Funding Development Disabilities Services" bring up the appropriation to $14,960,930 (SB 11-209). For FY 2012-13, the Department is requesting an continuation of $14,960,930.

FAMILY SUPPORT SERVICES

The Family Support Services are intended to assist families with costs beyond those normally experienced by other families without children with a developmental disability, and to avoid or delay costly out of home placements. These services include:

- Respite care - temporary care of the child with a developmental disability;
- Professional services - counseling, occupational/speech/physical therapies - medical and dental expenses not otherwise covered by sources such as Medicaid or private insurance;
- Transportation - mileage costs related to providing care and support;
- Assistive technology - mobility aids, adaptive equipment, communication devices;
- Home/vehicle modification - ramps, lifts, widened door frames; and
- Other individual expenses - special diets, specialized clothing.

This is a General Fund program and services available are intentionally flexible to meet the individualized needs of unique family circumstances.

The request for FY 2009-10 annualizes DI-4A Governor's Initiative for New Resources ($279,398). The FY 2009-10 appropriation resulted in $6,507,966 (SB 09-259). A one-time reduction of $102,040 from a roll-forward adjusted the appropriation to $6,405,926 (HB 10-1302). JBC staff adjustments for a provider rate reduction of 4.5% decreased the appropriation by $288,267 and reversal of the one-time reduction of $102,010 increased FY 2010-11 for an appropriation of $6,219,699 (HB 10-1376). For FY 2011-12 a General Fund reduction (DI #3) to cover Medicaid Costs as well as 16 new resources totaling a reduction of $4,050,590 decreased the appropriation to $2,169,109 (SB 11-209). For FY 2012-13, the Department is requesting an appropriation of $2,169,079 which includes a reduction of $30 from an annualization from JBC Staff adjustment for cost containment associated with DI #3.

CHILDREN'S EXTENSIVE SUPPORT SERVICES FOR 393 MEDICAID RESOURCES

Children's Extensive Support (CES) provides Medicaid-funded services and supports to children with developmental disabilities who demonstrate a behavior or have a medical condition that requires constant supervision. These children are at high risk of out-of-home placement and require near constant line-of-sight supervision due to one or more of the following: (a) self-injurious or self-endangering behavior or medical condition which, without intervention, will result in a life threatening condition or situation; (b) a demonstrated pattern of serious aggression toward self, others or property; or (c) constant vocalizations which are a significant disruption to family life. These children must meet the same level of care criteria as is used for institutional placement. The intense level of services provided by this program enhances the ability of the family to stay together, thus avoiding more costly out-of-home placement for these children.

The main areas of services and supports available are:

- Personal assistance services - assistance with personal hygiene, eating/drinking and toileting
- Professional services - therapies, training, evaluation, and assessments that are not covered by other sources
- Behavioral services - intervention or consultation
- Home modifications - showers, toilets, or doorways
- Assistive technology - intercom systems, electronic monitoring devices for the home, or mobility devices
- Childcare services - respite care and supervision

For FY 2009-10 the continuation request of $7,288,632 was modified by JBC staff initiated adjustment for local funding with a reduction of $369,001 as well as a vacancy reduction of $36,904, modifying the funding to $6,882,727 (SB 09-259). A supplemental reduction of $129,051 for provider rate reduced the appropriation to $6,753,676 (HB 10-1302). A Medicaid waiver provider rate retraction reduction of $172,068, $129,501 provider rate annualization incease as well as a 2% provider rate reduction of $134,213 adjusts the FY 2010-11 requests to $6,576,446 (HB 10-1376). For FY 2011-12, the long bill (SB 11-209) amount appropriated $7,873,966, which increased the amount by $1,297,520 from the JBC Staff adjustment to Payment Delay. The Department is requesting a continuation of $7,873,966 for FY 2012-13.

CASE MANAGEMENT FOR 3,647 GENERAL FUND AND 8,441.5 MEDICAID RESOURCES

CCBs are designated by the state to provide case management services, which include intake, eligibility determination, service plan development, and arrangement for services, delivery of services, monitoring, and many other functions. Additionally, CCBs are responsible for assessing service area needs and developing plans and priorities to meet those needs.

For FY 2009-10 this line item was appropriated $23,122,398 (SB 09-259). A provider rate reduction of $360,645 amended the line via supplemental to $22,761,753.

For FY 2010-11, a reduction of $480,860 from a retraction of the Medicaid waiver provider rate, an increase of $83,472 from a JBC staff adjustment for DI #3, an increase of $25,290 for the closure of the 32 bed skilled nursing facility at Grand Junction, a reduction of $4,840 from a JBC staff adjustments on provider rates, as well as a 2% provider decrease of $375,071 reduced appropriation to $22,370,389 (HB 10-1376). The final FY 2010-11 was amended by SB 11-209 (Add-on Supplemental) increased by $5,792,573 resulting in an appropriation of $28,162,962. The increases were from FY 2010-11 DI 3 "Services for People with Disabilities- Reduction Necessary to Cover Medicaid" and JBC Staff adjustments related to cost containment of $5,049,660 and an increase of $742,913 from a JBC Staff adjustment to payment delays.

For FY 2011-12, the department was appropriated $27,557,018 (SB 11-209), increasing this line item by $5,186,629: an increase of $4,266,788 was from FY 2010-11 DI-3: "Services for People with Disabilities-Reduction Necessary to Cover Medicaid" and associated JBC Staff adjustments; an increase of $1,662,754 was from FY 2011-12 DI-4: "Services for People with Disabilities - New Funding Development Disabilities Services" and JBC Staff adjustments; and a reduction of $742,913 was from JBC Staff adjustment to payment delays. For FY 2012-13, the department is requesting an increase of $134,217 from the annualization of FY 2011-12 DI-4 "Services for People with Disabilities- New Funding Developmental Disabilities Services" and an increase of $203,628 from Request #1 “New Funding - Developmental Disabilities Services", resulting in a total appropriation of $27,894,863.

SPECIAL PURPOSE

Special Purpose projects include surveys for determining wait lists and service requirements, consultants on developmental disability issues and often help in researching other issues not related to individual services provided. The Division for Developmental Disabilities manages these funds. A 1331 supplemental was approved for DDD – The Resource Exchange June 23, 2008 adding funding to this line for assisting The Resource Exchange in getting their program on track in FY 2007-08 and FY 2008-09.

In the 2008 Legislative Session, HB 08-1031 Developmental Disabled Waiting List Navigator added $500,000 to this line. The $500,000 is one-time funding that is allowed to roll forward if not completely used in that fiscal year. Since this is a one-time addition, it is not included in the FY 2009-10 continuation request of $1,064,342. A JBC staff adjustment for PAASAR utilization increasing the amount by $167,535 changed the appropriation to $890,158 (SB 09-259). A one-time reduction of TRE roll forward reduction of $360,844 adjusted the supplemental bill to $529,314 (HB 10-1302). For FY 2010-11 a 2% provider rate reduction of $10,586 and annualization of the one-time reduction of $360,844 adjusts the appropriation to $879,572 (HB 10-1376). This was a continuation for FY 2011-12 as well at $879,572 (SB 11-209). For FY 2012-13, the Department is requesting a continuation from FY 2011-12 Long Bill of $879,572.

(3) OTHER COMMUNITY PROGRAMS

FEDERAL SPECIAL EDUCATION GRANT FOR INFANTS, TODDLERS AND THEIR FAMILIES (PART C)

Colorado receives a federal grant under the Individuals with Disabilities Education Act (IDEA), Part C to assist states in providing early intervention and related services to children with developmental delays and disabilities from birth through two years of age, and their families. Part C funds may be used to implement, maintain, and strengthen the statewide system of early intervention services. In addition, such funds may be used as payer of last resort for direct early intervention services that are not otherwise funded through other public and private sources. Federal Part C funds may not be commingled with state funds, and may not be used to supplant state and local funds expended for infants and toddlers with developmental delays and disabilities and their families.

On December 30, 2005, the Governor signed Executive Order D 017 05 that switched the lead agency for Part C from the Department of Education to the Department of Human Services, Division for Developmental Disabilities. Pursuant to the federal Part C legislation, the Governor of each state is authorized to identify the Part C lead agency. As a result of the Executive Order, the Part C program began to appear in the Department of Human Services' section of the Long Bill for FY 2006-07.

The total FY 2009-10 appropriation, includes an increase of $19,880for common policy salary adjustments, a reduction of $115 NP-2-Postage Increase and Mail Equipment Upgrade, and an increase of $3,558,004 from the American Recovery and Reinvestment Act resulting with an ending appropriation of $10,410,498. A supplemental reduction of $13,657 for Statewide Furlough adjusted FY 2009-10 to $10,396,841 (HB 10-1302). A reduction of $1,737,534 reflects the last 25% ARRA funding, a reversal of the furlough funding adding back $13,657, a reversal of mail equipment upgrade adding back $26, and a reduction for a one-time statewide PERA in the amount of $9,943 adjusting the FY 2010-11 appropriation to $8,663,047 (HB 10-1376). For FY 2011-12, a reduction of $812,855 was from JBC Staff adjustment removal of ARRA, resulting in a final appropriation of $7,850,192. For FY 2012-13, the Department is request a continuation of FY 2011-12 appropriation of $7,850,192.

CUSTODIAL FUNDS FOR EARLY INTERVENTION SERVICES

This line item is the result of Senate Bill 07-004 “Early Intervention Services Coordinated System of Payment” (Shaffer/Todd). This bill required the Department of Human Services, in conjunction with other public and private entities, to develop a coordinated system of payment for early intervention services for infants and toddlers with developmental disabilities and delays, consistent with the requirements of Part C of the federal Individuals with Disabilities Education Act (IDEA). It required insurance coverage of such services without co-payments or deductibles, or impact on annual or lifetime caps, up to a maximum annual liability of $6,067 for affected policies and services and required the Department of Health Care Policy and Financing to make associated adjustments to the Children's Basic Health Plan and the Medicaid program. It also authorized the Department of Human Services to receive and expend custodial funds from insurance companies for early intervention services.

This new line item reflects, for informational purposes, the estimated $2.8 million in custodial funds the Department of Human Services expects to receive from insurance companies for provision of early intervention services to young children. This is based on estimated average insurance payments of $5,725 per child for 500 children.

The Department received $2,813,085 for this line item, including $4,505 for annualization of Senate Bill 07-004, which is consistent with the fiscal note for SB 07-004. No better estimates of revenue are available to-date. Funding in this line item was classified as cash funds exempt in FY 2007-08, but is classified as cash funds in FY 2008-09, pursuant to new funds classification policies. Because these amounts are custodial funds, they are exempt from limitations on state fiscal year spending imposed by Article X, Section XX of the State Constitution, and this will be reflected in the associated letter note.

For FY 2009-10 the request is the same amount as FY 2008-09 at $2,813,085 (SB 09-259). Final FY 2009-10 appropriation was increased by $3,561,000 from the passage of HB 09-1237 “DD Coordinated System of Payment-Disbursements to CCB's reflected in HB 10-1302 (Supplemental Bill). For FY 2010-11, the Department was appropriated through HB 10-1376, $7,769,177 which includes an increase of $5,044,750 from House Bill 09-1237 for a coordinated system of payments and a decrease of $88,658 from a JBC staff adjustment. For FY 2011-12, the Department was appropriated $3,421,443 (SB 11-209) which includes a reduction of $4,347,734 from JBC Staff adjustment for Early Intervention. For FY 2012-13, the Department is requesting a continuation of the FY 2011-12 appropriation of $3,421,443.

PREVENTATIVE DENTAL HYGIENE

DDD contracts for the Preventive Dental Hygiene program through the Colorado Foundation of Dentistry for the Handicapped. This program is intended to improve the oral health of persons with developmental disabilities. The focus of this program is on teaching oral hygiene skills in order to prevent dental disease, and to find ways to assure early detection and treatment of dental problems. This program provides individuals with developmental disabilities with referrals to dentists for special treatments. In addition, this program provides persons with developmental disabilities who have no funds for dental treatment with dentists who are willing to donate their time.

This line item provides funding to assist the Colorado Foundation of Dentistry for the Handicapped in providing special dental services for persons with developmental disabilities. This program provides dental evaluation, intervention, and advocacy designed to provide comprehensive prevention of oral disease. Dental services for adults are an optional program under federal Medicaid law in which the state has opted not to participate.

Medicaid eligible children may receive dental screening under the Early and Periodic, Screening, Diagnosis and Treatment (EPSDT) federal requirement, however, for FY 2008-09 the budget is $64,337, including $60,621 General Fund. Local funds amounts in this line item were previously classified as cash funds exempt, according to the new funds classification approach; they will now be identified as cash funds.

FY 2009-10 appropriation was a continuation from FY 2008-09 appropriation in the amount of $64,337 (SB 09-259). The FY 2010-11 includes a 2% provider rate reduction of $1,286 adjusting the appropriation to $63,051 (HB 10-1376). A continuation amount was appropriated for FY 2011-12 at $63,051 (SB 11-209). For FY 2012-13, the Department is requesting a continuation from the FY 2011-12 appropriation of $63,051.

(B) REGIONAL CENTERS FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

The role of the state operated Regional Centers (RCs) is to provide direct support for adults with intellectual disabilities who have very significant needs and for whom adequate services and supports are not available in the CCB community system to safely meet their needs. Under the supervision of the Division for Regional Center Operations, the state of Colorado operates three Regional Centers for adults with intellectual disabilities: one in Grand Junction (GJRC), one in Pueblo (PRC), and one in Wheat Ridge (WRRC). Regional Centers serve adults in community group homes funded through the Home and Community-Based Services (HCBS) Medicaid Waiver (also called the Comprehensive Services Waiver) and in on-campus Intermediate Care Facilities for Persons with Intellectual Disabilities (ICF/ID) Class IV facilities.

Regional Centers (RC) through Comprehensive Services for adults in the state-operated system are targeted to individuals who have the most intensive needs and cannot have their needs adequately met in the Community Centered Board system. RCs provide active treatment through a number of services including: 24-hour supervision, residential services, day programming, habilitation, medical, training and behavioral intervention, plus short-term emergency/crisis support to the community system. Based on their Individualized Plan, people are referred to the Regional Centers through Community Centered Boards from the Mental Health Institutes, the Department of Corrections, nursing facilities and the CCB community system including persons with high needs who are waiting for services. Included are:

- Individuals who have extremely high needs requiring very specialized professional medical support services – This population includes people with intellectual disabilities who present with severe complex medical problems and are at high risk for deteriorating into life-threatening situations. These individuals will have complex medical issues, such as uncontrolled seizures, contractures, feeding tubes, tracheotomies, and need for complex oxygen support and other therapies.
- Individuals who have extremely high needs due to challenging behaviors – This population includes individuals with difficult behavioral challenges, such as those with severe self-injurious behaviors, aggression, property destruction, and suicidal tendencies; and dually diagnosed individuals with both a intellectual disability and a psychiatric diagnosis, such as schizophrenia or bipolar disorder. This group may include individuals who are at risk of running away and would be a danger to them if this were to occur.
- Individuals who pose significant community safety risks to others and require a secure setting – This population includes individuals who have been convicted of a violent crime (assault; sex offense; other) and/or who are deemed to be at risk for committing such offenses and who will not accept or cooperate with the services necessary to provide for their safety or the safety of others. This population includes individuals who have been convicted, determined incompetent to proceed with their defense, or referred by the Community Centered Boards or Mental Health Institutes because they present significant safety

risks. This population needs a secure, secluded setting including door and window alarms, security fencing, increased staff supervision and training, and other security support systems. Individuals with these types of behaviors are generally served in the on-campus ICF/ID facilities at GJRC and Kipling Village at WRRC.

- The State operates facilities for individuals with intellectual disabilities, using three methods of providing services: 1) Regional Centers operate residential and support services in congregate settings at GJRC known as Intermediate Care Facilities for the persons with Intellectual Disability (ICF/ID); and small group homes of eight or fewer persons at WRRC with each home licensed individually as an ICF/ID, Fourteen of the homes at WRRC are located throughout the West Denver Area and five of the homes are located on the WRRC campus. and 2) Regional Centers operate group homes that provide services to 4-8 people per home in a community setting (these services are sometimes referred to as "state-operated group homes"). Many persons served by Regional Centers have multiple handicapping conditions, such as maladaptive behaviors or severe, chronic medical conditions that require specialized and intensive levels of services. The Regional Centers work closely with the Community Centered Board (CCB) system, which provides community-operated services for persons with intellectual disabilities. Traditionally, the Regional Centers have served persons with intellectual disabilities where appropriate community programs are not available. The RCs provide residential services, medical care, day program and vocational services and habilitation and active treatment programs based on individual needs defined by individual assessments and individual preferences. ICFs/ID are an entitlement component of the Medicaid State Plan. . Payments for ICFs/ID are cost based, rather than reflecting fixed rates established by the State (the HCBS-DD model). ICFs/ID are not overseen by community centered boards or another case-management entity. Rather they are overseen by the Colorado Department of Health and Environment and must comply with different regulatory guidelines than HCBS-DD placements. One component of this is that ICFs/ID must provide 24-access to physician services, as well as active treatment services. HCBS-DD regulations require that medical services be accessed from community providers and there is no active treatment requirement. This section supports the WRRC ICF Conversion Decision Item – No longer needed

Regional Center Wait List

Because the RCs have operated at capacity, a community centered board (CCB) with a consumer who it believe is more appropriate for a Regional Center placement must remove a client from a RC in order to move a new client into placement. There are currently 62 persons waiting for regional center placement. Thirty-one individuals have a history of sex offenses and are waiting for ICF/ID placement. Twenty-eight individuals have high behavioral needs. Approximate 14 of these individuals are waiting for ICF/ID services and 14 are waiting for waiver services. Three individuals are listed as medically fragile and are waiting ICF/ID services. Of these 62 individuals, 13 are in prison or jail, one is in DYC, 7 are in the Mental Health Institutes and 41 individuals are served by the CCBs. *1*

Impact of Federal Medicaid Waiver Changes
The regional center budgets for FY 2008-09 were affected by the changes to intellectual disability wavier programs being required by federal authorities, since the majority of RC beds are operated under the HCBS-DD Waiver program that supports most community-based residential services. The Department has indicated that it presently expect that most regional center residents will qualify for "tier 7" placements under the new rate structure, based on their Supports Intensity Scale results. "Tier 7" placement rates fall outside of the regular rate structure and will be funded based on individual need, The Department intends to focus Regional Center services on the highest needs clients and thus this small number of clients will be gradually moved out of their RC placements and into community placements.

Client Cash
Client cash revenue for the Regional Centers is derived from two sources: (1) room and board for waiver clients; and (2) patient pay from ICF/ID clients. Room and Board rates reflect SSI federal allocations less $65 dollars per month for personal spending. Patient Pay is collected from ICF/ID residents who receive benefits and/or earn wages. Such residents are permitted to keep personal spending money of $50 dollars per month. Benefits above this and/or excess wages must be paid to the State as Patient Pay.

The major portions of costs associated with the Regional Center are appropriated in several line items in two groups of the Long Bill, Medicaid Funded Services and Other Program Costs. Additionally, costs associated with Regional Center physical plant maintenance and housekeeping, among other components, are centrally appropriated in the Office of Operations, and other indirect amounts are charged to the Executive Director's Office and the Office of Information Technology Services. The following describe the line items in the two groups in the Long Bill.

(1) MEDICAID FUNDED SERVICES

PERSONAL SERVICES

The FY 2009-10 appropriation of $48,860,981 and 995.3 FTE (SB 09-259) includes: an increase of $1,401,266 from the annualization of FY 2008-09 DI-6 for ICF/MR Conversion at Wheat Ridge Regional Center; an increase of $318,041 from FY 2009-10 DI-1 “Regional Center -High Needs Clients” and JBC Staff adjustments; an increase of $1,976,957 for common policy salary adjustments; an increase of $846,440 from a JBC Staff adjustment for Provider Fee; a reduction of $415,000 from an one-time imposed penalty for a late supplement; and a one-time personal services reduction of $863,840.

The FY 2010-11 appropriation of $44,388,779 and 927.1 FTE (HB 10-1376 includes: a budget reduction of $3,586,939 and 69.0 FTE for the Skill Nursing Facility Closure, a one-time reduction of $960,576 for PERA adjustment, an increase of $231,707 from a JBC Staff adjustment to move Purchase of Service long bill line item, a reduction of $2,033,135 from a JBC Staff adjustment to move provider fee to reflect full bottom line provider fee, increase $415,000 from annualizing back the one-time penalty on the late supplemental, an increase of $863,840 from the annualization of the FY 2009-10 Personal services cut, an increase of $28,417 and 0.8 FTE from the annualization of FY 2009-10 DI-1 “Regional Center -High Needs Clients”, and an increase of $569,484 from the annualization of the State Wide Furlough Impact. The final FY 2010-11 appropriation was reduced by $84,657 from FY 2010-11 ES-1 "1% Across the Board Personal Service Reduction", resulting in the ending appropriation of $44,304,122 and 927.1 FTE.

For FY 2011-12 reversal of the PERA reduction increased the appropriation by $960,576, an across the board 2% personal service reduction of $173,156, a reduction of 40.0 FTE from SBA-1 “1% Personal Service Reduction, and an increase of $84,657 for the annualization of FY 2010-11 ES-1 "1% Across the Board Personal Service Reduction resulted in the final appropriation of $45,176,199 and 887.1 FTE (SB 11-209). For FY 2012-13, the Department is requesting a continuation base appropriation of $45,176,199 and 887.1 FTE.

OPERATING EXPENSES

For FY 2009-10, the Department was appropriated $2,760,399 (SB 09-259). The FY 2009-10 amount was adjusted down two times, once for a reduction of $652 from the Mail Equipment Upgrade Supplemental and second reduction of $76,881 from S-11, BA-5 from the 32 Bed Closure at Grand Junction Regional Center resulting in a final FY 2009-10 appropriation of $2,682,866 (HB 10-1376). For FY 2010-11, this appropriation decreased by $320,941: $205,549 reduction from S-11, BA-5 32 Bed Closure at Grand Junction Regional Center and JBC Staff adjustments; a reduction of $540 from the annualization of the Mail Equipment Upgrade Supplemental and Budget Amendment; an increase of $10,918 from consolidate Purchase of Services; and a reduction of $125,770 from SBA-8 “5% Operating Reduction” resulting in the appropriation of $2,439,458 (HB 10-1376). FY 2011-12 appropriation was a continuation from FY 2010-11 of $2,439,458 (SB 11-209). For FY 2012-13, the Department is requesting $2,565,228 which includes the annualization for FY 2010-11 SBA-8: “5% Operating Reduction” in the amount of $125,770.

CAPITAL OUTLAY – PATIENT NEEDS

In FY 2009-10, the Department was appropriated $244,499 (SB 09-259). The final FY 2009-10 was reduced by $3,071 from S-11, BA-5 32 Bed Closure at Grand Junction Regional Center, resulting in an appropriation of $241,428 (HB 10-1376). For FY 2010-11, the Department was appropriated $72,126 (HB 10-1376): a reduction of $164,250 from one-time funding on DI #5 (FY 2009-10), a reduction of $8,123 from FY 2010-11 August Budget Reduction Annualization "17-Service for People with Disabilities, Closure of 32 bed Nursing Facility at Grand Junction Regional Center" and a JBC staff adjustment in the amount of $3,071 increase. For FY 2011-12, a continuation amount was appropriated at $72,126 (SB 11-209). For FY 2012-13, the Department is requesting a continuation of $72,126.

LEASED SPACE

In FY 2009-10, the Department was appropriated $72,820 (SB 09-259). For FY 2010-11, the Department was appropriated $42,820 through HB 10-1376. A reduction of $30,000 was a JBC Staff adjustment removal as the Wheat Ridge Regional Center was no longer needed. For FY 2011-12, a continuation amount was appropriated at $42,820 (SB 11-209). For FY 2012-13, the Department is requesting a continuation of the FY 2011-12 appropriation of $42,820.

RESIDENTIAL INCENTIVE ALLOWANCE

In FY 2009-10, the Department was appropriated at the continuation amount of $138,176 (SB 09-259). The Department has not changed the amount requested for FY 2010-11or FY 2011-12. For FY 2012-13, the Department is requesting a continuation in the amount of $138,176.

PURCHASE OF SERVICES

The FY 2009-10 request is that same continuation amount $263,291. A reduction of $7,812 from S-11, BA-5 32 Bed Closure at Grand Junction Regional Center and JBC Staff adjustment in the amount of $12,854 and a reduction of $231,707 to transfer the funding to the Personal Services line item, and a reduction of $10,918 to transfer the funding to the Operating Expenses line item resulted in $0 for FY 2010-11.

PROVIDER FEE

For FY 2010-11, JBC staff recommended removing the ICF/ID 5% provider fee from personal services to a new line in the amount of $1,867,655 (HB 10-1376). The line item appropriation did not change in FY 2011-12 and continuing funding is requested for FY 2012-13.

(2) OTHER PROGRAM COSTS

GENERAL FUND PHYSICIAN SERVICES

Physician services are not allowable expenses under the current Medicaid Waiver for Comprehensive Services and thus need to be appropriated with General Funds.

In FY 2009-10, the Department was appropriated $88,009 and 0.5 FTE (SB 09-259). The final FY 2009-10 was reduced by $2,638 from the Statewide Furlough Impact resulting in an appropriation amount of $85,371 and 0.5 FTE. For FY 2010-11, the Department was appropriated $86,089 and 0.5 FTE (HB 10-1376), which included a reduction of $1,920 from FY 2010-11 Statewide PERA adjustment and annualization of the Statewide Furlough Impact in the amount of a $2,638 increase. For FY 2011-12, the Department was appropriated $85,809 and 0.5 FTE (SB 11-209), which includes a total reduction of $280: a reduction of $2,200 from a personal service reduction and an increase of $1,920 reversing the PERA adjustment. For FY 2012-13, the Department is requesting a continuation from FY 2011-12 of $83,809 and 0.5 FTE.

(C) WORK THERAPY

PROGRAM COSTS

The Work Therapy Cash Fund supports sheltered workshop programs for training and employment of persons receiving services at the Colorado Mental Health Institute at Fort Logan and the Regional Centers located at Grand Junction, Pueblo and Wheat Ridge. Revenue is derived from contracts with area businesses and organizations for custodial services, printing, packaging, mailing, and other types of manual processing, which may be performed by persons receiving services from these programs. These individuals are paid from funds received in proportion to the work performed.

The program serves over 300 persons residing at the three Regional Centers and at the Fort Logan Mental Health Institute. The line item appropriation has not changed since FY 2009-10. The Department is requesting continuing funding of $467,116 in FY 2012-13.

(D) DIVISION OF VOCATIONAL REHABILTATION

REHABILITATION PROGRAMS – GENERAL FUND MATCH

These line items include personal services, operating expenses, customer services, in-service training and purchased services for Rehabilitation Services offices.

The Division provides employment training and other necessary vocational-related services including job placement services for eligible people with disabilities. The two Rehabilitation Program line items fund purchased consumer vocational rehabilitation services, direct consumer services provided by DVR staff, personal services and operating costs. Consumers receive assistance at one of 19 field offices. The offices are strategically located throughout Colorado based upon population concentrations and geographic characteristics. In addition, vocational rehabilitation (VR) counselors regularly travel to various locations to meet the needs of DVR's diverse consumers. The VR Counselors assist people with disabilities to develop job goals and employment plans to achieve their goals. First, the VR Counselor must determine if a person with a disability is eligible for vocational rehabilitation services. The Federal Rehabilitation Act criteria include the following requirements: An individual must have a physical or mental impairment that constitutes or results in a substantial impediment to employment for him or her. Eligible individuals must intend to obtain employment, and be presumed to benefit from DVR assistance in terms of obtaining employment.

After eligibility is determined, a VR Counselor and the consumer jointly develop an employment plan. The plan explains the employment goal, the vocational rehabilitation services necessary, the obligations of DVR and the consumer to reach the goal, and the responsibilities for paying for vocational rehabilitation services. The VR Counselor provides counseling and guidance, job skills development and job placement services, and arranges for a variety of vocational rehabilitation services including assessments, training, , medical restoration, and more. Counseling, guidance, and purchased vocational rehabilitation services enable consumers to address the functional limitations caused by their disability so that they can become successfully employed.

The Division of Vocational Rehabilitation assists people whose disabilities result in barriers to employment or independent living to attain or maintain employment and to live independently. The Division has field and satellite offices in 43 locations throughout the State, where rehabilitation counselors' work with clients to assess needs and identify appropriate services. For rehabilitation programs, the federal government provides reimbursement for 78.7% of eligible expenditures up to the total annual federal grant for the State. In Colorado, the match for these expenditures includes General Fund (Rehabilitation Programs - General Fund Match) and local government funds, primarily from school districts (Rehabilitation Programs - Local Funds Match). The Division also administers federal and state grants to assist individuals with disabilities to live independently, including grants to independent living centers throughout Colorado and grants for programs that assist older blind individuals. Two major issues are currently confronting the Division: limits on the availability of federal funds for vocational rehabilitation programs and steady increases in the cost of purchased services and goods. Each of these issues is reviewed below.

Each annual federal grant received may be expended over a two-year period. If it does not appear that the State will be fully able to use its grant, the funds are redistributed to other states via a reallocation process; similarly, if the State needs additional federal funds, it may apply for a reallocation share.

The FY 2009-10 appropriation totaling $19,564,046 and 224.7 FTE (SB 09-259) included the restoration of $4,694,836 ($1,000,000 GF and $3,694,836 federal match) that was reduced from the program's base budget in FY 2008-09 as part of the JBC cash funds refinance; an increase in the amount of $679,706 for the annual salary adjustments for salary survey and performance pay; an increase in the amount of $6,307 for FY 2009-10 DI#NP-2: "Postage Increase and Mail Equipment Upgrade; a reduction in the amount of $4,977,684 for a JBC staff adjustment related to purchased services; and a one-time personal services reduction in the amount of $247,766.

The FY 2010-11 appropriation totaling $19,406,937 and 225.7 FTE (HB 10-1376) included the Mail Equipment Upgrade Budget Amendment $4,130 reduction; $248,766 increase to adjust the FY 2009-10 personal services cut; $6,307 reduction for the annualization of NP-2; $7,026 increase for the Mail Equipment Upgrade; JBC staff action adding $50,875 and 1.0 FTE for SB 09-004; 2% provider rate reduction of $80,890; $285,202 decrease for common policy PERA reduction and $87,247 decrease for the 5% operating reduction.

The Department was appropriated $19,354,540 and 212.7 FTE through SB 11-209 (Long Bill) for FY 2011-12. From the prior year, this budget decreased by $52,397 which included an increase of $285,202 from the annualization of FY 2010-11 BA-NP-1 "Statewide PERA Adjustment"; a1.5% across the board personal service reduction of $196,293; and an additional 1% personal services reduction of $141,306 and 13.0 FTE for FY 2011-12 SBA-1. In addition to the Long Bill, SB 11-076 Special Bill "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" in the amount of a decrease of $293,375 resulted in a total appropriation of $19,061,165 and 212.7 FTE for FY 2011-12.

For FY 2012-13, the Department is requesting an appropriation of $19,408,378 and 212.7 FTE which is a continuation of the FY 2011-12 ending appropriation of $19,061,165 with the following adjustments: an increase of $293,375 for the restoration of the prior year's PERA reduction; an increase of $87,247 for the annualization of FY 2010-11 SBA-8: "5% Operating Reduction"; and a reduction of $33,409 from Funding Request #6 "Division of Vocational Rehabilitation Leased Vehicles".

REHABILITATION PROGRAMS – LOCAL FUNDS MATCH

This includes funds from one major source, local school districts, for the purpose of operating the School to Work Alliance Program (SWAP), and other sources including transfer funds from other state entities, local government match funds, grants and donations from private entities.

The FY 2009-10 appropriation totaling $23,750,460 and 18.0 FTE included the $4,694,836 decrease to annualize the one-time FY 2008-09 refinance; $60,690 increase for salary survey and performance based pay; $931,000 and 9.0 FTE reduction for DI NO-#6 to move disability navigators to the DOLE; and the addition of $634 for common policy decision item NP-2 Postage Increase and Mail Equipment Upgrade.

The FY 2010-11 appropriation totaling $31,432,400 and 18.0 FTE (HB 10-1376) included the $343 decrease for NP-2; 2% provider rate reduction of $179,150; $7,867,465 increase for JBC staff federal match adjustment; and $6,032 decrease for the FY 2010-11 Statewide PERA adjustment.

For FY 2011-12, restoration of the PERA reduction increase, and a reduction of $266,949 and 7.0 FTE for a 1.5% personal services reduction resulted in a Long Bill (SB 11-209) appropriation to $31,171,483 with 11.0 FTE. In addition to the Long Bill, SB 11-076 Special Bill "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" in the amount of a decrease of $6,545 resulted in a total appropriation of $31,164,938 and 11.0 FTE for FY 2011-12.

For FY 2012-13, the Department is requesting an appropriation of $31,171,483 with 11.0 FTE, which is the continuation of the FY 2011-12 appropriation of $31,164,938 with the restoration of the PERA reduction.

AMERICAN REINVESTMENT AND RECOVERY ACT- VOCATIONAL REHABILITATION FUNDING

JBC staff appropriated $3,653,522 Federal Funds in a new line item for the federal stimulus bill in FY 2009-10 based on the assumption that $1,826,761 would be spent in FY 2009-10 and FY 2010-11. The FY 2011-12 Base Request included the annualization of the ARRA adjustment which resulted in $0 appropriation in this line item.

BUSINESS ENTERPRISE PROGRAM FOR PEOPLE WHO ARE BLIND

Federal law designates the Division of Vocational Rehabilitation as the State Licensing Agency (SLA) responsible for the administration of the Federal Randolph-Sheppard Vending Facility Program. The federal act authorizes blind persons licensed under the provisions of the act to operate vending facilities on any federal property. The State law, referred to as the mini Randolph-Sheppard Act, applies to the State of Colorado buildings and facilities (i.e. state government buildings located along Sherman Street in downtown Denver). The federal and state laws give priority to legally blind individuals to operate and manage vending services in these federal and state government office buildings and facilities. This employment program places these business people in the management of vending services in federal, state, and local government office buildings as well as military installations and privately owned facilities. The vending services encompass large cafeterias, small cafeterias, snack bars, convenience stores, vending machine units, copy machines, and coin operated laundry machines.

The Business Enterprise Program assists blind or visually impaired individuals in operating vending and food service businesses in approximately 45 state and federal buildings. There are no General Fund dollars associated with this program. In addition to federal funds, money from the Business Enterprise Cash Fund (vendor assessments) supports the program. The program is the result of the federal Randolph-Sheppard Vending Facility Program (34 C.F.R. 395.3 (11) (iv), and associated state law at Section 26-8.5-100, C.R.S., which give priority to blind and visually impaired individuals who wish to operate and manage food and vending services in federal and state government office buildings and facilities. The program is responsible for initial merchandise and supply inventory, purchasing and maintaining equipment, and providing technical support to vendors. After initial set-up is established, managers operate the facility with revenue from food sales. All operators pay a certain percentage of their profits (up to 13%) to support the program. These assessments are deposited into the Business Enterprise Cash Fund that, in combination with matching federal funds, support equipment maintenance and repair, operator benefits (i.e., health insurance, IRA, vacation pay, etc.), and site improvement and new development. The federal government matches most expenditure associated with the program at a 78.7% rate. All amounts identified in past years as cash funds exempt from reserves are classified as cash funds under the new fund classification approach effective in FY 2008-09.

The FY 2009-10 appropriation is that same continuation amount with common policy adjustments and a common policy decision item NP-2 Postage Increase and Mail Equipment Upgrade ($37). The one-time postage increase adjusts the FY 2010-11 as well as decision item #9 requests a technical adjustment from the Operated Stands line in the amount of $230,000. This allows the department to draw down associated federal dollars. The FY 2010-11 requests also included a PERA reduction adjusting the appropriation to $1,191,520 and 6.0 FTE (HB 10-1376). For FY 2011-12, restoration of PERA reduction in the amount of $6,231and a reduction of $15,538 for the common policy 1.5% personal services reduction amends the appropriation (SB 11-209) to $1,182,213 and 6.0 FTE. In addition to the Long Bill, SB 11-076 Special Bill "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" in the amount of a decrease of $7,853 resulted in a total appropriation of $1,174,360 and 6.0 FTE for FY 2011-12. For FY 2012-13, the Department is requesting an appropriation of $1,182,213 and 6.0 FTE which is the continuation of the FY 2011-12 appropriation with the restoration of the reduction for the PERA adjustment.

BUSINESS ENTERPRISE PROGRAM – PROGRAM OPERATED STANDS, REPAIR COSTS, AND OPERATOR BENEFITS

If an operator leaves the program, the Business Enterprise Program is obligated to temporarily take over the operation of the site until it has been assigned to either a new or existing operator. The frequency of such occurrences and the consequent costs fluctuate from year to year, and are therefore not very predictable. The funding for Program Operated Stands is generated by and put back into the operation of locations that are temporarily contracted out by the Business Enterprise Program until a permanent operator is assigned to the location. Costs covered include:

- Equipment Maintenance and Repair.
- Operator Benefits: These benefits include health insurance, IRA contributions, and vacation pay for operators (not state FTE). The Operator benefit moneys are passed through this account only. The actual funding is provided from the operation of unassigned vending. Unassigned vending is vending revenue generated from a machine that is not operated by a Licensed Manager. The machines generating this revenue are operated under a third party contract.
- Leasehold Improvements: The funds for Leasehold Improvements are used for necessary remodeling and equipment purchases to prepare a location for operation.
- Purchases the initial merchandise and supplies inventory.

FY 2009-10 Long Bill (SB 09-259) appropriation was $659,000. FY 2010-11 Decision item #9 requested a technical adjustment to the BEP program line in the amount of a $230,000 reduction. This modified the FY 2010-11appropration (HB 10-1376) to $429,000. The Department received continuation funding for FY 2011-12 (SB 11-209). The Department is requesting continuation funding in the amount of $429,000 for FY 2012-13.

INDEPENDENT LIVING CENTERS AND STATE INDEPENDENT LIVING COUNCIL

The request funds the Rehabilitation Independent Living Case Services and Independent Living Council. They are mandated by Title VII of the Rehabilitation Act of 1973, as amended and authorized by Title 26, Article 8.1, of the Colorado Revised Statues. The purpose of the Independent Living Program is to promote a philosophy of independent living (IL), including consumer control, peer support, self help, self-determination, equal access, and individual and system advocacy, to maximize the leadership, empowerment, independence, and productivity of individuals with significant disabilities, and to promote and maximize the integration and full inclusion of individuals with significant disabilities into the mainstream of American society. The Division of Vocational Rehabilitation contracts with ten independent living centers on a statewide basis to provide independent living services to individuals with significant disabilities. Independent living services include the independent living core services that consist of information and referral, individual and systems advocacy, peer counseling, and independent living skills training.

The independent living centers may also provide other services, such as counseling, housing, including accommodations and modifications, rehabilitation technology, mobility training, interpreter and reader services, personal assistance services, community resource guides and directories, transportation, consumer information programs, especially for minorities and other individuals with significant disabilities who have traditionally been un-served or underserved by programs under the Rehabilitation Act of 1973, as amended, children and youth, supported living, and other services that may be necessary to improve the ability of an individual with a significant disability to function, continue functioning, or move toward functioning independently in the family or community or to continue in employment and that are not inconsistent with any other provisions of the Rehabilitation Act of 1973, as amended.

For FY 2009-10, the Department received continuation funding in the amount of $1,936,377 (SB 09-259). A JBC staff adjustment reduced the request by $1,741 reducing the appropriation to $1,934,636. The remaining 25% of ARRA $60,729 reduction and $29,747 reduction for the 2% Community Provider Rate Base Increase adjusts the request for FY 2010-11 to $1,844,160 (HB 10-1376). The ARRA funding was no longer available in FY 2011-12 so this reduction amends the appropriation to $1,783,431 (SB 11-209). The Department is requesting continuation funding for FY 2012-13.

OLDER BLIND GRANTS

These funds are for qualified recipients of Blind Grants. This program is administered by DVR under Title VII, Chapter 2 of the federal Vocational Rehabilitation Act. The program provides independent living services to person’s age 55 or older and who are blind or visually impaired. Eligible persons are provided assistance in learning new strategies for accomplishing daily tasks and participating in family and community activities. Most persons served in this program have become blind or visually impaired in their later years. Independent Living services include advocacy, information and referral, cross-disability peer counseling and independent living skills training, as well as other services that assist individuals to maintain or regain independence and participation in their communities. Independent Living Centers and other community agencies are eligible to receive OIB Program funding under a RFP process. DVR conducted a procurement that resulted in grant awards to six independent living centers and the Colorado Center for the Blind. For Older Blind Grants, a continuation amount is requested in FY 2009-10.

The FY 2009-10 Long Bill (SB 09-259) appropriation totaling $698,789 included the JBC staff adjustment to add $248,789 federal funds for the American Recovery and Reinvestment Act. The appropriation for FY 2010-11 totaled $698,789 (HB 10-1376). The FY 2011-12 (SB 11-209) appropriation totaled $450,000 for with the removal of the ARRA funding. The Department is requesting continuation funding of $450,000 for FY 2012-13.

TRAUMATIC BRAIN INJURY TRUST FUND

The Traumatic Brain Injury Trust Fund is supported by fines levied on people convicted of driving under the influence ($15.00), driving while impaired ($15.00), and speeding ($10.00). Pursuant to Section 26-1-301, C.R.S., the Colorado Traumatic Brain Injury Board was created to administer the program. Of the annual revenues for the program:

- 65.0% will be used for services for people with traumatic brain injuries;
- 30.0% will be used to support research related to the treatment and understanding of traumatic brain injury; and
- 5.0% will be for education for individuals with traumatic brain injury and to assist educators, parents, and non-medical professionals in the identification of traumatic brain injuries.

The FY 2009-10 Long Bill (SB 09-259) appropriation for this line was $2,921,931 which included an $10,433 increase in personal services pursuant to common policy and a $500,000 increase in Cash Funds spending authority.

The FY 2010-11appropriation (HB 10-1376) totaling $3,296,652 included $730,525 increase for SB 09-133 that increased surcharges for traffic violations; $13 decrease to adjust postage increase; $500,000 decrease for the one-time cash fund spending authority; $146,100 increase to annualize SB 09-133; and $1,891 decrease for FY 2010-11 Statewide PERA adjustment.

For FY 2011-12, restoration of PERA reduction in the amount of $1,891 and a decrease of $2,598 for the common policy 1.5% personal services reduction amends the appropriation (SB 11-209) to $3,295,945 and 1.5 FTE. In addition to the Long Bill, SB 11-

076 Special Bill "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA" in the amount of a decrease of $2,842 resulted in a total appropriation of $3,293,103 and 1.5 FTE for FY 2011-12. For FY 2012-13, the Department is requesting an appropriation of $3,295,945, which is the prior year's appropriation of $3,293,103 plus $2,842 for the restoration of the PERA reduction.

FEDERAL SOCIAL SECURITY REIMBURSEMENTS

The Division receives annual payments from the Social Security Administration, based on the number of individuals who have been removed from federal Supplemental Security Income roles, based on their involvement with the Division and subsequent employment. A new Long Bill line item was added in FY 2008-09 for informational purposes only. It reflects projected revenues and expenditures from reimbursements.

The FY 2009-10 Long Bill (SB 09-259) appropriation was $813,741. The Department received continuation funding in FY 2010-11 (HB 10-1376) and FY 2011-12 (SB 11-209). The Department is requesting continuation funding for FY 2012-13.

(E) HOMELAKE DOMICILIARY AND STATE AND VETERANS NURSING HOMES

HOMELAKE DOMICILIARY STATE SUBSIDY

The Domiciliary is located at the Colorado State Veterans Center at Homelake, outside of Monte Vista. The capacity of the Domiciliary is 46 beds. The center also includes a 60-bed skilled nursing facility. Homelake has been caring for veterans since the 1890's when some of the original buildings were constructed to take care of Civil War veterans. The Division of State and Veterans Nursing Homes, within the Colorado Department of Human Services, administers the Homelake Domiciliary. The Domiciliary provides residential rehabilitation and health maintenance services for veterans, their spouses, or widows of veterans who do not require hospital or nursing home care but are unable to live independently because of medical or psychiatric disabilities. The program serves a unique veteran population. Many of these veterans are recovering from behavioral problems and substance abuse disorders. Residents receive necessary medical and psychiatric care, rehabilitative assistance, and other therapeutic interventions while residing in a homelike environment.

The Domiciliary operates in conjunction with the Federal Department of Veterans Affairs (VA) Domiciliary Home Care program. The VA provides financial assistance to states that operate domiciliary programs to offset the operating costs of care for eligible veterans. Facility residents demonstrate a lack of adequate means of support for themselves and a temporary or permanent physical disability, or are of an age that substantially precludes engaging in any gainful employment or occupation. Pursuant to VA requirements, a minimum of 75 percent of all residents must be veterans. As of July 24, 2006, 40 (or 88.9 percent) of the 45 residents are veterans.

NURSING HOME INDIRECT COSTS SUBSIDY

The Colorado State and Veterans Nursing Homes are state owned nursing homes that provide skilled nursing care primarily to honorably discharged veterans and their spouses, widows and in some instances, parents of deceased veterans. The six homes are located throughout the state in Aurora (Fitzsimons), Florence, Monte Vista (Homelake), Rifle, Trinidad, and Walsenburg. Each facility is Medicaid-certified and licensed by the Colorado Department of Public Health and Environment. Fitzsimons and Rifle are also Medicare-certified. Additionally, five of the homes are certified by the US Department of Veterans Affairs to receive federal funds in support of the care of veterans; the Trinidad Home is a state nursing home (i.e. does not specifically cater to veterans) and therefore is the sole facility not VA-certified.

The Homelake Domiciliary and Nursing Homes are an enterprise and are information only on the Long Bill.

Department of Human Services
Line Item Descriptions

Adult Assistance Programs

FY 2012-13 Budget Request

NOVEMBER 1, 2011

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(10) ADULT ASSISTANCE PROGRAMS

(A) ADMINISTRATION

The Division of Aging and Adult Services is responsible for the administration of numerous assistance programs that focus on the elderly and adult disabled populations. The programs in the Division include:

- Aid to the Needy Disabled/Aid to the Blind-State Only (AND/AB-SO) – Provides cash assistance to disabled or blind individuals age 18-59 who are awaiting approval for the Federal Supplemental Security Income (SSI) program.
- Aid to the Needy Disabled/Aid to the Blind-Colorado Supplement (AND/AB-CS) – Provides a supplemental payment to persons receiving a SSI payment that is less than the AND-CS grant standard;
- Old Age Pension (OAP) – Provides cash assistance to eligible individuals age 60 and older;
- Home Care Allowance (HCA) – Provides a grant payment to purchase non-skilled in-home services;
- Adult Foster Care (AFC) – Provides payment for 24-hour care for individuals in need of 24-hour supervision, but who do not require 24 hour medical care;
- Burial – Provides payment for a portion of the cost of burial or cremation services for eligible individuals;
- Adult Protective Services (APS) – Intervenes on behalf of at-risk adults to correct or alleviate situations of abuse, neglect, or exploitation; and
- Older Americans Act – Provides assistance and services to persons age 60 or older in need of nutrition, transportation, homemaker services, job training, ombudsman services for persons in long-term care facilities, legal services, and other supportive services.

The Social Security Administration and the Maintenance of Effort Agreement with the State of Colorado
Department of Human Services operates under a Maintenance of Effort (MOE) Agreement with the Social Security Administration (SSA) that is managed by the Division of Aging and Adult Services. The MOE agreement requires the State to provide additional financial assistance to SSI recipients. The MOE is a requirement that must be met to receive Federal Financial Participation for Medicaid reimbursements. Compliance with these regulations is measured in one of two ways: 1) the State must pass along the federal Cost of Living Adjustment increase or 2) the State must spend as much on the supplement programs in one calendar year as it did in the previous calendar year. Colorado has been on the expenditure test to meet the MOE compliance requirements since 1991. Under the expenditure test requirement, the State is required to meet or exceed the expenditures of the previous highest calendar year.

The expenditures that are counted toward the MOE include supplemental benefits to persons receiving SSI through OAP, AND/AB-CS, HCA, AFC, and the State's Heat and Property Tax Rebate program.

If the State fails to meet its financial expenditure test, the Secretary of Health and Human Services could sanction the State up to a full year of the State's Medicaid Federal match, approximately $1.2 billion. The State would be ineligible for Medicaid payments from the Federal government for any calendar quarter containing a month in which the State was out of compliance. Any shortfall in expenditures in a calendar year must be made up in the following calendar year. The State can make a retroactive benefit payment to each of the beneficiaries eligible for the retroactive payment in the previous calendar year, or can increase payments in the new calendar year by an amount large enough to meet the previous year's shortfall in expenditures.

Colorado has met the MOE target only once in the past five years, although the State has made up each shortfall with corrective actions during the following year. As a result of Colorado's frequent failure to meet the MOE expenditure test, the State was required to report its MOE expenditures monthly to the SSA in CY2010 so that SSA could monitor the State's compliance with the MOE expenditure requirement. The minimum sanction that could be imposed as a result of failure to meet the expenditure test is the loss of federal Medicaid matching dollars for three months (approximately $300 million).

Important factors affecting spending towards the MOE vary, and some of those factors are outside the Department's control. Programs that are counted towards the MOE have impacts that vary from year to year. For example, if fewer SSI recipients file for the property tax rebate, the result is lower spending on the target population. The nature of the MOE then requires that spending on other MOE programs be increased (OAP, AND/AB-CS, HCA, AFC). Information that the Department needs may be delayed. Using the property tax rebate as an example, if the Department finds out in October that payments for the period July through September have decreased, very little of the calendar year remains to try and recover in other programs. Change to the grant standards for the OAP, AND/AB-CS, HCA, and AFC programs is complicated by the Colorado Benefits Management System (CBMS), which requires two months prior preparation to make changes to the grant standard for the programs, thus shortening the time to analyze trends and impact that year's MOE.

Attempts to meet both the MOE and the state appropriation often cause fluctuations in the grant standards for SSI recipients receiving supplemental assistance. The Department's budgets for the programs that count towards the MOE is limited by appropriation. As a result, the Department is often in the position of increasing grant awards (or providing supplemental grant payments) during the period from July to December in order to meet the calendar year MOE then abruptly reducing grants from January through June in order to meet the budget constraint. Such fluctuations are a particular problem because many of the programs serve those who are extremely poor.

The line covers centralized general administrative services with staffing of 6.0 FTE including personal services and operating expenses for the administration of the Adult Aging Programs.

For FY 2009-10, the Department was appropriated $593,785 and 6.0 FTE through SB 09-259 (Long Bill). From the prior year, this budget increased by $28,359: $21,923 increase was provided through Prior Year Salary Survey; $7,809 increase was for the Prior Year Performance-based Pay at 80%; $189 one-time increase for DI-NP-2 “Postage Increase and Mail Equipment Upgrade” which was part of DPA Common Policy item; and a reduction to reduce personnel services line by 1.82% of $1,562 taken by the Joint Budget Committee April 22, 2009 to help balance the state budget. The final FY 2009-10 appropriation was $582,024 and 6.0 FTE through HB 10-1302 (Supplemental Bill), resulting in an overall decrease of $11,761 from SB 09-259. This one-time reduction was made from FY 2009-10 S-NP-1 “Statewide Furlough Impact”.

For FY 2010-11, the Department was appropriated $585,112 and 6.0 FTE through HB 10-1376 (Long Bill). From the prior year, this budget decreased by $8,673: a reduction of $189 annualizing FY 2009-10 DI-NP-2 "Postage Increase and Mail Equipment Upgrade"; an increase of $79 from FY 2010-11 BA-NP-5 "Mail Equipment Upgrade Supplemental and Budget Amendment"; and a reduction of $8,563 from FY 2010-11 BA-NP-1 " Statewide PERA Adjustment". The final FY 2010-11 appropriation was $584,078 and 6.0 FTE through SB 11-141 (Supplemental Bill), resulting in an overall decrease of $1,034 from HB 10-1376. This one-time reduction was made from a FY 2010-11 ES-1 “1% Across the Board Personal Service Reduction”.

For FY 2011-12, the Department was appropriated $584,225 and 6.0 FTE through SB 11-209 (Long Bill). From the prior year, this budget decreased by $887: an increase of $8,563 from the annualization of FY 2010-11 BA-NP-1 "Statewide PERA Adjustment"; a reduction of $1,049 from FY 2011-12 SBA-1 “Statewide 1% General Fund Reduction to Personal Services and Operating”; and a reduction of $8,401 from the JBC Action on Common Policy reduction to be 1.5% instead of 2%. For FY 2012-13, the Department is requesting a continuation of FY 2011-12 appropriation of $584,225 and 6.0 FTE.

(B) OLD AGE PENSION PROGRAM

The Depression in 1930 created an acute need for public assistance for the elderly, as persons lost homes, livelihoods, and savings. The Old Age Pension program (OAP) was authorized through an amendment to the Colorado Constitution passed in 1936. The OAP program is intended to supplement the income of persons 60 and older with no disability requirement for eligibility. There is a maximum grant of $699 per month effective January 1, 2009, which is approximately 77% of the FFY 2011 Federal Poverty Level ($907 per month for an individual). There is a resource limit of $2,000 for an individual and $3,000 per couple.

The State Constitution (Article XXIV, Old Age Pensions, Section 2) dedicates several major State revenue sources for financing the OAP program. The OAP program receives its funding from revenues based on 85 percent of the State sales, use, and liquor taxes; license fees, and inheritance and incorporation tax revenues. Only after Old Age Pension obligations are met do the remaining revenues from these sources become available to the General Fund. The State Board of Human Services has constitutional authority to administer the Old Age Pension program. The Board can adjust the basic minimum grant award if living costs have changed sufficiently to justify such action, such as when a cost of living adjustment (COLA) is passed by the federal SSI programs or the Federal Poverty Level is adjusted.

The Old Age Pension Program is funded primarily with OAP Cash Funds. OAP Refunds, which are considered reappropriated funds from collections, are a secondary source of funding. In addition to the Cash Assistance payments to OAP eligible individuals, this program provides reimbursements for burial expenses to OAP recipients. The OAP program has administrative costs for personal services and operating costs of the state staff administering the program and county administration for county staff that determine eligibility. There is also an OAP State Medical Program funded by a similar mechanism and administered by the Department of Health Care Policy and Financing.

Revenues that are not used for the OAP Program are transferred to the General Fund. As a result, greater expenditures in the OAP program mean less revenue in the General Fund to be used for other purposes. As the earmarked revenues are "continuously appropriated" by the State Constitution, the General Assembly does not directly control program expenditures. As such, the Long Bill simply reflects anticipated program expenditures for informational purposes, because the level of these expenditures can have an impact on the revenue available to the General Fund for other State programs.

For FY 2009-10, the Department was appropriated $95,991,864 through SB 09-259 (Long Bill). From the prior year, this budget increased by $15,119,946: $3,000,000 increase from the annualization of FY 2008-09 DI-17 “Old Age Pension Cost of Living Adjustment”; $1,801,722 for an initial COLA adjustment submitted before the Social Security Administration passed a COLA of 5.8% to bring the program in line with that action passed by the Human Services Board; and $10,318,224 increase from FY 2009-10 BA-9 “Cost of Living Adjustment for the Old Age Pension Program”. The final FY 2009-10 appropriation was $89,863,948 through HB 10-1302 (Supplemental Bill), resulting in an overall decrease of $6,127,916 from SB 09-259. This one-time reduction was made from FY 2009-10 August Budget Reduction "18-Old Age Pension Cost of Living and Other Adjustments.

August 2009 Budget Reduction #18-Old Age Pension Cost of Living and Other Adjustments
This request reduced the Old Age Pension (OAP) Cash Assistance Programs line by $6,127,916 total funds/cash funds for FY 2009-10. The latest information from the Social Security Administration (SSA) indicates that no cost of living adjustment (COLA) will be

implemented in calendar year 2010. The FY 2010-11 reduction would annualize to $7,033,507 in total funds/cash funds. Reduction of these cash funds will allow additional state revenues to flow into the General Fund.

For FY 2010-11, the Department was appropriated $90,889,044 through HB 10-1376 (Long Bill). From the prior year, this budget decreased by $5,102,820: $1,930,687 increase from annualizing FY 2009-10 DI-9 "Cost of Living Adjustment for the Old Age Pension Program" and a reduction of $7,033,507 from annualizing FY 2010-11 August Budget Reduction #18 "Old Age Pension Cost of Living and Other Adjustments"

For FY 2011-12, the Department was appropriated $77,490,727 through SB 11-209 (Long Bill). From the prior year, this budget decreased by $13,398,317: a reduction of $13,439,987 from HB 10-1384 Special Bill FY 2010-11 Appropriation "Noncitizen eligibility for Old Age Pension" and an increase of $41,670 to adjust the base estimate for FY 2010-11.

HB 10-1384 Noncitizen Eligibility for Old Age Pension:
HB 10-1384 implemented new restrictions on legal immigrants receiving OAP benefits, a five year waiting period (five year bar) for benefits and the ability to deem the immigrant's sponsor's income to the immigrant when determining eligibility for OAP benefits.. Beginning July 1, 2010, OAP legal immigrants must meet the five year bar before being eligible to receive OAP benefits. The State saved approximately $12 million dollars in FY2011 as a result of the five-year bar. It is anticipated that deeming of a sponsor's income will result in an additional savings to the program. . However, the federal American Recovery and Reinvestment Act of 2009 provided for an enhanced federal Medicaid match rate (FMAP) for states through December 31, 2010, subject to certain requirements. These requirements included restrictions on changes to eligibility for the Medicaid program. In addition, federal health care reform extends restrictions on changes to Medicaid eligibility for adults through January 1, 2014. The sponsor income deeming change to OAP eligibility included in HB 10-1384 is projected to affect Medicaid eligibility, therefore, the sponsor deeming requirement will not be implemented until January 2014, so only the savings for the five year bar will be realized until the FY 2014 budget.

For FY 2012-13, the Department is requesting a continuation of FY 2011-12 appropriation of $77,490,727.

REFUNDS

Refunds are obtained from collections from overpayments to eligible clients or payments to ineligible clients. These collections are used to offset OAP Cash Assistance expenditures. The amount of the refunds appropriation has not changed since FY 2006-07. The FY 2012-13 Base Request is a continued appropriation of $588,362 Cash Funds.

BURIAL REIMBURSEMENTS

Burial Reimbursement is provided to eligible individuals receiving benefits from OAP, OAP Home Care Allowance (HCA), or who are age 60 or older and are receiving Medicaid. The maximum burial payment for clients on these programs is $1,500. The appropriation has not changed since FY 2006-07. The FY 2012-13 Base Request is a continued appropriation of $918,364 Cash Funds.

STATE ADMINISTRATION

These dollars are used to fund state administration activities related to the Old Age Pension Program. Expenditures are for personal services and operating expenses for the management of programs funded through the OAP Cash Funds. Increases conform to common policy.

For FY 2009-10, the Department was appropriated $1,161,337 and 14.0 FTE through SB 09-259 (Long Bill). From the prior year, this budget increased by $46,643: $36,199 increase was provided through Prior Year Salary Survey; $12,770 increase was for the Prior Year Performance-based Pay at 80%; $228 one-time increase for DI-NP-2: “Postage Increase and Mail Equipment Upgrade” which was part of DPA Common Policy item; and a reduction to reduce personnel services line by 1.82% of $2,554 taken by the Joint Budget Committee April 22, 2009 to help balance the state budget. The final FY 2009-10 appropriation was $1,136,706 and 14.0 FTE through HB 10-1302 (Supplemental Bill), resulting in an overall decrease of $24,631 from SB 09-259. This one-time reduction was made from FY 2009-10 S-NP-1 “Statewide Furlough Impact”.

For FY 2010-11, the Department was appropriated $1,143,281 and 14.0 FTE through HB 10-1376 (Long Bill). From the prior year, this budget decreased by $18,056: a reduction of $228 annualizing FY 2009-10 DI-NP-2 "Postage Increase and Mail Equipment Upgrade"; an increase of $105 from FY 2010-11 BA-NP-5 "Mail Equipment Upgrade Supplemental and Budget Amendment"; and a reduction of $17,933 from FY 2010-11 BA-NP-1 "Statewide PERA Adjustment".

For FY 2011-12, the Department was appropriated $1,147,201 through SB 11-209 (Long Bill). From the prior year, this budget decreased by $3,920: an increase of $17,933 from the annualization of FY 2010-11 BA-NP-1 "Statewide PERA Adjustment" and a reduction of $14,013 from the JBC Action on Common Policy reduction to be 1.5% instead of 2%. For FY 2012-13, the Department is requesting a continuation of FY 2011-12 appropriation of $1,147,201 and 14.0 FTE.

COUNTY ADMINISTRATION

Counties are the initial intake agencies for determining eligibility for the Department of Human Services, including OAP. This appropriation funds the portion of county administration related to the Old Age Pension Program. This money is not included in the County Administration section of the Long Bill, and is included for informational purposes with the OAP Program lines as the funds are continuously appropriated. The Department requests a continuation level appropriation of cash funds (Old Age Pension). This line item includes expenses that are sometimes subject to the provider rate increase factor.

In FY 2009-10, the Department was appropriated $2,450,785 through SB 09-259 (Long Bill), which was a continuation from FY 2008-09 HB 08-1375 (Long Bill).

In FY 2010-11, the Department was appropriated $2,566,974 through HB 10-1376 (Long Bill). From the prior year, this budget increased by $116,189 from FY 2010-11 DI-3 "Increase County Administration in Old Age Pension." This request was approved to increase Old Age Pension Cash Funds for County Administration in the Old Age Pension Program by $116,189 for FY 2010-11 and ongoing in FY 2011-12. The Old Age Pension (OAP) program is mandated by the Colorado Constitution and is continuously appropriated. The request is informational and is being proposed in order to align actual anticipated expenditures with the appropriation in the annual appropriations bill. Changes in the OAP cash funds either increase or decrease additional state revenues that flow into the General Fund. In this case, increasing the County Administration line will decrease the amount that flows into the General Fund.

In FY 2011-12, the Department was appropriated $2,566,974 through SB 11-209 (Long Bill). The request for FY 2012-13 is a continuation from FY 2011-12 appropriation of $2,566,974.

(C) OTHER GRANT PROGRAMS

This group includes several programs that provide cash grants to eligible clients and includes the administration of the Single Point Entry process for two of the programs. Included are Aid to the Needy Disabled/Aid to the Blind Colorado Supplement (AND/AB-CS), the Aid to the Needy Disabled/Aid to the Blind State Only (AND/AB-SO), Home Care Allowance, and Adult Foster Care.

In FY 2007-08 three programs were consolidated into Aid to the Needy Disabled (AND) programs. The three programs are still tracked separately, internally, on the Colorado Benefits Management System (CBMS) but for program flexibility they were combined in SB 07-237 (FY 2007-08 Staff Figure Setting Pages 52-4, 3/5/07). The individual three AND programs are described as well as the history of the combined programs.

In the 2010 Legislative Session HB 10-1146 was passed to adapt the Home Care Allowance Program to include only SSI eligible persons to assist the Maintenance of Effort with the Social Security Administration. A new line item to transfer the contract with the Single Entry Point Agencies (SEPs), was transferred from the Department of Health Care Policy and Financing to the Department of Human Services.

HB 10-1146 State Funded Public Assistance Programs - This bill clarifies that the Department of Human Services (DHS) may provide adult foster care (AFC) only to persons eligible to receive Old Age Pension (OAP), Aid to the Needy Disabled (AND), or Aid to the Blind (AB). Home care allowance (HCA) is limited to persons who:

- Meet the functional impairment and financial criteria established under DHS rule;
- Were receiving OAP benefits on June 30, 2010, and remain continuously eligible for such benefits, or are receiving AND, AB, or supplemental security income (SSI) benefits; and
- Were not receiving home- and community-based services (HCBS) under the long-term care provisions of the state's Medicaid program.

Language authorizing the State to make medical care payments on behalf of AB or AND clients was removed. Authority to contract with single entry point (SEP) agencies for the HCA and AFC programs is also granted to the DHS, completing the transfer of the administration of these programs from the Department of Health Care Policy and Financing (DHCPF) initiated under SB 06-219. HCA and AFC are non-Medicaid programs that provide financial assistance to elderly and disabled persons to receive home or residential care. There were reductions in the HCA program to offset costs for CBMS and for some of the increases in Medicaid programs that are reflected in the Home Care Allowance line item for FY 2010-11 and annualized in FY 2011-12. Since all of the clients in HCA will now be SSI eligible it is assumed that the MOE will not be adversely affected by these reductions.

ADMINISTRATION – HOME CARE ALLOWANCE SEP CONTRACT

This line was established from HB 10-1146 transferring the administration of Single Entry Point (SEP) contracting for the AFC and HCA programs from the Department of Health Care Policy and Financing to the Department of Human Services along with commensurate funding. The SEP contract provides payments to agencies that determine eligibility for community-based long-term care programs, provide case management for clients in these programs, and make referrals to other resources. The transfer of responsibilities did not increase staff or other expenditures for the state.

The total amount is $1,009,902 for FY 2010-11, and $1,063,259 for FY 2011-12, an increase of $62,357 from the annualization of HB 10-1146 "State Funded Public Assistance Program". The FY 2012-13 request is a continuation from FY 2011-12 appropriation of $1,063,259.

AID TO THE NEEDY DISABLED PROGRAMS

The line item includes the funding for three related programs: Aid to the Needy Disabled – Colorado Supplement, Aid to the Needy Disabled - State-Only, and Aid to the Blind Supplemental. In general, these programs are allocated a fixed level of funding and operate within the overall budget by modifying the grant standard amount, *i.e.*, if the number of participants increases, funding provided per person declines. Total funding is comprised of General Fund, a 20 percent local share, and federal reimbursements for individuals who receive Aid to the Needy Disabled - State Only who are ultimately deemed eligible for the federal Supplemental Security Income (SSI) program.

The three programs were combined into a single line item in the Long Bill during FY 2007-08 to allow flexibility between the three programs and allow for administration of the appropriations to be streamlined.

Aid to the Needy Disabled – Colorado Supplement.
The AND-CS Program is funded 80% with state funds and 20% county funds. This program provides financial and Medicaid assistance for disabled Supplemental Security Income (SSI) recipients. The Social Security Administration makes the SSI payment directly to clients with 100% Federal funds. Only individuals who meet specific eligibility criteria and who receive less than the maximum SSI grants qualify for this Colorado Supplement program.

The age limit for this program is birth to 59. The program is included in the MOE for SSI programs. Disability, resource limit, exempt resources, income limit, citizenship, and residency requirements are the same as all SSI programs.

Aid to the Blind - Colorado Supplement.
The AB-CS Program is funded 80% with state funds and 20% county funds. This program provides financial and Medicaid assistance for disabled Supplemental Security Income (SSI) recipients. The Social Security Administration makes the SSI payment directly to clients with 100% Federal funds. Only individuals who meet specific eligibility criteria and who receive less than the maximum SSI grants qualify for this Colorado Supplement program.

The age limit for this program is birth to 59. The program is included in the MOE for SSI programs. Disability, resource limit, exempt resources, income limit, citizenship, and residency requirements are the same as all SSI programs.

Aid to the Needy Disabled State Only.
The AND -SO program was established in 1953 and provides basic financial assistance to qualifying low-income, disabled persons aged 18 to 59. This program provides assistance to persons with a disabling condition, lasting six months or longer, who are awaiting SSI determination. If an individual is found to be eligible for SSI, the Social Security Administration will reimburse the state for all AND-SO payments made to the person while waiting for SSI eligibility determination. These reimbursements are referred to as Interim Assistance Reimbursements (IARs) and are used to offset the state and county costs of this program. The current AND-SO maximum grant amount is $175 per month. AND-SO recipients do not qualify for Medicaid.

The AND-SO program requirements include a disability that is expected to last six months or longer (which is less than the 12-month duration required under SSI) or have a disability resulting from alcohol or drug abuse (a disabling condition that does not qualify individuals for SSI assistance). To qualify, a person must be certified by a physician or other designated medical practitioner. The state-only program does not count towards the State's MOE expenditures.

This program is funded with 80% State funds and 20% county funds. An additional source of funding for the AND-SO program (now included in the AND Programs) is the repayment of Interim Assistance to the State. Interim Assistance Reimbursements (IARs) are a significant source of cash revenues for the Aid to the Needy Disabled programs. The State provides assistance during the period while a potential SSI recipient is awaiting a decision by the federal Social Security Administration on their eligibility. When an SSI applicant qualifies, their initial benefit payment covers the entire period from the time of their application. Out of that payment, the State is reimbursed for the assistance they provided during the waiting period. Predicting the amount of IAR revenues that will be received has been difficult for the Department, resulting in a series of supplemental requests. The IARs are considered a volatile source of funding as they are influenced by the workflow of the Social Security Administration. The IARs anticipated for the last several years has both been under the amount included in the Long Bill and over that amount. Budget requests have been submitted to reflect the ups and downs of these cash fund revenues for the Aid to the Needy Disabled program line.

The appropriation has remained unchanged at $17,428,495 since FY 2008-09 and for FY 2012-13, the Department is requesting a continuation at that same level.

BURIAL REIMBURSEMENTS

Burial Reimbursement is provided to eligible individuals receiving benefits from AND-SO, AND/AB-CS, AND-SO Home Care Allowance (HCA), AND/AB-CS HCA, or who are between age 18 and 59 and are receiving Medicaid. The maximum burial payment for clients on these programs is $1,000. The State pays 80% of the cost and the county pays 20%. There has been no change in the appropriation except for the reallocation from Cash Funds Exempt to Cash Funds in HB 08-1375. The FY 2012-13 request is a continued appropriation totaling $508,000.

HOME CARE ALLOWANCE

Home Care Allowance (HCA) provides a cash benefit to individuals that need minimal help in daily living to prevent nursing home placement. The cash benefit must be used to pay a homecare provider and cannot be used for other expenses. SB 06-219 transferred responsibility for funding of this program to the Department of Human Services from the Department of Health Care Policy and Financing. Funding is comprised of 95% General Fund and 5% County Funds. Depending upon the individual's need score, he or she receives from $200 to $475 per month. The program has a caseload of approximately 3,000 individuals per month.

The line item appropriation totaled $10,880,411 from FY 2006-07 through FY 2010-11. Final FY 2010-11 appropriation decreased by $360,545 due to HB 10-1146 “State Funded Public Assistance Programs”. FY 2011-12 appropriation increased by $23,891 due to the annualization of HB 10-1146, and the department is requesting a continuation for FY 2012-13 of the $10,543,757 appropriation.

HB 10-1146 became effective January 1, 2011, allowing individuals to receive Medicaid Home and Community-based Services (HCBS) or HCA, but not both. Home Care Allowance for SSI-eligible individuals is a significant component of Colorado's SSI maintenance of effort spending. Therefore, HB 10-1146 anticipated that most of the HCA caseload lost due to eliminating dual-eligibility for HCA and HCBS would be replaced by expanding services to individuals on the waiting list for developmental disability services. The Department projected that this could increase expenditures counted toward the SSI maintenance of effort requirement by up to $650,760 per year.

ADULT FOSTER CARE

This program is a structured living arrangement for adults 18 and older who qualify due to physical or mental problems. The Adult Foster Care Program is a program administered by the Colorado Department of Human Services and transferred from the Department of Health Care Policy and Financing per SB 06-219, the HCPF reorganization bill. The program is effective at keeping clients in the community and out of a more costly nursing home setting and is funded 95% General Funds and 5% County Funds Exempt. Although there were some statutory and eligibility changes per HB 10-1146, the budget was not affected. The $157,469 line item appropriation has not changed since FY 2006-07. The Department is requesting a continuation of $157,469 in FY 2012-13

SSI STABILIZATION FUND PROGRAMS

House Bill 09-1215, a JBC bill, created a stabilization fund to assist the Department in meeting the SSI maintenance of effort requirement. Pursuant to 26-2-210, C.R.S., excess interim assistance reimbursements and other moneys recovered due to overpayment of recipients (plus any appropriations to the Fund) are continuously appropriated to the Department to be expended on programs that count toward the SSI MOE in a year when the Department determines the State is at risk of not meeting the MOE. At the end of the fiscal year, any amounts in excess of $1.5 million in the Fund revert to the General Fund.

State Supplemental Security Income Stabilization Fund (Fund 24G)	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Requested	FY 2013-14 Projected
Beginning Fund Balance	$904,250	$1,499,999	$1,499,999	$1,499,999	$1,499,999
Revenues	$1,451,777	$925,945	$925,945	$925,945	$925,945
Expenditures	$856,028	$925,945	$925,945	$925,945	$925,945
Ending Fund Balance	$1,499,999	$1,499,999	$1,499,999	$1,499,999	$1,499,999

SB 11-209 appropriated $1,000,000 Cash Funds in FY 2011-12. The Department is requesting a continuation in FY 2012-13.

(D) COMMUNITY SERVICES FOR THE ELDERLY

This section encompasses programs funded by the federal Older Americans Act and State Funding for Senior Services. Responsibilities include developing a state plan for aging services, overseeing federal grants and providing assistance and funding to 16 local Area Agencies on Aging and local service providers to provide services to seniors age 60 years and older.

ADMINISTRATION

This line item funds salary, operations, and contractual services related to the state administration of the Older Americans Act and State Funding for Senior Services. There are 7.0 FTEs that administer these programs for the State of Colorado. The following information provides a history of the appropriation from the FY 2009-10 to the current request.

For FY 2009-10, the Department was appropriated $685,783 and 7.0 FTE through SB 09-259 (Long Bill). From the prior year, this budget increased by $27,917: $21,039 increase was provided through Prior Year Salary Survey; $5,992 increase was for the Prior Year Performance-based Pay at 80%; and a one-time increase of $886 for DI-NP-2 “Postage Increase and Mail Equipment Upgrade” which was part of DPA Common Policy item. The final FY 2009-10 appropriation was $673,012 and 7.0 FTE through HB 10-1302 (Supplemental Bill), resulting in an overall decrease of $12,771 from SB 09-259: one-time reduction of $12,191 was made from FY 2009-10 S-NP-1 “Statewide Furlough Impact” and an one-time decrease of $580 from FY 2009-10 S-NP-5 “Mail Equipment upgrade”.

For FY 2010-11, the Department was appropriated 676,427 and 7.0 FTE through HB 10-1376 (Long Bill). From the prior year, this budget decreased by $9,356: a reduction of $886 annualizing FY 2009-10 DI-NP-2: "Postage Increase and Mail Equipment Upgrade"; an increase of $406 from FY 2010-11 BA-NP-5 "Mail Equipment Upgrade Supplemental and Budget Amendment"; and a reduction of $8,876 from FY 2010-11 BA-NP-1 "Statewide PERA Adjustment". The final FY 2010-11 appropriation was $674,835 and 7.0 FTE through SB 11-141 (Supplemental Bill), resulting in an overall decrease of $1,592 from HB 10-1376. This one-time reduction was made from a FY 2010-11 ES-1 “1% Across the Board Personal Service Reduction”.

For FY 2011-12, the Department was appropriated $674,579 and 7.0 FTE through SB 11-209 (Long Bill). From the prior year, this budget decreased by $1,848: an increase of $8,876 from the annualization of FY 2010-11 BA-NP-1 "Statewide PERA Adjustment"; a reduction of $1,615 from FY 2011-12 SBA-1 “Statewide 1% General Fund Reduction to Personal Services / Operating”; and a reduction of $9,109 from the JBC Action on Common Policy reduction to be 1.5% instead of 2%. For FY 2012-13, the Department is requesting a continuation of the FY 2011-12 appropriation of $674,579 and 7.0 FTE which includes a net $0 request from Funding Request #4 “Title III Older American Act Matching Requirement and General Fund Savings”.

COLORADO COMMISSION ON AGING

The Colorado Commission on Aging consists of seventeen members appointed by the governor, with the consent of the senate to: (a) Conduct, and encourage other organizations to conduct studies of the problems of the state's older people; (b) Assist governmental and private agencies to coordinate their efforts on behalf of the aging and aged in order that such efforts be effective and that duplication and waste of effort be eliminated; (c) Promote and aid in the establishment of local programs and services for the aging and aged. The commission shall assist governmental and private agencies by designing surveys that may be used locally to determine needs of older people; by recommending the creation of services; by collection and distribution of information on aging; and by assisting public and private organizations in all ways; (d) Conduct promotional activities and programs of public education on problems of the aging; (e) Review existing programs for the aging and make recommendations to the governor and the general assembly for improvements in such programs; and (f) Advise and make recommendations to the state department and the state office on aging, on the problems of and programs and services for the aging and aged. Funding is for staff support of 1.0 FTE to the Commission, which meets quarterly, and assists the Commission with special projects in addition to regular administrative duties.

Under the auspices of the Older Americans Act (OAA), Older Coloradans Act (OCA) established in HB 00-1072, and State Funding for Senior Services (SFSS), the services are generally available to individuals who are age 60 or over including those who are homebound, frail, isolated, or have difficulty with some aspects of daily living. These programs specifically target low-income, low-income minority, and rural individuals. The intent of the Older Americans Act is for the State Unit on Aging (SUA) to be the leader, relative to all aging issues, on behalf of older persons in Colorado. These programs are administered by 16 Area Agencies on Aging (AAAs) located throughout the State. The State's responsibilities for administering the Title III and Title VII Programs funded under the Older Americans Act include developing a State Plan on Aging, overseeing federal grants, and providing assistance to the AAAs and other local service providers. Services include supportive services; senior centers; nutrition services; in-home services for persons outside the eligibility thresholds for Medicaid; caregiver support; and disease prevention and health promotion services. Additionally, the SUA administers the OAA Title V Senior Community Service Employment Program (SCSEP), and the Title VII Elder Rights Protection Programs via contracts for services.

For FY 2009-10, the Department was appropriated $82,132 and 1.0 FTE through SB 09-259 (Long Bill). From the prior year, this budget increased by $2,823: $2,129 increase was provided through Prior Year Salary Survey; $607 increase was for the Prior Year Performance-based Pay at 80%; and a one-time increase of $87 for DI-NP-2 “Postage Increase and Mail Equipment Upgrade” which was part of DPA Common Policy item. The final FY 2009-10 appropriation was $80,279 and 1.0 FTE through HB 10-1302 (Supplemental Bill), resulting in an overall decrease of $1,853 from SB 09-259. This one-time reduction was made from FY 2009-10 S-NP-1 “Statewide Furlough Impact”

For FY 2010-11, the Department was appropriated 80,735 and 1.0 FTE through HB 10-1376 (Long Bill). From the prior year, this budget decreased by $1,397: a reduction of $87 annualizing FY 2009-10 DI-NP-2: "Postage Increase and Mail Equipment Upgrade"; an increase of $40 from FY 2010-11 BA-NP-5 "Mail Equipment Upgrade Supplemental and Budget Amendment"; and a reduction of $1,350 from FY 2010-11 BA-NP-1 "Statewide PERA Adjustment". The final FY 2010-11 appropriation was $80,598 and 1.0 FTE through SB 11-141 (Supplemental Bill), resulting in an overall decrease of $137 from HB 10-1376. This one-time reduction was made from a FY 2010-11 ES-1 “1% Across the Board Personal Service Reduction”.

For FY 2011-12, the Department was appropriated $81,126 and 1.0 FTE through SB 11-209 (Long Bill). From the prior year, this budget increased by $391: an increase of $1,350 from the annualization of FY 2010-11 BA-NP-1 "Statewide PERA Adjustment"; a reduction of $141 from FY 2011-12 SBA-1 “Statewide 1% General Fund Reduction to Personal Services / Operating”; and a reduction of $818 from the JBC Action on Common Policy reduction to be 1.5% instead of 2%. For FY 2012-13, the Department is requesting a continuation of the FY 2011-12 appropriation of $81,126 and 1.0 FTE, which includes a net $0 request from Funding Request #4 “Title III Older American Act Matching Requirement and General Fund Savings”.

SENIOR COMMUNITY SERVICES EMPLOYMENT

The Senior Community Service Employment Program (SCSEP) promotes useful, part-time employment training opportunities in community service organizations for persons with low incomes, who are 55 years of age or older, pursuant to a grant received pursuant to Title V of the Older Americans Act. This program is entirely federally funded. Eligible participants are provided subsidized wages, training for skill enhancement or acquisition of skills, personal and employment counseling, and assistance in obtaining un-subsidized employment. The State enters into contracts with local community providers to implement this program. This is done through nonprofit host agencies and on-the-job experience employers. A 0.5 FTE assists the program. The following table details the line item appropriation from the FY 2009-2010 to the current request.

For FY 2009-10, the Department was appropriated $863,857 and 0.5 FTE through SB 09-259 (Long Bill). From the prior year, this budget increased by $1,478: $1,138 increase was provided through Prior Year Salary Survey and a $340 increase was for the Prior Year Performance-based Pay at 80% The final FY 2009-10 appropriation was $860,638 and 0.5 FTE through HB 10-1302 (Supplemental Bill), resulting in an overall decrease of $3,219 from SB 09-259. This one-time reduction was made from FY 2009-10 S-NP-1 “Statewide Furlough Impact”

For FY 2010-11, the Department was appropriated $861,514 and 0.5 FTE through HB 10-1376 (Long Bill). From the prior year, this budget decreased by $2,343 from FY 2010-11 BA-NP-1 "Statewide PERA Adjustment". For FY 2011-12, the Department was appropriated $1,233,440 and 0.5 FTE through SB 11-209 (Long Bill). From the prior year, this budget increased by $371,926: an increase of $2,343 from the annualization of FY 2010-11 BA-NP-1 "Statewide PERA Adjustment" and an increase of $369,583 based on JBC staff recommended and approved by the committee during Figure Setting on February 16, 2011 (page 110) to more accurately reflect federal funds anticipated to be received for this program. For FY 2012-13, the Department is requesting a continuation of the FY 2011-12 appropriation of $1,233,440 and 0.5 FTE.

OLDER AMERICANS ACT PROGRAMS

This line item provides funding for Area Agencies on Aging to contract with provider agencies to deliver a variety of services to older persons. Services provided include:

- Supportive services and senior centers, with functions that include case management, client representation, shopping assistance, transportation, chore services, personal care services, adult day care, health screening, legal services, and an ombudsman;
- Nutrition services such as congregate meals, nutrition screening, and education;
- In-home services for older adults who are either not eligible for or whose needs cannot be completely met through Medicaid, Home Care Allowance and Adult Foster Care (homemaker services, personal care services, home repair services, visiting services); and,
- Disease prevention and health promotion services (e.g., health risk assessments, programs regarding physical fitness, education regarding diagnosis, prevention and treatment of age related diseases and chronic disabling conditions).

In general, services are available to individuals age 60 and over regardless of income or assets. While the federal government does not allow a means test, it does require that priority be given to those with the greatest social and economic need, with particular attention to low-income minority individuals and those who are frail, homebound, or otherwise isolated. Provider agencies often request voluntary contributions from consumers for services.

HB 07-1324 – Interest ColoradansProgram

This law requires money credited to the Older Coloradans Cash Fund from sales and use taxes provide funding for community programs that benefit the elderly. Money in the fund is distributed under the same formula that the state uses to distribute money under the federal Older American Act of 1965. All interest earned by fund money at the end of the fiscal year is required to remain in the fund and cannot be credited to the General Fund or any other fund.

State funds spent on the Older American Act Programs draw down federal matching funds at a 17 to 1 ratio. This bill authorizes the Department to spend a portion of the accumulated interest in the Older Coloradans Cash Fund ($40,000) to enable the program to receive $680,000 in federal matching funds. The Department of Human Services allocates these funds to the Area Agencies on Aging (AAAs).

A portion of the funding for this line item comes from the Older Colorado Cash Fund (14F), authorized by 26-11-205.5(5), C.R.S. (2011). The fund is used to provide grants to the 16 Area Agencies on Aging (AAA) to assist persons 60 years of age or older to live in their own homes and communities for as long as possible. Revenue is generated with sales and use tax, interest, gifts, grants and donations. The following chart outlines the cash fund projection.

Older Colorado Cash Fund (14F)	**FY 2009-10 Actual**	**FY 2010-11 Actual**	**FY 2011-12 Estimated**	**FY 2012-13 Requested**	**FY 2013-14 Projected**
Beginning Fund Balance	$449,452	$566,777	$283,208	$283,208	$283,208
Revenues	$8,104,825	$8,064,183	$8,040,000	$8,040,000	$8,040,000
Expenditures	$7,987,500	$8,347,752	$8,040,000	$8,040,000	$8,040,000
Ending Fund Balance	$566,777	$283,208	$283,208	$283,208	$283,208

For FY 2009-10, the appropriation remained unchanged since FY 2008-09 at $14,141,987. During FY 2010-11 this appropriation increased by $606,824 from FY 2010-11 DI#2 "Funding for Community Services for the Elderly" to $14,748,811 though HB 10-1376 (Long Bill).

The final FY 2010-11 appropriation was $17,153,126, which increased by $2,404,315 through SB 11-141 (Supplemental Bill). $2,270,742 increase was from FY 2010-11 S5 "Funding for Community Services for the Elderly" and $133,573 increase was to Increase General Fund with transfer from State Funding for Senior Services line. JBC Figure Setting, February 16, 2010 page 112.

For FY 2011-12, the Department was appropriated $17,574,052 through SB 11-209 (Long Bill). From the prior year, this budget increased by $2,825,241, which included $2,670,622 from FY 2011-12 BA-3 “Funding for Community Services for the Elderly” and $154,619 increase in General Fund from the transfer from the State Funding for Senior Services line item. For FY 2012-13, the Department is requesting a continuation of the FY 2011-12 appropriation of $17,574,052.

NATIONAL FAMILY CAREGIVER SUPPORT PROGRAM

The National Family Caregiver Support Program (NFCSP) provides services to caregivers, so they may continue to provide care to family and loved ones who are age 60 and over. This was the first new program under the Older Americans Act since 1972. Beginning with HB 02-1420 in FY 2002-03, services have been provided to caregivers of individuals who are "frail" - persons medically determined to be functionally impaired and unable to perform at least two activities of daily living without substantial human assistance. Caregiver services include respite, information, access assistance, respite care, counseling and training, and supplemental services. Additionally, the National Family Caregiver Support Program offers services to older individuals providing assistance for adult children with disabilities, and grandparents or other relative caregivers caring for children eighteen or younger. A "relative caregiver" means a grandparent or step-grandparent of a child, or a relative of a child by blood or marriage, who is 60 years of age or older and lives with the child, is the primary caregiver of the child, and has a legal relationship to the child or raises the child informally.

This appropriation has not changed since FY 2008-09 with funding of $2,263,386. For FY 2012-2013, the Department is requesting a continuation of the FY 2011-12 appropriation.

STATE OMBUDSMAN PROGRAM

State Ombudsman Program is managed through a contract with a local community provider on behalf of older adults residing in long-term care facilities. Ombudsman services are provided to benefit elderly residents of the facility involved in complaints and/or assistance to older adult residents of long-term care facilities in general. Ombudsman services are often the only viable avenue of assistance available and the contract includes both administrative and part-time legal assistance developer services as well as the management of paid local ombudsmen and volunteer ombudsmen. The Legal Center provides training to AAAs and local ombudsman staff, and training and technical services associated with program administration.

The line item appropriation has not changed since FY 2008-09 with funding at $272,031. For FY 2012-2013, the Department is requesting a continuation of the FY 2011-12 appropriation.

STATE FUNDING FOR SENIOR SERVICES

This line was created to reflect state funding for senior services above and beyond the state match required for Older Americans Act programs. The cash funds portion of the appropriation is from the Older Coloradans Fund. That fund receives revenue from a diversion of funds that would otherwise go to the General Fund. Section 26-11-205.5 (2), C.R.S., requires that moneys appropriated from this fund are administered through the 16 statewide Area Agencies on Aging, but the funds can be used with more flexibility than is afforded under OAA programs. The state funding for senior services allows more than 25,000 Older Coloradans to receive services including: personal care, assisted transportation, congregate meals, home-delivered meals, homemaker services, adult day care, transportation, and legal assistance. Through this program, the State of Colorado helps to provide senior programs throughout the state.

HB 08-1108 - Increase Funds For Older CO Cash Fund
For fiscal years beginning with FY 2007-08, the bill increased funding to the Older Coloradans Cash Fund from receipts collected from the state sales and use tax. Funding was increased from $3.0 million to $9.0 million (SB 09-259 Long Bill) in FY 2009-2010.

The FY 2010-11 appropriation (HB 10-1376) totaling $8,966,241 was decreased $33,759 as a result of FY 2010-11 DI#2 "Funding for Community Services for the Elderly." The final FY 2010-11 appropriation decreased by $133,573 from approval of the committee to transfer General Fund to the State Funding for Senior Services line item through SB 11-141 (Supplemental Bill). The final FY 2010-11 appropriation totaled $8,832,668.

In FY 2011-12, the appropriation decreased by $21,046 from the annualization of transferring General Funds to the State Funding for Senior Services line item though SB 11-209 (Long Bill). The FY 2011-12 appropriation totaled $8,811,622. For FY 2012-2013, the Department is requesting a continuation of the FY 2011-12 appropriation. .

AREA AGENCIES ON AGING ADMINISTRATION

The 16 Area Agencies on Aging (AAAs) develop and administer an area plan, consistent with the state plan, for a comprehensive and coordinated system of programs in the planning and service area; assist older persons in obtaining their rights, benefits, and entitlements currently available under the law; identify special needs or barriers to maintaining personal independence; involve older persons in the area in the development and planning of services delivered within the area; assess the need for services within the planning and service area to determine the effectiveness of existing services available within the area; and conduct public hearings on the needs and problems of older persons and on the area plan.

In FY 2009-10, the Department was appropriated $1,353,957 through SB 09-259 (Long Bill) and was a continuation from prior year.

In FY 2010-11, the Department was appropriated $1,375,384 through HB 10-1376, which included an increase of $21,427 from FY 2009-10 DI-2 "Funding for Community Services for the Elderly."

For FY 2011-2012, the appropriation remained the same at $1,375,384. For FY 2012-2013, the Department is requesting a continuation of the FY 2011-12 appropriation.

Department of Human Services
Line Item Descriptions

Division of Youth Corrections

FY 2012-13 Budget Request

NOVEMBER 1, 2011

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(11) DIVISION OF YOUTH CORRECTIONS

The Division of Youth Corrections (DYC) in the Department of Human Services (DHS) is responsible for management and oversight of delinquent juveniles who are detained while awaiting adjudication, and for those who are committed to the department after adjudication. In addition, juveniles may be sentenced as a condition of parole for up to 45 days to a detention facility, or for 60 days to the Community Accountability Program. Funding for the Community Accountability Program was eliminated in the 2003 legislative session. However, this program still exists in statute. The Division's responsibility for committed juveniles extends through a six-month mandatory parole period during which the youth is in the community. Finally, the Division allocates funds by formula to each judicial district in accordance with SB 91-94 for the development of local alternatives to incarceration. Both the Division of Criminal Justice and the Legislative Council Staff provide population estimates for the Division of Youth Corrections. These estimates are considered when determining appropriations, as population growth and inflation are the main factors in the need for additional appropriations.

(A) ADMINISTRATION

This section of the Division is responsible for establishing program policies and procedures for the treatment of juveniles in the custody of the Division, monitoring compliance with these standards, collecting data, and providing strategic planning. Other duties of the Administration section include contract management and victim notification. Other divisions within the Department of Human Services provide support for the accounting, facilities maintenance, for human resource functions of the Division.

PERSONAL SERVICES

This line item funds salaries, PERA, and Medicare for administrative and management staff of the Division. The workload for the "Personal Services" line item in the Administration section is driven by the number of employees and programs in the Division that require supervision and strategic guidance, and by the amount and complexity of research and statistical data requested by the legislature, general public, and DYC’s own management. These factors are generally increasing, rather than decreasing.

A large number of youths are in contract placements. Although the direct care of the youths is provided by the private sector, any caseload growth requires DYC to manage a larger number of contracts with private providers, including contracts with licensed Psychiatric Residential Treatment Facilities and Therapeutic Residential Child Care Facilities, medical and mental health treatment providers, local school districts, and colleges.

The Department was appropriated $1,382,127 and 15.4 FTE through SB 09-259 (Long Bill) in FY 2009-10. From the prior year Long Bill appropriation, this is an increase of $78,334, including: an increase of $60,893 for Salary Survey Awarded in FY 2008-09 (FY

2009-10 Staff Figure Setting 2/18/09, pages 8-9), and an increase of $17,451 for the Performance-based Pay at 80% (FY 2009-10 Staff Figure Setting 2/18/09, pages 8-9).

The final FY 2009-10 appropriation was $1,340,448 and 15.4 FTE through HB 10-1302 (Supplemental), a reduction of $41,679. The final appropriation included a reduction for FY 2009-10 S-NP-1: “Statewide Furlough Impact” (Supplemental Request for FY 2009-10 1/20/10, pages 40-45).

The Department was appropriated $1,351,783 and 15.4 FTE through HB 10-1376 (Long Bill) in FY 2010-11. From the final FY 2009-10 appropriation in HB 10-1302 (Supplemental), this line item appropriation increased by $11,335, including: an increase of $41,679 to annualize FY 2009-10 S-NP-1: “Statewide Furlough Impact” and a reduction of $30,344 for FY 2010-11 BA-NP-1: “Statewide PERA Adjustment” (FY 2010-11 Staff Figure Setting 3/17/10, page 91).

The final FY 2010-11 appropriation was $1,338,265 and 15.4 FTE through SB 11-141 (Supplemental). The supplemental bill includes a reduction of $13,518 for FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction.”

The FY 2011-12 Base Request was for $1,382,127 and 15.4 FTE. The base request includes an increase of $13,518 to reverse the FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction,” and an increase of $30,344 to reverse FY 2010-11 BA-NP-1: “Statewide PERA Adjustment.”

The FY 2011-12 November 1 Request was for $1,325,914 and 15.4 FTE and included the following: a reduction of $27,643 from FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction," and a reduction of $28,570 for FY 2011-12 NP-7 “Statewide PERA Adjustment.”

The Department was appropriated $1,347,573 and 15.4 FTE through the Long Bill, SB 11-209 in FY 2011-12, an increase of $21,659 from the November 1 Request. The change includes: an increase of $27,643 to reverse FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction"; a reduction of $13,822 for FY 2011-12 SBA-1: “Statewide 1% General Fund Reduction to Personal Services/Operating,” a reduction of $20,732 for the JBC common policy 1.5% reduction, rather than 2%; and an increase of $28,570 to reverse FY 2011-12 NP-7 “Statewide PERA Adjustment.”

SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA,” reduced the FY 2011-12 appropriation by $28,570 to $1,319,003 and 15.4 FTE.
The Department is requesting $1,347,573 and 15.4 FTE in FY 2012-13, an increase of $28,570 from the final FY 2011-12 appropriation. The increase annualizes SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA.”

OPERATING EXPENSES

This line item provides operating funds for the administrative and management staff of the Division. Expenditures are for general office supplies; office equipment maintenance, purchases, and repairs; and travel expenses.

The Department was appropriated $30,432 through SB 09-259 (Long Bill) in FY 2009-10. From the prior year Long Bill appropriation, this is an increase of $138 for FY 2009-10 NP #2 “Postage Increase and Mail Equipment Upgrade” (FY 2009-10 Staff Figure Setting 2/18/09, pages 9-10).

The Department was appropriated $29,111 through HB 10-1376 (Long Bill) in FY 2010-11. From the final FY 2009-10 appropriation in SB 09-259 (Long Bill), this line item appropriation decreased by $1,321, including: a reduction of $138 to reverse FY 2009-10 NP #2 “Postage Increase and Mail Equipment Upgrade”; an increase of $31 for FY 2010-11 BA-NP-5: “Mail Equipment Upgrade” (FY 2010-11 Staff Figure Setting – 3/17/10, Pages 89, 92); a reduction of $1,246 fo FY 2010-11 BA-NP-8: “5% Operating Reductions” (FY 2010-11 Staff Figure Setting – 3/17/10, Pages 89, 92); and an increase of $32 for FY 2010-11 JBC adjustment to BA-NP-5: “Mail Equipment Upgrade Supplemental and Budget Amendment.”

The Department was appropriated $29,111 through SB 11-209 in FY 2011-12. This amount was a continuation amount from the FY 2010-11 Long Bill Appropriation.

The Department is requesting $30,357 in FY 2012-13. This increase of $1,246 annualizes FY 2010-11 SBA-8: “5% Operating Reduction.”

VICTIM ASSISTANCE

This line item provides spending authority and 0.5 FTE to help DYC fulfill its obligation to keep victims informed. For victims of qualifying charges (crimes against persons), DYC provides notification of all movements and status changes of the perpetrator within the youth corrections system, such as escapes and return to custody, eligibility for visits to the community and cancellation of visits, hearings involving the perpetrator, recommitments, transfer to the adult system, death, and expiration of commitment. The victim has the right at any of these events to provide statements for review.
Fund Source Overview. The source of reappropriated funds for the victim assistance program is a grant from the Division of Criminal Justice in the Department of Public Safety made pursuant to Section 24-33.5-506, C.R.S. The State Victims Assistance and Law Enforcement Advisory Board (State VALE Board), created in Section 24-33.5-508, C.R.S., advises the Division of Criminal Justice on what grants to make. Revenue for the State VALE fund comes from a percentage of surcharges on criminal offenders levied at the

judicial district level, with a small amount coming from the Department of Corrections' Prison Industry Enhancement Program (federal) of which a certain amount must be used to provide direct services to crime victims.

The Department was appropriated $29,599 and 0.5 FTE through SB 09-259 (Long Bill) in FY 2009-10. From the prior year Long Bill appropriation, this is an increase of $1,301, including: an increase of $1,031 for Salary Survey Awarded in FY 2008-09 (FY 2009-10 Staff Figure Setting 2/18/09, pages 10-11), and an increase of $270 for the Performance-based Pay at 80% (FY 2008-09 Staff Figure Setting 2/18/09, pages 10-11).

In FY 2010-11, the Department’s appropriation was unchanged from FY 2009-10, $29,599 and 0.5 FTE through HB 10-1376 (Long Bill).

The FY 2011-12 Base Request was a continuation request for $29,599 and 0.5 FTE. The FY 2011-12 November 1 Request was for $28,027 and 0.5 FTE and included a reduction of $1,572 for FY 2011-12 NP-7 “Statewide PERA Adjustment.”

The Department was appropriated $29,203 and 0.5 FTE through the Long Bill, SB 11-209, an increase of $1,176 from the November 1 Request. The change includes a reduction of $396 for the JBC common policy 1.5% reduction, rather than 2%; and an increase of $1,572 to reverse FY 2011-12 NP-7 “Statewide PERA Adjustment.”

SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA,” reduced the FY 2011-12 appropriation by $1,572 to $27,631 and 0.5 FTE.

The Department is requesting $29,203 and 0.5 FTE in FY 2012-13, an increase of $1,572 from the final FY 2011-12 appropriation. The increase is to annualize SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA.”

(B) INSTITUTIONAL PROGRAMS

This section of the Division includes state-operated detention and commitment facilities, and diagnostic and program services for juveniles while they are in a DYC institution. Additional services for juveniles who leave an institutional setting, for example to a community placement or parole, are funded through the Community Programs section.

PERSONAL SERVICES

This line item pays salaries for the majority of program, supervisory, and support staff at DYC institutions. Educational and medical staffs are funded in separate line items, and physical plant staffs are funded through the Office of Operations.

The Department was appropriated $43,576,875 and 794.3 FTE through SB 09-259 (Long Bill) in FY 2009-10. From the final prior year appropriation in SB 09-189 (Supplemental), this is an increase of $1,309,639, including: an increase of $399,735 to reverse the one-time reduction from FY 2008-09 S-30a: “Hiring Freeze Savings”; an increase of $1,234,957 for Salary Survey Awarded in FY 2008-09 (FY 2009-10 Staff Figure Setting 2/18/09, pages 10-11); an increase of $481,578 for the Performance-based Pay at 80% (FY 2009-10 Staff Figure Setting 2/18/09, pages 10-11); and a reduction of $806,631 for the Personal Services Base Reduction of 1.82% (Description of Issues – Figure Setting FY 2009-10 Personal Services Common Policies 2/04/09, Pages 4-11).

The final FY 2009-10 appropriation was $44,139,754 and 794.3 FTE through HB 10-1302 (Supplemental), an increase of $562,879. The final appropriation included the following: a reduction of $15,000 for the FY 2009-10 August Budget Reduction #22: “Rate Reduction in Cost of Living Adjustment Contract Services (Supplemental Request for FY 2009-10 1/20/10, Pages 20-21); and an increase of $577,879 for FY 2009-10 S-NP-1: “Statewide Furlough Impact” (Supplemental Request for FY 2009-10 1/20/10, pages 40-45).

FY 2009-10 August Budget Reduction #22 – Rate Reduction in Cost of Living Adjustment for Contract Services
The Division of Youth Corrections reduced Personal Services contracts by 2.0 percent as a temporary decrease to the base for contractors providing client services. This is a total reduction to this line of $15,000 and for all affected lines a reduction of $691,102, General Fund for FY 2009-10 only.

The Department was appropriated $43,427,375 and 794.3 FTE through HB 10-1376 (Long Bill) in FY 2010-11. From the final FY 2009-10 appropriation in HB 10-1302 (Supplemental), this line item appropriation decreased by $712,379, including: an increase of $806,631 to reverse the Personal Services Base Reduction of 1.82%; a reduction of $577,879 to annualize FY 2009-10 S-NP-1: “Statewide Furlough Impact”; an increase of $15,000 to reverse the FY 2009-10 August Budget Reduction #22: “Rate Reduction in Cost of Living Adjustment Contract Services”; a reduction of $923,597 for FY 2010-11 BA-NP-1: “Statewide PERA Adjustment” (FY 2010-11 Staff Figure Setting 3/17/10, page 93-94); and a reduction of $32,534 for FY 2010-11 BRI-4: “Two Percent (2%) Community Provider Rate Base Decrease” (FY 2010-11 Staff Figure Setting 3/17/10, Pages 93-94).

The final FY 2010-11 appropriation was $43,340,520 and 794.3 FTE through SB 11-141 (Supplemental). The supplemental bill includes a reduction of $86,855 for FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction.”

The FY 2011-12 Base Request was for $44,350,972 and 794.3 FTE in FY 2011-12. The base request includes an increase of $86,855 to reverse the FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction,” and an increase of $923,597 to reverse FY 2010-11 BA-NP-1: “Statewide PERA Adjustment.”

The FY 2011-12 November 1 Request was for $43,262,660 and 799.3 FTE and included the following: a reduction of $177,404 from FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction," and a reduction of $910,908 for FY 2011-12 NP-7 “Statewide PERA Adjustment.” The request also included the addition of 5.0 FTE for FY 2011-12 DI-5: “Transfer of Sol Vista Youth Services Center FTE to the Division of Youth Corrections.”

The Department was appropriated $43,597,005 and 799.3 FTE through the Long Bill, SB 11-209, an increase of $334,345 from the November 1 Request. The change includes: an increase of $177,404 to reverse FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction"; a reduction of $88,702 for FY 2011-12 SBA-1: “Statewide 1% General Fund Reduction to Personal Services/Operating,” a reduction of $665,265 for the JBC common policy 1.5% reduction, rather than 2%; and an increase of $910,908 to reverse FY 2011-12 NP-7 “Statewide PERA Adjustment.”

The final FY 2011-12 appropriation was $42,291,860 and 791.0 FTE and included a total reduction of $1,305,145 and 8.3 FTE from two FY 2011-12 special bills – SB 11-076 and SB 11-217. SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA,” reduced the FY 2011-12 appropriation by $910,908. SB 11-217, “Concerning a Reduction to the Juvenile Detention Cap,” reduced the appropriation by $394,237 and 8.3 FTE.

FY 2011-12 DI#5 – Transfer Sol Vista Youth Services FTE to the Division of Youth Corrections
This request will transfer 5.0 FTE currently appropriated at the Colorado Mental Health Institute at Pueblo (CMHIP) to the DYC. The transfer will help to effectively and efficiently manage the operations of the Sol Vista Youth Services Center (YSC). The funding for these positions is currently included in the DYC General Fund appropriation.

The Department is requesting $43,123,919 and 789.3 FTE in FY 2012-13, an increase of $832,059 and a decrease of 1.7 FTE from the final FY 2011-12 appropriation. The request includes an increase of $910,908 to annualize SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA,” and a reduction of $78,849 and 1.7 FTE to annualize SB 11-217, “Concerning a Reduction to the Juvenile Detention Cap.”

OPERATING EXPENSES

This line item funds the operation of DYC facilities, including such expenses as uniforms for staff and juveniles, custodial and laundry supplies, telephone fees, office equipment, and counseling supplies. Nearly half of the appropriation is for food and food service supplies. The federal school breakfast and lunch program pays most food costs. Reappropriated funds in the line item are funds transferred from the Department of Education for the federal school breakfast and lunch program.

The Department was appropriated $3,412,311 through SB 09-259 (Long Bill) in FY 2009-10. From the prior year Long Bill appropriation, this is an increase of $877 for FY 2009-10 NP #2 “Postage Increase and Mail Equipment Upgrade” (FY 2009-10 Staff Figure Setting 2/18/09, pages 9-10).

The final FY 2009-10 appropriation was $3,602,020 through HB 10-1302 (Supplemental Bill). This was an increase of $189,709 from the Long Bill appropriation and includes an increase of $190,283 for FY 2009-10 August Budget Reduction Proposal #20: “Increase State Capacity to 120% at State Commitment Facilities” (Supplemental Request for FY 2009-10 1/20/10, Pages 16-18), and a reduction of $574 for FY 2009-10 S-NP-5: “Mail Equipment Upgrade” (Supplemental Request for FY 2009-10 1/20/10, Page 49).

FY 2009-10 August Budget Reduction Proposal #20-Increase State Capacity to 120% at State Commitment Facilities
The DYC increased usage of state commitment facilities to 120% for FY 2009-10 for a reduction of $3,895,450 total funds. The current number of state facility beds for committed use is 434.5. The Division is increasing this number to 521.4. This proposal will decrease the number of dollars paid to third party contractors for private treatment beds for the Division’s committed population. After considering increased cost for custody-related expenses (medical and operating expenses ($190,283 for additional youth food and other expenses)) for the additional 87 Average Daily Population in state-operated facilities, 100% General Fund savings would save a total of $3,812,327 net General Fund in FY 2009-10 only. There is no effect on the FY 2011-12 requested budget.

The Department was appropriated $3,369,950 through HB 10-1376 (Long Bill) in FY 2010-11. From the final FY 2009-10 appropriation in HB 10-1302 (Supplemental), this line item appropriation decreased by $232,070, including: a reduction of $877 to reverse FY 2009-10 NP #2 “Postage Increase and Mail Equipment Upgrade”; a reduction of $190,283 to reverse the one-time only FY 2009-10 August Budget Reduction Proposal #20: “Increase State Capacity to 120% at State Commitment Facilities”; an increase of $574 to reverse FY 2009-10 S-NP-5: “Mail Equipment Upgrade”; an increase of $200 for FY 2010-11 BA-NP-5: “Mail Equipment Upgrade” (FY 2010-11 Staff Figure Setting – 3/17/10, Pages 94-95); a reduction of $41,887 for FY 2010-11 BA-NP-8: “5% Operating Reductions” (FY 2010-11 Staff Figure Setting – 3/17/10, Pages 94-95); and an increase of $203 for FY 2010-11 JBC adjustment to BA-NP-5: “Mail Equipment Upgrade Supplemental and Budget Amendment” (FY 2010-11 Staff Figure Setting 3/17/10, Pages 94-95).

The FY 2011-12 Base Request and November 1 request were both continuation requests for $3,369,950. The Department was appropriated this amount through SB 11-209. The final FY 2011-12 appropriation was $3,382,033 and included an increase of $12,083 for the FY 2011-12 special bill SB 11-217: “Concerning a Reduction to the Juvenile Detention Bed Cap.”

The Department is requesting $3,402,337 in FY 2012-13. This increase of $20,304 includes an increase of $41,887 for FY 2010-11 SBA-8: “5% Operating Reduction,” and a reduction of $21,583 to annualize SB 11-217: “Concerning a Reduction to the Juvenile Detention Bed Cap.”

MEDICAL SERVICES

Personnel, contract, and operating costs associated with providing medical services to DYC youth were consolidated into one line item several years ago to enable better tracking of costs and to provide the Division with more flexibility in managing medical expenses. Because this is a "program" line item, there are three distinct components to the recommendation: (1) personal services, (2) contract services, and (3) operating expenses.

(1) Personal Services **-** This portion of the line item pays for staff in state-operated facilities that are providing routine medical care and administer medications, especially psychotropics. Youth in contract facilities are eligible for Medicaid.
(2) Contract Services **-** The Division's primary contract for medical services is with Correctional Health Partners (CHP). CHP manages the relationships, rates, and billings for hospitals, emergency rooms, ambulances, and other specialty care which is provided offsite from a facility. In addition, Devereaux Cleo Wallace provides acute mental health services at Lookout Mountain Youth Services Center in the Cypress Unit. The Division spends smaller amounts on contracts for infrequently used on-site medical services, such as psychiatrists, and on contracts for medical services in areas where it is difficult to recruit state FTE.
(3) Operating Expenses **-** The majority of medical operating expenses are for youth in state-owned or state-operated commitment facilities. Federal rules prohibit youth in state-owned or state-operated institutions from accessing Medicaid. However, juveniles in contract facilities can typically meet Medicaid eligibility requirements because they are considered a family of one for the income criteria. Exceptions exist for youth placed out-of-state and youth in secure contract facilities. Detained youth who have not been committed, and therefore are not officially a ward (legal custody) of the State, may retain the Medicaid status they had prior to detention for the short duration of their stay.

The Department was appropriated $8,017,892 and 39.0 FTE through SB 09-259 (Long Bill) in FY 2009-10. From the prior year Long Bill appropriation, this is an increase of $83,113, including: an increase of $93,329 for Salary Survey Awarded in FY 2008-09 (FY 2009-10 Staff Figure Setting 2/18/09, pages 13-15); an increase of $33,472 for the Performance-based Pay at 80% (FY 2009-10 Staff Figure Setting 2/18/09, pages 13-15); a reduction of $43,735 for the Personal Services Base Reduction of 1.82% (Description of Issues

– Figure Setting FY 2009-10 Personal Services Common Policies 2/04/09, Pages 4-11); and an increase of $47 for FY 2009-10 NP #2: "Postage Increase and Mail Equipment Upgrade" (FY 2009-10 Staff Figure Setting 2/18/09, pages 13-15).

The final FY 2009-10 appropriation was $8,309,521 and 39.0 FTE through HB 10-1302 (Supplemental), an increase of $291,629. The final appropriation included the following: an increase of $354,489 for FY 2009-10 August Budget Reduction Proposal #20: "Increase State Capacity to 120% at State Commitment Facilities" (Supplemental Request for FY 2009-10 1/20/10, pages 16-18); a reduction of $72,489 for FY 2009-10 August Budget Reduction Proposal #22: "Rate Reduction in Cost of Living Adjustment for Contract Services" (Supplemental Request for FY 2009-10 1/20/10, pages 20-21); and an increase of $9,629 for FY 2009-10 S-NP-1: "Statewide Furlough Impact" (Supplemental Request for FY 2009-10 1/20/10, pages 40-45).

FY 2009-10 Budget Reduction Proposal #20-Increase State Capacity to 120% at State Commitment Facilities
The Division of Youth Correction increased usage of state commitment facilities to 120% for FY 2009-10 for a reduction of $3,895,450 total funds. The current number of state facility beds for committed use is 434.5. The Division is increasing this number to 521.4. This proposal will decrease the number of dollars paid to third party contractors for private treatment beds for the Division's committed population. After considering increased cost for custody related expenses (medical services of $354,489 and operating expenses) for the additional 87 Average Daily Population in state-operated facilities, 100% General Fund savings would save a total of $3,812,327 net General Fund in FY 2009-10 only. There is no affect on the FY 2011-12 requested budget.

FY 2009-10 August Budget Reduction #22 – Rate Reduction in Cost of Living Adjustment for Contract Services
The Division of Youth Corrections reduced provider contracts by 2.0 percent as a temporary decrease to the base for contractors providing client services. This is a total reduction to this line of $72,489 and for all affected lines a reduction of $691,102, General Fund for FY 2009-10 only.

The Department was appropriated $7,989,118 and 39.0 FTE through HB 10-1376 (Long Bill) in FY 2010-11. From the final FY 2009-10 appropriation in HB 10-1302 (Supplemental), this line item appropriation decreased by $320,403, including: a reduction of $354,489 to reverse the one-time only FY 2009-10 August Budget Reduction Proposal #20: "Increase State Capacity to 120% at State Commitment Facilities"; an increase of $72,489 to reverse the one-time only FY 2009-10 August Budget Reduction Proposal #22: "Rate Reduction in Cost of Living Adjustment for Contract Services"; a reduction of $9,629 to reverse FY 2009-10 S-NP-1: "Statewide Furlough Impact"; an increase of $43,735 to reverse the one-time Personal Services Base Reduction of 1.82%; a reduction of $66,081 for FY 2010-11 BA-NP-1: "Statewide PERA Adjustment" (FY 2010-11 Staff Figure Setting 3/17/10, pages 95-98); a reduction of $36 to reverse FY 2009-10 NP #2 "Postage Increase and Mail Equipment Upgrade"; an increase of $11 to reverse FY 2010-11 BA-NP-5: "Mail Equipment Upgrade" (FY 2010-11 Staff Figure Setting – 3/17/10, Pages 95-98); and a reduction of $6,403 for FY 2010-11 BA-NP-8: "5% Operating Reductions" (FY 2010-11 Staff Figure Setting – 3/17/10, Pages 95-98).

The final FY 2010-11 appropriation was $7,983,142 and 39.0 FTE through SB 11-141 (Supplemental). The supplemental bill includes a reduction of $5,976 for FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction.”

The FY 2011-12 Base Request was for $8,055,199 and 39.0 FTE in FY 2011-12. The base request includes an increase of $66,081 to reverse the FY 2010-11 BA-NP-1: “Statewide PERA Adjustment” (FY 2010-11 Staff Figure Setting 3/17/10, pages 95-98) and an increase of $5,976 to reverse FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction.”

The FY 2011-12 November 1 Request was for $7,982,441 and 39.0 FTE and included the following: a reduction of $12,216 from FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction," and a reduction of $60,542 for FY 2011-12 NP-7 “Statewide PERA Adjustment.”

The Department was appropriated $6,985,209 and 39.0 FTE through the Long Bill, SB 11-209, a decrease of $997,232 from the November 1 Request. The change includes: an increase of $12,216 to reverse FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction"; a reduction of $6,108 for FY 2011-12 SBA-1: “Statewide 1% General Fund Reduction to Personal Services/Operating,” a reduction of $74,882 for the JBC common policy 1.5% reduction, rather than 2%; an increase of $60,542 to reverse FY 2011-12 NP-7 “Statewide PERA Adjustment”; and a reduction of $989,000 for JBC Action: “Remove Ridge View Medicaid.”

SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA,” reduced the FY 2011-12 appropriation by $60,542 to $6,924,667 and 39.0 FTE.

The Department is requesting $6,991,612 and 39.0 FTE in FY 2012-13, an increase of $66,945 from the final FY 2011-12 appropriation. The increase includes an additional $60,542 to annualize SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA,” and an additional $6,403 to annualize FY 2010-11 SBA-8: “5% Operating Reduction.”

ENHANCED MENTAL HEALTH SERVICES PILOT FOR DETENTION

The funding in this line item is intended to examine the efficacy of providing intensive mental health services for detained youth. At the time this line item was added to the budget, DYC had a system-wide problem with readmissions to detention. The Division believed that a disproportionate share of the juveniles getting readmitted had a mental health problem that was not being treated in the community. The appropriation in the line item provided for assessment by DYC of youth in detention at the Mount View and Grand Mesa facilities. A companion piece of funding in the Division of Children's Health and Rehabilitation provided community treatment upon release. Due to the shortage of General Fund dollars, this line item was eliminated in FY 2003-04. In FY 2005-06, the General

Assembly provided $250,000 General Fund to reestablish this program. As part of the budget reductions in FY 2009-10 the program was eliminated again.

FY 2009-10 Budget Reduction Proposal #11- Eliminate the Enhanced Mental Health Pilot Services for Detained Youth Program
This budget reduction totaled $580,385 General Fund ($380,940 Division of Behavioral Health and $199,445 Division of Youth Corrections) in FY 2009-10 and $773,847 ($507,920 Division of Behavioral Health and $265,927 Division of Youth Corrections) in FY 2010-11, and it eliminated the Enhanced Mental Health Pilot Services for Detained Youth Program.

EDUCATIONAL PROGRAMS

This line item funds personal services and operating expenses associated with education, primarily in state-operated commitment facilities. In contract commitment facilities, and in detention facilities, education is the responsibility of local school districts and is paid for with the help of state per pupil revenue (PPR). A limited portion of the "Educational Programs" line item is used to supplement PPR-funded services at detention facilities with health education, such as AIDS prevention and substance abuse prevention.

There are three sources of federal funds for this line item that appear as reappropriated funds because the money is transferred from the Department of Education: (1) the Carl D. Perkins Vocational Education Act for vocational training; (2) Title I of the Elementary and Secondary Education Act for disadvantaged youth; and (3) the Individuals with Disabilities Education Act for special education.

The Department was appropriated $5,861,480 and 40.8 FTE through SB 09-259 (Long Bill) in FY 2009-10. From the prior year Long Bill appropriation, this is an increase of $164,112, including: an increase of $186,149 for Salary Survey Awarded in FY 2008-09 (FY 2009-10 Staff Figure Setting 2/18/09, pages 16-17); an increase of $30,549 for the Performance-based Pay at 80% (FY 2009-10 Staff Figure Setting 2/18/09, pages 16-17); and a reduction of $52,586 for the Personal Services Base Reduction of 1.82% (Description of Issues – Figure Setting FY 2009-10 Personal Services Common Policies 2/04/09, Pages 4-11).
The final FY 2009-10 appropriation was $5,830,418 and 40.8 FTE through HB 10-1302 (Supplemental), a reduction of $31,062. The final appropriation included a reduction of $45,630 for FY 2009-10 August Budget Reduction Proposal #22: “Rate Reduction in Cost of Living Adjustment for Contract Services” (Supplemental Request for FY 2009-10 1/20/10, pages 20-21), and an increase of $14,568 for FY 2009-10 S-NP-1: “Statewide Furlough Impact” (Supplemental Request for FY 2009-10 1/20/10, pages 40-45).

The Department was appropriated $5,788,767 and 40.8 FTE through HB 10-1376 (Long Bill) in FY 2010-11. From the final FY 2009-10 appropriation in HB 10-1302 (Supplemental), this line item appropriation decreased by $41,651, including: an increase of $52,586 to reverse the one-time Personal Services Base Reduction of 1.82%; a reduction of $14,568 to reverse FY 2009-10 S-NP-1: “Statewide Furlough Impact”; an increase of $45,630 to reverse the one-time only FY 2009-10 August Budget Reduction Proposal

#20: “Increase State Capacity to 120% at State Commitment Facilities”; a reduction of $8,152 for FY 2010-11 BA-NP-8: “5% Operating Reductions” (FY 2010-11 Staff Figure Setting – 3/17/10, Pages 99-100); a reduction of $57,760 for FY 2010-11 BA-NP-1: “Statewide PERA Adjustment” (FY 2010-11 Staff Figure Setting 3/17/10, pages 99-100); and a reduction of $59,387 for FY 2010-11 BRI-4: “Two Percent (2%) Community Provider Rate Base Decrease” (FY 2010-11 Staff Figure Setting 3/17/10, pages 99-100).

The final FY 2010-11 appropriation was $5,783,861 and 40.8 FTE through SB 11-141 (Supplemental). The supplemental bill includes a reduction of $4,906 for FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction.”

The FY 2011-12 Base Request was for $5,846,527 and 40.8 FTE in FY 2011-12. The base request includes an increase of $4,906 to reverse FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction,” and $57,760 to reverse the FY 2010-11 BA-NP-1: “Statewide PERA Adjustment” (FY 2010-11 Staff Figure Setting 3/17/10, pages 99-100).

The FY 2011-12 November 1 Request was for $5,780,444 and 40.8 FTE and included the following: a reduction of $10,043 from FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction," and a reduction of $56,040 for FY 2011-12 NP-7 “Statewide PERA Adjustment.”

The Department was appropriated $5,798,103 and 40.8 FTE through the Long Bill, SB 11-209, an increase of $17,659 from the November 1 Request. The change includes: an increase of $10,043 to reverse FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction"; a reduction of $5,022 for FY 2011-12 SBA-1: “Statewide 1% General Fund Reduction to Personal Services/Operating,” a reduction of $43,402 for the JBC common policy 1.5% reduction, rather than 2%; and an increase of $56,040 to reverse FY 2011-12 NP-7 “Statewide PERA Adjustment.”

SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA,” reduced the FY 2011-12 appropriation by $56,040 to $5,742,063 and 40.8 FTE.
The Department is requesting $5,806,255 and 40.8 FTE in FY 2012-13, an increase of $64,192 from the final FY 2011-12 appropriation. The increase includes an additional $56,040 to annualize SB 11-076, a “Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA,” and an additional $8,152 to annualize FY 2010-11 SBA-8: “5% Operating Reduction.”

PREVENTION/INTERVENTION SERVICES

This line item provides spending authority for an intra-agency agreement between DYC and the Alcohol and Drug Abuse Division (ADAD) located in the Division of Mental Health. Historically, the funds have supported drug and alcohol assessment and training for substance abuse counselors in DYC facilities. Prior to FY 2002-03, the funds were originally appropriated in ADAD as General

Fund dollars. Because the funds are transferred to DYC, they are reflected as reappropriated funds in DYC's budget. Because of budget reductions, no General Fund dollars are transferred from ADAD. The dollars transferred to DYC are federal funds.

For FY 2009-10 through FY 2011-12, the Department was appropriated $49,693 and 1.0 FTE through SB 09-259, HB 10-1376, and SB 11-209 (Long Bills). Each appropriation was a continuation of prior year funding.

The Department is requesting a continuation appropriation of $49,693 and 1.0 FTE in FY 2012-13.

(C) COMMUNITY PROGRAMS

This section of the Division funds contract placements of juveniles typically in community settings with lower security levels than state-operated institutions. This section also supports case management that begins during a juvenile's stay in commitment and continues through the end of parole. Finally, this section funds S.B. 91-94 programs intended to divert juveniles from detention and commitment, or reduce their length of stay.

PERSONAL SERVICES

This line item supports personal services for case managers, support staff, and regional administrators, who are responsible for overseeing contract placements and the overall operation of DYC services in the area. Beginning in FY 1997-98, the Division combined the role of case manager and parole officer, so the same individual tracks a juvenile through the system from commitment to the end of parole. The source of cash funds in this line item is a reimbursement by the operator of the Ridge View facility to offset the cost of monitoring the facility pursuant to Section 19-2-411.5 (2)(e), C.R.S. (2011).

The Department was appropriated $8,097,328 and 117.0 FTE through SB 09-259 (Long Bill) in FY 2009-10. From the prior year Long Bill appropriation, this is an increase of $167,866 and a reduction of 1.8 FTE, including: an increase of $324,743 for Salary Survey Awarded in FY 2008-09 (FY 2009-10 Staff Figure Setting 2/18/09, pages 18-19), an increase of $93,011 for the Performance-based Pay at 80% (FY 2009-10 Staff Figure Setting 2/18/09, pages 18-19); a reduction of $151,704 for the Personal Services Base Reduction of 1.82% (Description of Issues – Figure Setting FY 2009-10 Personal Services Common Policies 2/04/09, pages 4-11); and a reduction of $98,184 and 1.8 FTE for FY 2009-10 BA-50A: “Functional Family Parole” (FY 2009-10 Staff Figure Setting 2/18/09, pages, 18-19).

The final FY 2009-10 appropriation was $7,585,045 and 110.6 FTE through HB 10-1302 (Supplemental), a reduction of $512,283 and 6.4 FTE. The final appropriation included a reduction of $423,600 and 6.4 FTE for FY 2009-10 August Budget Reduction Proposal #23: “Reduction in Client Management Positions” redirected to this line by FY 2009-10 #S-5: “Technical Correction” (Supplemental

Request for FY 2009-10 1/20/10, pages 21-24). Also included, a reduction of $88,683 for FY 2009-10 S-NP-1: “Statewide Furlough Impact” (Supplemental Request for FY 2009-10 1/20/10, pages 40-45).

FY 2009-10 Budget Reduction Proposal #23-Reduction in Client Management Positions (Technical Correction FY 2009-10 #S-5)
The Division of Youth Corrections (DYC) re-aligned its caseload for its client management system, and reduced 6.4 FTE and $423,600 in personal services, General Fund in FY 2009-10. This proposal took effect on October 1st, when these positions were vacant. For FY 2010-11 this is a reduction of 9.6 FTE and $635,400 in personal services, General Fund. The total reduction includes both personal services and operating expenses.

The Department was appropriated $7,436,906 and 107.4 FTE through HB 10-1376 (Long Bill) in FY 2010-11. From the final FY 2009-10 appropriation in HB 10-1302 (Supplemental), this line item appropriation decreased by $148,139 and 3.2 FTE, including: an increase of $151,704 to reverse the one-time Personal Services Base Reduction of 1.82%; an increase of $88,683 to annualize FY 2009-10 S-NP-1: “Statewide Furlough Impact”; a reduction of $211,800 and 3.2 FTE to annualize FY 2010-11 August Budget Reduction Proposal #23: “Reduction in Client Manager Positions” (FY 2010-11 Staff Figure Setting 3/17/10, pages 100-102); a reduction of $176,726 for FY 2010-11 BA-NP-1: “Statewide PERA Adjustment” (FY 2010-11 Staff Figure Setting 3/17/10, page 100-102).

The final FY 2010-11 appropriation was $7,365,629 and 107.4 FTE through SB 11-141 (Supplemental). The supplemental bill includes a reduction of $71,277 for FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction.”

The FY 2011-12 Base Request was for $7,613,632 and 107.4 FTE in FY 2011-12. The base request includes an increase of $71,277 to reverse the FY 2010-11 ES-1: “1% Across the Board Personal Service Reduction,” and an increase of $176,726 to reverse FY 2010-11 BA-NP-1: “Statewide PERA Adjustment.”

The FY 2011-12 November 1 Request was for $7,300,038 and 107.4 FTE and included the following: a reduction of $145,945 from FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction," and a reduction of $167,649 for FY 2011-12 NP-7 “Statewide PERA Adjustment.”

The Department was appropriated $6,775,791 and 97.8 FTE through the Long Bill, SB 11-209, an reduction of $524,247 and 9.6 FTE from the November 1 Request. The change includes: an increase of $145,945 to reverse FY 2011-12 NP-4: "2% Across the Board Personal Services Reduction"; a reduction of $72,973 for FY 2011-12 SBA-1: “Statewide 1% General Fund Reduction to Personal Services/Operating”; a reduction of $650,664 and 9.6 FTE for JBC Action: “Reduce Client Manager Positions”; a reduction of $114,204 for the JBC common policy 1.5% reduction, rather than 2%; and an increase of $167,649 to reverse FY 2011-12 NP-7 “Statewide PERA Adjustment.”

SB 11-076, a "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA," reduced the FY 2011-12 appropriation by $167,649 to $6,608,142 and 97.8 FTE.

The Department is requesting $6,775,791 and 97.8 FTE in FY 2012-13, an increase of $167,649 from the final FY 2011-12 appropriation. The increase annualizes SB 11-076, a "Continuation of a Temporary Modification to the Contribution Rates for Certain Divisions of PERA."

OPERATING EXPENSES

This line item appropriation provides operating funds for the FTE in the personal services line item above. The single largest expenditure category from this line item is fuel expenditures, reflecting the mobile nature of case management work. The source of cash funds is fees collected from the Ridge View contractor to offset the cost of monitoring operations in DYC facilities, which is required pursuant to Section 19-2-411.5 (2)(e), C.R.S. (2011).

The Department was appropriated $351,377 through SB 09-259 (Long Bill) in FY 2009-10. From the prior year Long Bill appropriation, this is an increase of $327 for FY 2009-10 NP #2 "Postage Increase and Mail Equipment Upgrade" (FY 2009-10 Staff Figure Setting 2/18/09, pages 19-20) and a reduction of $8,810 to reverse FY 2008-09 BA-50A: "Functional Family Parole" (FY 2009-10 Staff Figure Setting 2/18/09, pages 19-20).
The final FY 2009-10 appropriation was $346,603 through HB 10-1302 (Supplemental Bill). This was a reduction of $4,774 from the Long Bill appropriation and includes an reduction of $4,560 for FY 2009-10 August Budget Reduction Proposal #23: "Reduction in Client Management Positions" redirected to this line by FY 2009-10 #S-5: "Technical Correction" (Supplemental Request for FY 2009-10 1/20/10, pages 21-24); and a reduction of $214 for FY 2009-10 S-NP-5: "Mail Equipment Upgrade" (Supplemental Request for FY 2009-10 1/20/10, Page 49).

FY 2009-10 Budget Reduction Proposal #23-Reduction in Client Management Positions
The Division of Youth Corrections (DYC) re-aligned its caseload for its client management system and reduced 6.4 FTE and $428,160 General Fund in FY 2009-10. This proposal took effect on October 1st, when these positions were vacant. The Division's goal was to avoid layoffs with this proposal. For FY 2010-11 this is a reduction of 9.6 FTE and $642,240 General Fund. The reduction includes both personal services and operating expense reductions. Operating expenses are identified in the table that follows.

The Department was appropriated $330,980 through HB 10-1376 (Long Bill) in FY 2010-11. From the final FY 2009-10 appropriation in HB 10-1302 (Supplemental), this line item appropriation decreased by $15,623, including: a reduction of $2,280 to annualize FY 2009-10 August Budget Reduction Proposal #23: “Reduction in Client Management Positions”; a reduction of $327 to reverse FY 2009-10 NP #2 “Postage Increase and Mail Equipment Upgrade”; an increase of $214 to reverse FY 2009-10 S-NP-5: “Mail Equipment Upgrade”; a reduction of $13,304 for FY 2010-11 BA-NP-8: “5% Operating Reductions” (FY 2010-11 Staff Figure Setting – 3/17/10, pages 102-103); and an increase of $74 for FY 2010-11 JBC adjustment to BA-NP-5: “Mail Equipment Upgrade Supplemental and Budget Amendment.”

The FY 2011-12 Base Request and November 1 request were both continuation requests for $330,980. The Department was appropriated $324,140 through SB 11-209 in FY 2011-12. The request was reduced by $6,840 to account for the operating expenses from the JBC Action: “Reduce Client Manager Positions.”

The Department is requesting $337,444 in FY 2012-13. This increase of $13,304 is to reverse FY 2010-11 SBA-8: “5% Operating Reduction.”

PURCHASE OF CONTRACT PLACEMENTS

This line item appropriation provides funding for the Division to contract with private for-profit and non-profit organizations to house and treat youth. All of the contracts funded through this line item are for residential services. Non-residential services are paid for through other line items.
The source of reappropriated funds is Medicaid funds appropriated to the Department of Health Care Policy and Financing.

Within the last decade, there has been enormous growth in the DYC system. The Division’s state-operated capacity has easily been outpaced by the demand for residential and non-residential services; thus, the Division has augmented its capacity through the Purchase of Contract Placements Subprogram. The attraction of residential contract placements is that privately operated programs do not require the State to construct and staff new facilities. This process of building new state facilities often involves several years of preparation. Because of anticipated growth in populations, the State requires more immediate solutions. The Division views the Purchase of Contract Placements Subprogram as essential to its system. This subprogram includes an array of contract residential placement services for youth needing secure, staff-secure, and non-secure residential placement services. In addition, residential services are provided to youth transitioning to the community after release from institutional settings and adjudicated youth that have been assessed as appropriate for placement in a community residential setting. Payment is made to private vendors for the provision of a range of services to youth based on specific treatment and counseling needs. The Division continues to move forward in implementing a continuum of care approach to enhancing services for committed youth. With the approval of the General Assembly, the Division has applied funds for residential placements to provide treatment, transition, and wraparound services to committed youth. FY 2005-06 funds were partially used to build service delivery capacity in the community and to develop evidence-based treatment programs to serve DYC youth in the community.

The primary statutory mandates of the Division of Youth Corrections are to ensure the public safety and provide rehabilitative services to youth in order to prevent further delinquent behaviors and thus reduce recidivism. The commitment of certain youth for delinquent behaviors, as well as supervision of youth while on parole, is essential to maintaining the public safety. In addition, the Division seeks to provide services that address the specific social, educational, medical, mental health, substance abuse, and other offense-specific treatment needs of youth to maximize their ability to rejoin society as responsible, contributing members. This is essential to maintaining public safety in the long run, as previous offenders become contributing citizens in their communities.

The Division, as part of its ongoing efforts to systematically pursue and use the most advanced strategies available for juvenile rehabilitation, launched the Continuum of Care Initiative in Spring 2006. The initiative is based on principles of effective juvenile justice strategies that have been proven through research and practice. These principles include an integrated strategy involving state-of-the-art assessment, enhanced treatment services within residential facilities, and improved transitions to appropriate community-based services. The Division made a commitment to examine and realign internal operational practices to be more consistent with the principles of evidence-based practice and a broader array of interventions that have the most research support for being effective in reducing recidivism and re-victimization by juvenile offenders. As part of this strategy, the Continuum of Care Initiative seeks to provide the optimal length of service in each stage of the continuum as juvenile offenders move from secure residential to community-based parole services. In order to ensure accurate and targeted information to support individualized case planning, the Division identified a state-of-the-art, empirically based risk assessment instrument (the Washington State Juvenile Risk Assessment) modified and renamed the Colorado Juvenile Risk Assessment (CJRA) for use in Colorado.

<u>Balancing State Capacity and Contract Bed Capacity:</u> The Division of Youth Corrections uses the Colorado Juvenile Risk Assessment to identify risk and need for each juvenile, the results of which drive an individual treatment plan. Placement decisions, including the level of security and projected length of stay, are informed by the level of assessed risk and need. This process is a critical component of the Division's Continuum of Care Initiative. Successful outcomes are dependent upon evidence-based risk assessment and a placement commensurate with risk and need. This process exemplifies the Division's Key Strategy to "provide the right service at the right time." This strategy requires the availability and use of a range of placement options from secure to staff secure to more open community placements.

Placement decisions based upon risk and need have formed a foundation for the Division's successes through the Continuum of Care Initiative. Reductions in length of service, re-commitments and pre-discharge recidivism rates are directly related to making placement decisions through this process. Research has demonstrated that placing lower level offenders with more serious high-risk offenders leads to poor outcomes and increases in recidivism rates, consequently generating a negative impact upon public safety.

DYC's current balance of state-operated secure programs and private contract programs reflects this principle; and, therefore, is the driver of the Division's current state-operated bed use. In addition to a focus on the "right service at the right time," current use reflects the attainment of system efficiencies DYC has realized through initiatives such as the Continuum of Care. These include a streamlined assessment process; reductions in the length of time youth await an initial placement following the assessment, and the ability to intervene with parolees in the community in lieu of a parole revocation – thereby reducing the number of parole failures in state-operated programs. Artificially shifting low-level offenders to secure beds, particularly when all assessment and diagnostic data suggests that a youth would be more successful in a staff supervised contract placement, jeopardizes the advances made in the reduction of recidivism, recommitment, and ensuring the appropriate length of service.

The transfer of continuum of care expenditures, $1,021,575 in FY 2008-09 and $750,000 in FY 2009-10, from the Purchase of Contract Placements line item to the Parole Program Services line item will continue to support the Division's emphasis on the Continuum of Care through the provision of transition and parole services in the community. This funding has been reduced in FY 2011-12 in the amount of $1,683,076, essentially eliminating all gains made to support the emphasis on parole and transition services.

The Division has worked to build capacity in each region to effectively transition youth back to their home communities. Often this transition involves youth leaving placements in the Denver Metro Area to distant rural communities across the State. DYC has worked to develop capacity for youth transitioning from Ridge View Youth Services Center, Lookout Mountain Youth Services Center and the Betty Marler Youth Services Center. These efforts include addressing the challenge of providing evidence-based programming, namely Multi-Systemic Therapy and Functional Family Therapy in rural communities.

The average age of youth at commitment has increased over the past 10 years to approximately 17 years of age. This increase, combined with the growth in identified mental health issues, has resulted in the need to develop specialized community services. Specifically, the target population is youth who have long-term system involvement, will be above the age of eighteen at parole and who have no family resources. These youth must prepare for emancipation and independent living.

<u>Cost Avoidance due to implementation of the Continuum of Care Initiative:</u> The Continuum of Care Initiative's success at reducing ADP has led to real and significant cost avoidance to DYC and the State of Colorado. A simple comparison of the difference between the December 2005 Legislative Council Staff (LCS) projections and actual ADP shows a difference of 224 for FY 2007-08. This real reduction in ADP as compared to the projections translates to cost avoidance to the State. Looking back over the last three years of the Continuum of Care Initiative, cumulatively, reveals savings of almost $18 million, counting only direct costs to DYC and not incorporating broader societal cost savings (e.g., cost to other state agencies, costs to victims, etc.) as a result of moving youth more quickly back to normal community placements and school participation. Translating this reduction in ADP to cost avoidance, Table 1 illustrates actual cost avoidance through FY 2007-08 and projects savings forward two years based on a relatively conservative assumption of ADP growth based on prior years.

Table 1: ADP Reduction and Cost Avoidance						
	FY04-05	**FY05-06**	**FY06-07**	**FY07-08**	**FY08-09**	**FY09-10**
LCS: 12/05	1453.5	1459.0	1498.0	1549.0	1595.0	1640.0
Actual	1453.5	1453.4	1424.9	1287.9	1229.2	1171.6
Difference	0	5.6	79.1	261.1	365.8	468.4
Cost Avoidance	$0	$314,905	$4,547,758	$15,008,026	$21,028,032	$26,923,311
Cumulative Total	$0	$314,905	$4,862,663	$19,870,689	$40,898,721	$67,822,032

Funding of Continuum of Care: In FY 2006-07, the Division requested, and the General Assembly approved, a supplemental transfer of approximately $1.9 million from the Purchase of Contract Placements appropriation to the DYC Parole Program Services appropriation to establish a stable source of funding for the Continuum of Care Initiative. In FY 2007-08, a like supplemental transfer request was approved for $1.8 million. With the implementation of the Continuum of Care Initiative, and the supplemental transfer of funds from the Purchase of Contract Placements appropriation, this appropriation now supports treatment, transition, and wraparound services to youth in residential and non-residential settings.

The Department was appropriated $42,463,536 through SB 09-259 (Long Bill) in FY 2009-10. From the prior year Long Bill appropriation, this is a reduction of $11,201,717: a reduction of $9,149,992 for FY 2009-10 BA-28: “Reduction to Youth Corrections Based on Flexibility Allowed in Footnote 41 of HB 08-1375” (FY 2009-10: Staff Figure Setting 2/18/09, pages 20-22); and a reduction of $2,051,725 for FY 2009-10 BA-7: “Purchase Contract Placement – Continuum of Care” (FY 2009-10: Staff Figure Setting 2/18/09 pages 21-22 – adjusted by JBC).

The final FY 2009-10 appropriation was $39,003,162 through HB 10-1376 (Add-on Supplemental Bill). This was a reduction of $3,460,374 from the Long Bill appropriation and includes the following: a reduction of $4,440,222 to subtract the one-time only FY 2009-10 August Budget Reduction Proposal #20: “Increase State Capacity to 120% at State Commitment Facilities” (FY 2010-11 Staff Figure Setting 3/17/10, pages 104-112); a reduction of $3,570 for a JBC adjustment to the aforementioned August Budget Reduction Proposal #20; a net zero change for FY 2009-10 August Budget Reduction Proposal #21: “Reclassification of Licensing Category of Ridge View Youth Services Center Decreasing General Fund and Increasing Federal and Medicaid Cash Funds – Reappropriated” (FY 2010-11 Staff Figure Setting 3/17/10, pages 104-112); a reduction of $557,983 for FY 2009-10 August Budget Reduction #22: “Rate Reduction in Cost of Living Adjustment for Contract Services”; a reduction of $34,557 for a JBC adjustment to the aforementioned August Budget Reduction #22; an increase of $3,247,657 for FY 2009-10 S-1: “Caseload Adjustment for the Division of Youth Corrections Purchase of Contract Placements Appropriation” (FY 2010-11 Staff Figure Setting 3/17/10, pages 104-

112); and a reduction of $1,671,699 for the JBC Recommended Adjustment for Average Daily Population (FY 2010-11 Staff Figure Setting 3/17/10, pages 104-112).

FY 2009-10 Budget Reduction Proposal #20-Increase State Capacity to 120% at State Commitment Facilities
The Division of Youth Correction increased usage of state commitment facilities to 120% for FY 2009-10 for a reduction of $3,895,450 total funds. The current number of state facility beds for committed use is 434.5. The Division is increasing this number to 521.4. This proposal will decrease the number of dollars paid to third party contractors for private treatment beds for the Division's committed population. After considering increased cost for custody-related expenses (medical and operating expenses) for the additional 87 Average Daily Population in state-operated facilities, 100% General Fund savings would save a total of $3,812,327 net General Fund in FY 2009-10 only. There is no effect on the FY 2010-11 requested budget.

FY 2009-10 Budget Reduction Proposal #21-Reclassification of Licensing Category of Ridge View Youth Services Center
By changing the licensing of the Ridge View Youth Services Center the Department of Human Services would be able to reduce $1,160,845 in General Fund and replace it with $748,762 (nine months) in Title IV-E federal funds and $412,083 in Medicaid funding (five months) for a net General Fund reduction of $954,803 in FY 2009-10. In FY 2010-11 the net General Fund reduction would increase to a full year of replacement funding $1,987,350 ($998,350 Title IV-E plus $989,000 Medicaid) and a net General Fund savings of $1,492,850.

FY 2009-10 and FY 2010-11 S-1 and BA-1 Caseload Adjustment for the Division of Youth Corrections Purchase of Contract Placements Appropriation
The Department requested $3,247,657 Total Funds including $3,151,835 Net General Fund in FY 2009-10 and $3,405,001 Total Funds including $3,290,699 Net General Fund in FY 2010-11. This was to adjust the Division of Youth Corrections (DYC) Purchase of Contract Placements line item appropriation to reflect the December 2009 juvenile commitment population projection prepared by Legislative Council Staff (LCS). This supplemental and budget amendment is typically submitted every year as a late supplemental to adjust the Purchase of Contract Placements appropriation consistent with the most current information available for the Average Daily Population (ADP), average weighted rates and bed utilization. These actions were adjusted by the JBC to reflect current actual populations and resulted in a reduction in the request.

The Department was appropriated $42,430,401 through HB 10-1376 (Long Bill) in FY 2010-11. From the FY 2009-10 appropriation of $42,463,536 in SB 09-259 (Long Bill), this line item appropriation decreased by $33,135, including: an increase of $3,405,001 for FY 2010-11 BA-1: "Caseload Adjustment for the Division of Youth Corrections Purchase of Contract Placements Appropriation Impact" (FY 2010-11 Staff Figure Setting 3/17/10, pages 107-112); a reduction of $2,405,858 for a JBC adjustment of caseload based on new data available (FY 2010-11 Staff Figure Setting 3/17/10, pages 104-112); an increase of $9,149,992 to annualize FY 2009-10 BA-28: "Reduction to Youth Corrections Based on Flexibility Allowed in Footnote 41 of HB 08-1375"; a reduction of $9,150,000 for

FY 2010-11 BRI-2: “Reduction to the Contract Placements Appropriation” (FY 2010-11 Staff Figure Setting 3/17/10, pages 107-112); and a reduction of $1,032,270 for FY 2010-11 BRI-4: “Two Percent (2%) Community Provider Rate Base Decrease Impact” (FY 2010-11 Staff Figure Setting 3/17/10, pages 107-112).

The final FY 2010-11 appropriation was for $34,249,114 and included an reduction of $8,181,287 for the following: an increase of $371,880 for HB 10-1413: “Limitation on Juvenile Direct File,” which added new clients from the Department of Corrections Youthful Offender System; a reduction of $7,965,137 for FY 2010-11 S-9: “Purchase of Contract Placements Line Item Appropriation Reduction”; a reduction of $588,030 for the JBC Adjustment to S-9 – Using 100% Capacity for 3 Quarters and 100% Capacity for 1 Quarter.

HB 10-1413 “Limitation on Juvenile Direct File” Previously, a district attorney was allowed to file criminal charges against a juvenile as young as 14 in district court, a process known as "direct filing" of charges. HB 10-1413 repeals and reenacts the direct file statute with changes. It increases the minimum age to 16, except in cases of:

- First degree murder;
- Second degree murder; or
- A sex offense combined with one of the following:
  - The alleged crime is a crime of violence;
  - The juvenile used or threatened the use of a deadly weapon during the commission of the crime;
  - The juvenile has, within the previous two years, been adjudicated as a juvenile delinquent for committing a class 3 felony;
  - The juvenile has previously had charges direct filed or transferred, unless he or she was found not guilty of such charges; or
  - The juvenile is determined to be a habitual juvenile offender.

A district attorney who intends to direct file charges against a juvenile must provide notice of such intent with the juvenile court at least 14 days prior to doing so. At the discretion of the district attorney, the 14-day notice requirement does not apply to cases of first- or second-degree murder, or sex offenses. The district attorney is:

- Required to consider specific criteria in determining whether to direct file;
- Permitted to extend the 14-day period for consideration, at his or her discretion;
- Encouraged to meet with the defense counsel to discuss information relevant to the factors being considered; and
- Required to provide written notice about which factors led to such a decision.

Previous law prohibited the court from sentencing a juvenile convicted of a class 2 felony in district court to the Youthful Offender System (YOS) in the Department of Corrections (DOC). The bill now allows judges the discretion to sentence juveniles who were convicted of class 2 felonies (excluding sex offenses) to the YOS except in the case of a second or subsequent sentence to the DOC or the YOS.

The results of the legislation are as follows, including an increase in the Division of Youth corrections, which is allocated to the Purchase of Contract Placements beginning in FY 2010-11. After FY 2011-12's continuation request, which annualizes the FY 2010-11 amount, the Legislative Council projection of Average Daily Population each year will estimate the change in the budget;

- 6 offenders currently in the YOS would be sentenced to the Division of Youth Corrections (DYC) in the DHS;
- 1 offender from the adult DOC population (class 6 felony) would be sentenced to the DYC; and
- 8 offenders from the adult DOC population (class 2 felonies) would be sentenced to the YOS.

The bill resulted in General Fund expenditures for the DHS of $371,880 in FY 2010-11 and $743,761 in FY 2011-12. The DYC will be affected through 7 new commitments each year that would otherwise be sentenced to the DOC. The daily average weighted rate for FY 2009-10 is $145.55, or $53,126 per year, and the average length of stay for the new commitments is expected to be 42 months. The department is expected to need new client managers beginning in FY 2012-13 to accommodate the increased commitments to DYC. Additionally, the DYC parole program costs will increase beginning in FY 2013-14. These changes will be addressed in those budget submittals as continuation requests.

The FY 2011-12 Base Request was for $52,440,410, an increase of $18,191,296 from the final amount appropriated in FY 2010-11. The increase included: an increase of $7,965,137 to reverse FY 2010-11 S-9: "Purchase of Contract Placements Line Item Appropriation Reduction"; an increase of $588,030 to reverse the JBC Adjustment to S-9: Using 100% Capacity for 3 Quarters and 110% Capacity for 1 Quarter; an increase of $371,881 to annualize HB 10-1413: "Limitation on Juvenile Direct File"; an increase of $116,248 for the Leap Year Adjustment; and an increase of $9,150,000 to reverse FY 2010-11 BRI-2: "Reduction to the Purchase of Contract Placements Appropriation."

The FY 2011-12 November 1 Request was for $43,244,988, a reduction of $9,195,422 from the base request for FY 2011-12 BRI-1: "Purchase of Contract Placements Line Item Appropriation Reduction."

The Department was appropriated $29,500,550 in SB 11-209 (Long Bill), $13,744,438 less than the November 1 Request. The reduction included the following: a reduction of $11,706,971 for BA-7: "Purchase of Contract Placements Line Item Appropriation Reduction," and a reduction of $2,037,467 for a JBC adjustment to BA-7 – using the midpoint of the Division of Criminal Justice and Legislative Council Staff juvenile population forecast.

The total FY 2011-12 appropriation was $28,896,136 and included a reduction of $604,414 for special bill SB 11-217: "Concerning a Reduction to the Juvenile Detention Bed Cap."

The Department is requesting $28,815,534 in FY 2012-13, a reduction of $80,602 over the final FY 2011-12 appropriation. The reduction reverses the Leap Year Adjustment for FY 2011-12.

MANAGED CARE PILOT PROJECT

This line item is used to fund the Boulder County Impact Project, which is a managed care agreement between the Division of Youth Corrections and Boulder County for handling delinquent youth. The agreement caps the dollars that can be used for detained and committed youth in Boulder County.

The Integrated Managed Partnership for Adolescent Community Treatment (IMPACT) is a community-based effort to integrate formerly categorical funding streams (Boulder County Social Services, Boulder County Mental Health, and DYC) and programs with a focus on accountability and outcomes. IMPACT's mission is to perform gate keeping, assessment, concurrent utilization review and quality assurance reviews for delinquent youth who are in or at risk of placement. DYC works collaboratively with Boulder on issues related to local management of DYC resources and the number of beds and resources that will be dedicated to this initiative.

The Department was appropriated $1,390,441 through SB 09-259 (Long Bill) in FY 2009-10, a continuation of the prior year appropriation. The final FY 2009-10 appropriation was $1,119,020 in HB 10-1302 (Supplemental Bill). The supplemental appropriation included a reduction of $271,421 for FY 2009-10 August Budget Reduction Proposal #19: "Reduction in Boulder IMPACT Contract."

FY 2009-10 #19-Reduction in Boulder IMPACT Contract

The 2009 Long Bill established $1,357,105 as a Managed Care Pilot Project to assist Boulder County in developing local commitment and placement alternatives. The Integrated Managed Partnership for Adolescent Community Treatment (IMPACT) Board is able to absorb a 20% reduction in this budget. The amount representing 20 percent reduction of the allocation is $271,421 General Fund in FY 2009-10 and the same in FY 2010-11. The Joint Budget Committee recommended an add back of $200,000 in FY 2010-11. The net reduction has been reversed to bring the program back to the FY 2008-09 appropriation amount, less the 2% Provider Rate Decrease.

The Department was appropriated $1,296,639 through HB 10-1376 (Long Bill) in FY 2010-11. From the final FY 2009-10 appropriation in HB 10-1302 (Supplemental), this line item appropriation increased by $177,619, including: a reduction of $22,381 for FY 2010-11 BRI-4: “Two Percent (2%) Community Provider Rate Base Decrease” (FY 2010-11 Staff Figure Setting 3/17/10, pages 112-113), and a JBC adjustment increasing the appropriation by $200,000 (not included in a figure setting document).

The FY 2011-12 Base Request, November 1 request, and appropriation in SB 11-209 (Long Bill) were for $1,368,060, an increase of $71,421 over the final FY 2010-11 appropriation. Included in the change were the following: an increase of $271,421 to annualize FY 2010-11 August Budget Reduction Proposal #19: “Reduction in Boulder IMPACT Contract,” and a reduction of $200,000 to annualize the JBC adjustment to reinstate partial funding of the IMPACT contract.

The Department is requesting a continuation request of $1,368,060 in FY 2012-13.

SB 91-94 PROGRAMS

Senate Bill 91-94 authorized the creation of local, judicial-district based programs designed to provide alternatives to incarceration for pre-adjudicated and adjudicated youth. These programs work to reduce the incarcerated population by impacting the number of admissions into DYC facilities, or by reducing the length of stay for youths placed in DYC facilities. Senate Bill 91-94 funds are also used in each judicial district to implement a uniform intake screening and assessment of all youth taken into custody by law enforcement. The goal of this intake screening is to determine the most appropriate placement for youth. Four levels of placement are identified on the screening instrument, including secure detention, staff secure detention, residential/shelter, and home detention with monitoring. Of the funds appropriated to this line item, the Division reserves three percent for research, evaluation, technical assistance, and audits. The remainder of the money is allocated by formula to programs in each judicial district. Historical funding has been based on approximately 25 percent for committed youth and 75 percent for detained youth. However, because of recent budget reductions and because of the statutory cap on juvenile detention beds, the funds are currently used for detention services only.

Through the SB 91-94 program, DYC developed a detention screening and assessment instrument that is used at the point a youth is taken into custody and referred for detention. The screening instrument classifies youth into five categories:

1. Secure detention
2. Staff secure detention
3. Shelter-care
4. Pretrial supervision
5. Release without services

Prior to the 1991 Legislative Session, the Division of Criminal Justice Population Projections indicated the need for approximately 500 additional DYC secure placement beds. The Executive Director of the Department of Institutions[1], DYC staff, the Legislature, and the Joint Budget Committee (JBC) examined how the use of local options and early intervention could serve as a viable alternative to building expensive state facilities. These discussions culminated in the development of Senate Bill 91-94, which was introduced and adopted during the 1991 Legislative Session. The bill contained provisions that:

- Outlined a process for the development of criteria for placement of juveniles in secure state facilities;
- Specified that a formula should be developed for the allocation of resources to each county in the State for the development of local services to be used as alternatives to the placement of youth in State facilities;
- Authorized the establishment of pilot programs in local jurisdictions that would provide services for juveniles that would help relieve overcrowding in state-operated facilities;
- Specified that guidelines should be established for the emergency release of juveniles from State facilities during periods of crisis overcrowding; and,
- Provided for the establishment of a Juvenile Services Fund that would distribute funds to local jurisdictions on or after July 1, 1993, based on a local juvenile services plan developed by each jurisdiction. Plans were to include, but not be limited to, such services as intervention, treatment, supervision, lodging, assessment, bonding programs, and family services[2].

In 1992, DYC appointed a statewide advisory committee composed of members of juvenile justice agencies to advise the DYC on policy and program issues affecting the successful implementation of the SB 91-94 legislation. The committee reviewed the allocation formula, provided input on program evaluation, developed formats for the yearly submission of local SB 91-94 plans, and reviewed and approved all plans prior to implementation.

In FY 1995-96, a subcommittee composed of representatives of local planning committees, treatment providers, and agency representatives developed standardized procedures for detention screening and assessment. A detention “Screening and Assessment Guide” was field tested throughout the State. Based on this field test, revisions were made and the instrument was implemented statewide in January 1996. The detention assessment is designed for use at the time a youth is taken into custody and referred to

[1] DYS formerly housed under the Department of Institutions (DOI). In 1996, DYS was renamed to DYC and is an agency within the Colorado Department of Human Services (CDHS).

[2] Senate Bill 93-134, enacted during the 1993 Legislative Session, changed the local jurisdictions for funding allocations from counties to judicial districts, specified how local juvenile services planning committees were to be appointed, and how plans were to be approved. SB 91-94 funding includes resources for a statewide evaluation of the effectiveness of Local Juvenile Services plans. DYC submits annual reports on program effectiveness each November.

secure detention, staff secure detention, or SB 91-94 funded alternatives to detention. The data collected from the screening and assessment instrument has provided useful profile information on juveniles served in each of these program types.

In FY 2003-04, the Division substantively reconstituted the SB 91-94 programs to specifically address the detention population[3]. This shift in focus was largely attributed to two factors: 1) New legislation that capitates the number of detention beds in the state (SB 03-286), and 2) Significant budgetary reductions taken from this program area to address the State's budgetary shortfalls[4].
The Department was appropriated $13,297,559 through SB 09-259 (Long Bill) in FY 2009-10. From the prior year Long Bill appropriation, this is an increase of $153 for FY 2009-10 NP #2 "Postage Increase and Mail Equipment Upgrade" (FY 2009-10 Staff Figure Setting 2/18/09, page 23).

FY 2009-10 NP #2 Postage Increase and Mail Equipment Upgrade is a part of the DPA Common Policy increasing the Division of Youth Correction, (C) Community Program, S.B. 91-94 Program line.

The Department was appropriated $13,031,528 through HB 10-1376 (Long Bill) in FY 2010-11. From the final FY 2009-10 appropriation in SB 09-259 (Long Bill), this line item appropriation decreased by $266,031, including: a reduction of $118 to reverse FY 2009-10 NP #2 "Postage Increase and Mail Equipment Upgrade"; a reduction of $265,948 to reverse FY 2010-11 BRI-4: "Two Percent (2%) Community Provider Rate Base Decrease" (FY 2010-11 Staff Figure Setting – 3/17/10, Pages 113-115); an increase of $35 for FY 2010-11 BA-NP-5: "Mail Equipment Upgrade" (FY 2010-11 Staff Figure Setting – 3/17/10, Pages 113-115).

The FY 2011-12 Base Request and November 1 request were both continuation requests for $13,031,528. The Department was appropriated $12,031,528 through SB 11-209, a reduction of $1,000,000 due to JBC action.

The Department is requesting a continuation request of $12,031,528 in FY 2012-13.

PAROLE PROGRAM SERVICES

This line item was created in FY 1998-99 through the consolidation of several line items providing "wrap-around" services to parolees and pre-parolees. The funds are designed to assist in a successful transition from commitment to parole, and in successful completion

[3] For over a decade SB 91-94 dollars also addressed the committed population. Programs such as Juvenile Intensive Supervision Probation, Multi-Systemic Therapy, etc. were developed as community-based alternatives to a commitment sentence.
[4] In FY 2002-03, the budget for SB 91-94 was $12.2 million. In FY 2003-04, the budget was reduced to $8.9 million (approximately 27 percent reduction in total budget). In FY 2004-05, the budget was reduced an additional $ 1.0 million to approximately 7.9 million. This FY 2004-05 $ 1.0 million reduction was restored in FY 2005-06. An additional $ 1 million was restored to the SB 91-94 budget for SFY 2006-07.

of parole. In addition, some of the services, such as electronic monitoring, create conditions in the community that may make the Parole Board more comfortable with releasing a juvenile to parole sooner.

The DYC Parole Program Services is part of the DYC Regional service system[5]. Statewide parole services are administered through the four DYC Regions: Central (2nd, 18th, 1st, 5th Judicial Districts), Northeast (8th, 20th, 19th, 17th, 13th Judicial Districts), Southern (4th, 10th, 11th, 16th, 15th, 3rd, 12th Judicial Districts), and Western (14th, 9th, 21st, 7th, 22nd, 6th Judicial Districts). Juvenile Parole Officers are responsible for the supervision of committed youth released to parole[6]. An essential component of supervision is the development, implementation, and monitoring of a parole plan. The parole plan is consistent with the Discrete Care Plan developed by the case manager at the time of a youth's commitment and establishes the residential and service continuum for the youth. Specifically, the parole plan outlines the goals and objectives for the youth during the period of parole. The Division is currently implementing the Colorado Juvenile Risk Assessment (CJRS) assessment tool for use with youth across the system, from commitment to parole. This instrument provides an assessment of youth criminogenic risk factors and will be administered to all DYC youth at transition points. The Division is also striving to provide evidence-based programs and practice for paroled youth. These programs have been proven effective in addressing youth risk and increasing successful outcomes.

DYC Parole Officers provide direct services to the youth and their family, link youth with community service providers to insure that appropriate services and supervision are delivered, and collaborate with educators or employers to strengthen the youth's set of pro-social skills and abilities. The intent of parole is to facilitate the youth's effective transition from a residential to a community setting. As part of the parole plan, *parole program services* are used to serve youth who have been granted parole and require supportive services and specialized supervision to assist in their transition. All programs provide in-home or other community-based services designed to help youth successfully reintegrate with their families and the community. All programs emphasize supervision and require youth to be accountable for their behavior at home, school, and in their work environments. These services are an important component of parole supervision, and they can only be met by purchasing specific services to meet the individualized needs of the parolee (e.g., "wraparound" services). Specific parole program services include tracking services, day treatment and day reporting programs, and community-based services. Each of these contracted service types are described below:

- <u>Tracking Services:</u> Tracking services supplement the monitoring provided by the case manager/parole officer. Parole Officers may not be available, or their workload may not allow, the level of monitoring necessary to ensure that juveniles adhere to the conditions of parole and that public safety is not compromised. The tracker, an employee of a private provider, works flexible hours and is assigned to make direct contact with a juvenile at home, at school, and at work. Tracking is often combined with other surveillance tools (e.g., drug use testing, electronic monitoring or voice verification programs) to increase the level of

[5] Section 19-2-209, C.R.S., establishes the Division of Juvenile Parole within the Department of Human Services.
[6] Section 19-2-909, C.R.S., specifies that all youth committed to DYC must serve a mandatory parole period of six months.

supervision during critical periods where public safety may be at risk. As a result of the enhanced monitoring, problem behaviors can be recognized earlier, thereby enabling more timely interventions. Further, the use of tracking services helps the client to access community-based services and to follow through on activities required in the parole plan. Tracking services are used in accordance with the risk of the parolee (as evidenced by their level of supervision[7]). In higher risk cases, tracking services may be required as a condition of release and may be continued throughout the period of parole. Additional tracking services are not typically used with parolees who are succeeding on the lower levels of supervision[8]. Finally, there are instances where tracking services are used as an intermediate sanction in lieu of revocation. An example may be when a juvenile is not succeeding on supervision, but a revocation may not be altogether warranted. Additional monitoring may provide the needed structure for the youth to avoid more costly re-incarceration.

- Day Treatment or Day Reporting Programs: These programs enhance the level of supervision by requiring the parolee to attend sessions during the day and return home at night. For youth who are at greatest risk of re-offending, there are programs that provide "seven-days-a-week" supervision and offer "overnight" monitoring and contact. In addition to surveillance, these day treatment or day reporting programs provide youth with needed treatment or educational training. These types of programs have consistently proven to be effective in reducing future criminal behavior. Many of these day treatment or day reporting programs actively encourage families to maintain involvement in the supervision of their youth. Within this paradigm, families and communities are seen as assets and reaffirm the Division's commitment to "Restorative Justice" and community reintegration. Similar to the use of tracking services, day treatment or day reporting programs are used on a risk-need basis. These high-intensity services are reserved for those youth who have the greatest need or pose the most serious risk to public safety[9].

- Community-Based Services: These services assist the parole officer with transitioning the committed youth back into the community. These types of programs are commonly required for those youth that either do not have a family, or cannot rely upon familial support. This group of youth is at particular risk because many fail on parole as a result of their inability to cope with the basic rigors of daily living. Many of these juveniles move to independent living and need support systems in finding housing, employment, school, and community services. Community-based services offer holistic advocacy services that assist the youth with meeting their daily needs (examples of these services include Multisystemic Therapy, and substance abuse and mental health treatment). Similar to tracking services, community-based program staff work flexible schedules to be available to assist the youth at times of crisis or need.

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[7] As of July 2000, the Division has adopted a system of graduated levels of parole supervision. There are five levels of supervision outlined: Intensive, High, Medium, Low and Administrative.
[8] In practice, the Division does not authorize tracking for parolees on "Low" or "Administrative" level supervision.
[9] Sustained placement on intensive stages of Day Treatment or Day Reporting Programs are paid by the State only to those parolees on "Intensive" and "High" levels of supervision.

Source of Federal Funds

Parole Program Services receives federal Title IV-E funding. Title IV-E provides assistance to states in paying a portion of the cost associated with maintaining certain youth in out-of-home placements. The youth must meet eligibility criteria based on family income and committing circumstances (best interests of the child and reasonable efforts to avoid out-of-home placement). The placement must be in a non-institutional, non-secure, community-based setting. Many of DYC's youth and placements meet the criteria.

The Division uses random moment sampling (RMS), a federally approved method of accounting for personal services time spent on Title IV-E eligible activities. Under RMS, an automated system calls client managers arbitrarily to determine what they are doing at that moment and for the preceding hour and whether that activity qualifies for Title IV-E reimbursement. Then, based on the percentage of Title IV-E eligible youth in the system, the agency can claim the federal funds.

A description of the funding of the Continuum of Care program is included in that line-item description the Contract Placement Line, from which the program was transferred.

The Department was appropriated $5,983,517 through SB 09-259 (Long Bill) in FY 2009-10. From the prior year Long Bill appropriation, this is an increase of $529,763, including: an increase of $779,763 for FY 2009-10 BA-7: “Purchase Contract Placement – Continuum of Parole” (Staff Figure Setting 2/18/09, pages 23-24), and a reduction of $250,000 to eliminate the expansion through FY 2009-10 DI-3C: “Recidivism Functional Family Parole” (Staff Figure Setting 2/18/09, pages 23-24).

The Department was appropriated $5,863,847 through HB 10-1376 (Long Bill) in FY 2010-11. From the final FY 2009-10 appropriation in SB 09-259 (Long Bill), this line item appropriation decreased by $119,670 for FY 2010-11 BRI-4: “Two Percent (2%) Community Provider Rate Base Decrease” (Staff Figure Setting 3/17/10, pages 115-116). The final FY 2010-11 appropriation was for $5,363,847 and included a reduction of $500,000 based on JBC Action taken in SB 11-141 (Supplemental).

The FY 2011-12 Base Request and November 1 Request were for $5,863,847. The base request included an increase of $500,000 to reverse the JBC reduction to the line item appropriation taken in the supplemental bill, SB 11-141.

The Department was appropriated $4,180,771 through the Long Bill, SB 11-209, a reduction of $1,683,076 from the November 1 Request. The reduction annualized the $500,000 budget action taken by the JBC in the supplemental bill, SB 11-141.
The Department is requesting a continuation appropriation of $4,180,771 for the FY 2012-13 Base Request.

JUVENILE SEX OFFENDER STAFF TRAINING

This line item was added through a supplemental appropriation in FY 2002-03 for the purpose of funding training costs for DYC staff. Pursuant to the provisions of HB 00-1317, the Sex Offender Management Board (SOMB) was required to develop standards for the evaluation and identification of juvenile sex offenders. The standards developed by the SOMB are founded on "best practices," which include an emphasis on "informed supervision." Implementing this concept involves a list of supervisory roles and duties for all individuals who have a direct care or custodial relationship with a juvenile sex offender, which includes facility staff, case managers, parents, teachers, coaches, etc. The Division estimates that, on average, approximately 250 youth in its custody either have been adjudicated for a sexual offense or have charges that include an underlying factual basis for a sexual offense. This estimate includes the population in residential treatment or under parole supervision.

HB 07-1093, “Concerning sexual conduct occurring in penal institutions,” annualized in FY 2007-08 adding $57,390 to this line item.

This bill directs the Department of Corrections (DOC) and the Division of Youth Corrections (DYC) in the Department of Human Services to develop polices and procedures regarding sexual assaults that occur in facilities for which they are responsible. These policies are to:

- Require disciplinary action for employees who fail to report incidences of sexual assault to the inspector general;
- Require the inspector general, after completing an investigation for sexual assault, to submit the findings to the district attorney with jurisdiction over the facility in which the alleged sexual assault occurred;
- Prohibit retaliation and disincentives for reporting sexual assaults;
- Provide reasonable measures to ensure the safety of sexual assault victims;
- Ensure the confidentiality of prison rape complaints and the protection of inmates who make such complaints;
- Provide acute trauma care for sexual assault victims, including but not limited to treatment of injuries, HIV/AIDS prophylactic measures, and testing for sexually transmitted diseases;
- Provide, at intake and periodically thereafter, information on sexual assault prevention, treatment, and counseling;
- Provide sexual-assault-specific training to staff regarding treatment and methods of prevention and investigation;
- Provide confidential mental health counseling; monitor victims of sexual assault for suicide impulses, post-traumatic stress disorder, depression, and other mental health consequences resulting from the sexual assault; and
- Require termination of an employee who engages in a sexual assault on or sexual conduct with an inmate.

The bill also requires that persons investigating sexual assaults in penal institutions be trained in sex crimes investigation. Finally, the bill requires the DOC and the DYC to keep data related to sexual assaults and provide an annual report to the Judiciary Committees of the General Assembly.

For FY 2009-10 through FY 2012-13, The Department was appropriated $47,060 through SB 09-259, HB 10-1376, and SB 11-209. The FY 2012-13 Base Request is for continuation funding of $47,060.