Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number NPR-01

Request Titles

NPR-01 Annual Fleet Vehicle Request

Dept. Approval By: Melissa Wavelet

OSPB Approval By:

	Supplemental FY 2014-15
X	**Change Request FY 2015-16**
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
Total of All Line Items	Total	$1,256,592	$0	$1,256,592	($149,923)	($149,923)
	FTE	-	-	-	-	-
	GF	$637,597	$0	$637,597	($76,071)	($76,071)
	CF	$88,220	$0	$88,220	($10,525)	($10,525)
	RF	$332,680	$0	$332,680	($39,692)	($39,692)
	FF	$198,095	$0	$198,095	($23,635)	($23,635)

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
03. Office of Operations - Vehicle Lease Payments	Total	$1,256,592	$0	$1,256,592	($149,923)	($149,923)
	CF	$88,220	$0	$88,220	($10,525)	($10,525)
	FF	$198,095	$0	$198,095	($23,635)	($23,635)
	GF	$637,597	$0	$637,597	($76,071)	($76,071)
	RF	$332,680	$0	$332,680	($39,692)	($39,692)

Letternote Text Revision Required?	**Yes**	X	**No**	**If Yes, describe the Letternote Text Revision:**

a Of this amount, it is estimated that $1,366,218 [AAIB] shall be from patient cash collected by the Mental Health Institutes, $49,415 [EAIJ] shall be from the Early Intervention Services Trust Fund created in Section 27-10.5-709 (2)(a), C.R.S., and ~~$1,006,792~~ $996,267 [VSCO 8300] shall be from various sources of cash funds, including from the Old Age Pension Fund created in Section 1 of Article XXIV of the State Constitution.
b Of this amount, it is estimated that ~~$4,979,011~~ $4,945,311 [ABIU, 7621] shall be from Medicaid funds transferred from the Department of Health Care Policy and Financing, $1,236,747 [7603] shall be transferred from the Department of Corrections, $811,278 [ABIW] shall be from patient fees collected by the Mental Health Institutes that represent Medicaid revenue earned from the behavioral health organizations through Mental Health Community Capitation, $800,000 [EZIB] shall be from nursing home indirect cost subsidies appropriated to the Homelake Domiciliary and the State and Veterans Nursing Homes, $340,000 [ABUP] shall be from federal Medicaid indirect costs transferred from the Department of Health Care Policy and Financing, and ~~$922,308~~ $916,316 [8301] shall be from various sources of reappropriated funds.
c Of this amount, it is estimated that $994,120 shall be from Section 110 vocational rehabilitation funds, $720,802 shall be from the Social Security Administration for disability determination services, $400,000 shall be from Child Care Development Funds, $233,214 [7407] shall be from the Substance Abuse Prevention and Treatment Block Grant, $65,900 shall be from the U.S. Department of Health and Human Services, Office of Refugee Resettlement, $4,000 shall be from the Temporary Assistance for Needy Families Block Grant, and ~~$2,056,467~~ $2,032,832 shall be from various sources of federal funds [ALL OTHERS 7400].

Cash or Federal Fund Name and CORE Fund Number:	Various sources of cash funds and federal funds
Reappropriated Funds Source, by Department and Line Item Name:	Medicaid transferred from the Department of Health Care Policy and Financing

Approval by OIT?	**Yes**		**No**	**Not Required:**	X
Schedule 13s from Affected Departments:	Department of Personnel and Administration Department of Health Care Policy and Financing				
Other Information:	N/A				

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number NPR-02

Request Titles

NPR-02 DOC's Food Inflation Increase for CMHIP

Dept. Approval By: Melissa Wavelet

OSPB Approval By:

	Supplemental FY 2014-15
X	Change Request FY 2015-16
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
Total of All Line Items	Total	$5,293,919	$0	$5,286,413	$51,130	$0
	FTE	-	-	-	-	-
	GF	$3,963,118	$0	$3,955,612	$0	$0
	CF	$403,435	$0	$403,435	$0	$0
	RF	$927,366	$0	$927,366	$51,130	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$5,293,919**	**$0**	**$5,286,413**	**$51,130**	**$0**
	CF	$403,435	$0	$403,435	$0	$0
08. Behavioral Health Services - Operating Expenses	GF	$3,963,118	$0	$3,955,612	$0	$0
	RF	$927,366	$0	$927,366	$51,130	$0

Letternote Text Revision Required? Yes X No

If Yes, describe the Letternote Text Revision:

(8)(E) [b] Of this amount, $5,515,719 shall be from patient revenues, ~~$2,222,332~~ $2,273,462 shall be transferred from the Department of Corrections, and $132,209 shall be transferred from the Department of Education. For informational purposes only, of the patient revenues, $4,997,745 is estimated to be from medicaid funds transferred from the Department of Health Care Policy and Financing and $517,974 is estimated to be from Medicaid revenue earned from behavioral health organizations through Behavioral Health Capitation Payments.

Cash or Federal Fund Name and CORE Fund Number: N/A

Reappropriated Funds Source, by Department and Line Item Name:	Reappropriated funds transferred from the Department of Corrections
Approval by OIT?	**Yes** ___ **No** ___ **Not Required:** X
Schedule 13s from Affected Departments:	Department of Corrections
Other Information:	N/A

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number NPR-03

Request Titles

NPR-03 DOC's Maintenance Operating Increase

Dept. Approval By: Melissa Wavelet

OSPB Approval By:

	Supplemental FY 2014-15
X	Change Request FY 2015-16
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
Total of All Line Items	Total	$5,293,919	$0	$5,286,413	$134,175	$0
	FTE	-	-	-	-	-
	GF	$3,963,118	$0	$3,955,612	$0	$0
	CF	$403,435	$0	$403,435	$0	$0
	RF	$927,366	$0	$927,366	$134,175	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	$5,293,919	$0	$5,286,413	$134,175	$0
	CF	$403,435	$0	$403,435	$0	$0
08. Behavioral Health Services - Operating Expenses	GF	$3,963,118	$0	$3,955,612	$0	$0
	RF	$927,366	$0	$927,366	$134,175	$0

Letternote Text Revision Required? Yes X No

If Yes, describe the Letternote Text Revision:

(8)(E) [b] Of this amount, $5,515,719 shall be from patient revenues, ~~$2,222,332~~ $2,356,507 shall be transferred from the Department of Corrections, and $132,209 shall be transferred from the Department of Education. For informational purposes only, of the patient revenues, $4,997,745 is estimated to be from medicaid funds transferred from the Department of Health Care Policy and Financing and $517,974 is estimated to be from Medicaid revenue earned from behavioral health organizations through Behavioral Health Capitation Payments.

Cash or Federal Fund Name and CORE Fund Number: N/A

Reappropriated Funds Source, by Department and Line Item Name:	Reappropriated funds transferred from the Department of Corrections
Approval by OIT?	**Yes** ___ **No** ___ **Not Required:** X
Schedule 13s from Affected Departments:	Department of Corrections
Other Information:	N/A

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-01

Request Titles

R-01 MHI Treatment Unit for Patients Previously Transferred

Dept. Approval By: Melissa Wavelet

OSPB Approval By:

	Supplemental FY 2014-15
X	**Change Request FY 2015-16**
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information		**FY 2014-15**		**FY 2015-16**		**FY 2016-17**
	Fund	**Appropriation**	**Request**	**Base Request**	**FY 2015-16**	**Continuation**
Total of All Line Items	**Total**	**$71,143,253**	**$0**	**$73,054,663**	**$2,614,238**	**$2,614,238**
	FTE	959.9	-	962.1	36.7	36.7
	GF	$58,679,333	$0	$60,590,743	$2,614,238	$2,614,238
	CF	$5,044,029	$0	$5,044,029	$0	$0
	RF	$7,419,891	$0	$7,419,891	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information		**FY 2014-15**		**FY 2015-16**		**FY 2016-17**
	Fund	**Appropriation**	**Request**	**Base Request**	**FY 2015-16**	**Continuation**
08. Behavioral Health Services - Personal Services	**Total**	**$65,849,334**	**$0**	**$67,768,250**	**$2,575,300**	**$2,575,300**
	CF	$4,640,594	$0	$4,640,594	$0	$0
	FTE	959.9	-	962.1	36.7	36.7
	GF	$54,716,215	$0	$56,635,131	$2,575,300	$2,575,300
	RF	$6,492,525	$0	$6,492,525	$0	$0
08. Behavioral Health Services - Operating Expenses	**Total**	**$5,293,919**	**$0**	**$5,286,413**	**$38,938**	**$38,938**
	CF	$403,435	$0	$403,435	$0	$0
	GF	$3,963,118	$0	$3,955,612	$38,938	$38,938

	RF	$927,366	$0	$927,366	$0	$0

Letternote Text Revision Required?	**Yes**		**No**	X	**If Yes, describe the Letternote Text Revision:**
Cash or Federal Fund Name and CORE Fund Number:	N/A				
Reappropriated Funds Source, by Department and Line Item Name:	N/A				
Approval by OIT?	**Yes**		**No**		**Not Required:** X
Schedule 13s from Affected Departments:	N/A				
Other Information:	N/A				

Cost and FTE

- The Department requests $2,614,238 General Fund and 36.7 FTE in FY 2015-16 and beyond to provide necessary staffing and operating funds for the Mental Health Institutes Treatment Unit for patients previously transferred to the Department of Corrections (DOC) per 17-23-103, C.R.S. (2014). This request represents a 3.9% funding increase in Personal Services and a 0.7% funding increase in Operating Expenses for the Colorado Mental Health Institute at Pueblo (CMHIP).

Current Program

- The statute, *Inmates with Mental Illness or a Developmental Disability – Transfer*, 17-23-101, C.R.S. (2014) allows for the transfer of a Mental Health Institute (MHI) patient who exhibits violent/aggressive behaviors to the Colorado Department of Corrections. While this current practice follows and meets the requirements established in statute, the Department has determined these patients would be more appropriately served at a Colorado Mental Health Institute.

Problem or Opportunity

- The Department exercises the transfer option of patients to DOC as a last resort for individuals who were/are determined to be too violent/aggressive to be treated at CMHIP.
- The Department utilizes this option successfully with the DOC, and had five such patients receiving treatment at the San Carlos Correctional Facility (SCCF).
- Four of the patients at SCCF are civil commitments and one is a legal commitment of Not Guilty by Reason of Insanity (NGRI).

Consequences of Problem

- Although permissible under the statute, the Department has decided it is in the best interest of these patients to be treated at a Mental Health Institute.
- An article in The Journal of the American Academy of Psychiatry and the Law, titled "*Solitary Confinement and Mental Illness in U.S. Prisons: A Challenge for Medical Ethics",* states "persons with mental illness are often impaired in their ability to handle the stresses of incarceration and to conform to a highly regimented routine."

Proposed Solution

- The Department has elected to return patients previously transferred under the statute to CMHIP.
- This request funds staff/operating expenses to maintain a safe, successful treatment environment.
- The Department is exploring viable options for a more comprehensive long-term solution to include infrastructure, and is in continued discussions with the Department of Corrections.

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Department Priority: R-1
Request Detail: Mental Health Institutes Treatment Unit for Patients Previously Transferred per 17-23-101 C.R.S.(2014)

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund	FTE
Mental Health Institutes Treatment Unit for Patients Previously Transferred per 17-23-101 C.R.S. (2014)	$2,614,238	$2,614,238	36.7

Problem or Opportunity:

The Department requests $2,614,238 General Fund and 36.7 FTE in FY 2015-16 (ongoing), in order to safely return patients previously transferred per 17-23-101, C.R.S. (2014) from the Department of Corrections to the Colorado Mental Health Institute at Pueblo. The proposed solution is short-term, and a more appropriate and long-term solution will be evaluated and appropriate funding requested.

The Department operates the State's two Mental Health Institutes (MHI) at Fort Logan and Pueblo, which treat both civil and forensic patients with serious mental illness. The Colorado Mental Health Institute at Pueblo (CMHIP) is a 451 bed capacity facility which serves geriatric, adult and adolescent patients. CMHIP also serves individuals with mental illness referred by the criminal justice system. Evaluation and treatment services are provided to adults who are pre-trial, post-conviction, or following acquittal by reason of insanity. The mission of the Mental Health Institutes is to provide quality treatment and rehabilitation services that assist patients in achieving their mental health and life goals. With a primary emphasis on treatment and recovery, the Mental Health Institutes utilize a multidisciplinary clinical team to address specific treatment objectives.

17-23-101 (3), C.R.S. (2014) *Inmates with Mental Illness or a Developmental Disability – Transfer*, allows for the transfer of a MHI patient to the Colorado Department of Corrections (DOC) when the patient is so dangerous they cannot be safely treated at the Institutes. The Department has utilized this option with the DOC in limited cases and in accordance with the procedures as set forth in 17-23-103, C.R.S. There are currently five (5) patients receiving treatment at the San Carlos Correctional Facility (SCCF), located on the CMHIP campus, pursuant to these provisions. SCCF is a correctional facility for the treatment of offenders with serious mental illness. Four of the patients at SCCF are civil commitments and one is a legal commitment of Not Guilty by Reason of Insanity (NGRI).

With the opening of the new, security-enhanced treatment unit (E2) the Colorado Mental Health Institute at Pueblo will have the appropriate staffing and physical space to treat patients who were previously transferred to the Colorado Department of Corrections in accordance with 17-23-101 C.R.S. (2014). The new unit's milieu is based on a model of Cognitive Behavioral Therapy, specifically Dialectical Behavioral Therapy. Dialectical Behavioral Therapy is a treatment modality designed to increase coping and problem solving skills (i.e., emotional regulation, distress tolerance, and interpersonal effectiveness) and

stabilization of psychiatric disorders. Each patient has his own clinical treatment plan, a detailed behavioral modification plan, and a clinical team assigned to his care. As patients in the new E2 unit progress, they will have the opportunity to be transferred into other less restrictive units at the Institute. This continuum of care is a valuable component of the treatment continuum.

For many persons with a serious and persistent mental illness, treatment and recovery goals are better accomplished in a psychiatric hospital than a correctional setting, especially when patients do not have criminal charges, have been involuntarily committed or have been adjudicated Not Guilty by Reason of Insanity (NGRI). A report by the Stanford Law School Three Strikes Project[1], titled *"When did prisons become acceptable mental healthcare facilities?"* identifies "that behavioral problems associated with an individual's psychiatric conditions place the mentally ill at greater risk of committing prison rule violations." Additionally, "state prison and jail settings are fraught with special dangers for vulnerable persons who cannot master the complex, and frequently violent, social dynamics of prison life." An article in The Journal of the American Academy of Psychiatry and the Law[2], titled "*Solitary Confinement and Mental Illness in U.S. Prisons: A Challenge for Medical Ethics",* states "persons with mental illness are often impaired in their ability to handle the stresses of incarceration and to conform to a highly regimented routine." Other states such as Utah, California, Idaho and Montana, are also challenged in managing highly assaultive psychiatric patients, and utilize correctional facilities and specialized units with high staffing patterns, public safety officers, and cameras, as a means of providing a safe environment for treatment. For example: California staffs a similar treatment unit for 12-13 patients with clinical staffing equivalent to a 27 patient unit and hospital police; Montana utilizes a 2:1 staffing ratio for escorting patients.

While recent practice followed and met the requirements established in statute, the Department has made the decision that these patients would be better served at a Colorado Mental Health Institute. In order to facilitate a safe return of the patients to CMHIP, modifications to the existing treatment unit, staffing, and operating funds are required. Additional staff are requested in order to provide a safe treatment environment for the patients. While the E2 unit can accommodate this patient population in the short-term, it does have structural limitations, such as not having a restroom within each patient room. Additional staff are required to escort a patient for restroom breaks, in addition to any other movement within the unit. The higher staffing levels are also required to ensure patient and staff safety, as the patient population that will be on the E2 unit are highly acute, assaultive, and aggressive. The Department completed the modification of the existing treatment unit in September 2014, but requests ongoing funding for staffing and operating expenses.

Proposed Solution:

This funding request results from returning patients previously transferred to the Department of Corrections back to the Colorado Mental Health Institute at Pueblo. CMHIP is located on a 300 plus acre campus and is the State's largest public psychiatric hospital, and the only hospital that serves the forensic population. The Robert L. Hawkins High Security Forensic Institute (HSFI) building opened in June 2009. This is a state-of-the-art 200 bed high security forensic building that provides treatment to forensic patients in a secure setting.

Treatment Unit E2 is located within HSFI, and is an eight bed "hardened" unit designed initially to manage and treat jail admissions and Department of Corrections offenders. A hardened unit is a term used to describe the means of construction to accommodate this population. This uniquely hardened unit consists of brick walls, institutional grade doors, enhanced security monitoring systems, institutional grade windows, all of which are in place to provide a safe, secure environment of care. 17-23-101, C.R.S. (2014)

Inmates with Mental Illness or a Developmental Disability – Transfer, allows for the transfer of DOC offenders who have a mental illness or a developmental disability to the Department of Human Services. Treatment Unit E2 was previously utilized as a treatment unit for offenders transferred from DOC. In order to return the MHI patients from San Carlos Correctional Facility, and cease further transfers of patients to DOC, the Department required the full utilization of Treatment Unit E2 for MHI patients. The utilization of Treatment Unit E2 for MHI patients included modifying the unit for enhanced patient safety and security, increased staffing (see the staffing requirement detail that follows), and ongoing operating funds. The transfer of DOC offenders to the MHIs will need to be more tightly managed until a safe, viable, long-term solution is implemented, as the Institutes have neither the bed capacity, staffing, nor the correct Treatment Units available to accommodate both.

Patient Population

The Department exercises the transfer option of patients to DOC, as outlined in 17-23-101 (3) C.R.S. and 17-23-103 C.R.S. (2014), as a last resort. Once the Department makes the determination the patient is too dangerous to treat at the Institute, a written notice of facts is submitted to an impartial hearing body. The hearing body then makes a decision and in the event the patient is found to be too dangerous to be safely treated at the Institute, an executive transfer is initiated and the patient is transferred to the Department of Corrections. The CMHIP treatment team continues to work collaboratively with the San Carlos Correctional Facility (SCCF) staff. Prior to transferring a patient, the CMHIP treatment team meets with and assists SCCF in the creation of an individualized behavioral treatment plan to include specific target goals and interventions for addressing the dangerous behavior(s). A monthly plan of care review is scheduled to discuss, review, and modify treatment goals and needs; specifically regarding dangerous behaviors. A CMHIP contract psychiatrist meets on a monthly basis with DOC to review and monitor the psychiatric care for the patients at DOC. When the patient has met the identified target goals (i.e., is no longer exhibiting violent/aggressive behaviors), a recommendation is made to return the patient to the Institutes and this return is facilitated. This request results from an opportunity to transfer patients from DOC back to the Institutes prior to them reaching the identified level of stabilization to be treated safely at the Institutes.

The return of the patients (prior to meeting identified treatment goals) from SCCF required modifications to Treatment Unit E2 and start-up funds, as well as ongoing staffing and operating funds. These requirements are necessary to ensure the safety and security of both the patients and the staff. The patient population that will be housed in Treatment Unit E2 requires additional care and oversight, as these patients are continuously assaultive, aggressive, and violent. Considerations for their needs are used in the formulation of a Cognitive Behavioral Treatment program, with individual treatment plans to assess and identify risks and intervention(s) and address these violent behaviors.

The required modifications and staffing needs can further be illustrated by the behavior issues of Patient A and Patient B, outlined below. These examples illustrate the challenges staff will face on a daily basis with each of the patients who will be treated on Unit E2. These examples have been written in compliance with HIPAA.

Patient A

Patient A was admitted to CMHIP initially for aggressive behaviors toward self and others. The patient's problem behaviors had not been responsive to the routine reinforcement and consequences inherent in the Unit-wide Contingency Management Program nor to individualized behavioral programs that included a high frequency of reinforcements stated as desirable by the patient. The behavioral patterns over a three month period resulted in 26 occasions of self-harming and aggressive and/or assaultive behaviors. The

patient went to court and was dismissed by the judge for acting out. The patient informed the judge the "intent was to hurt people and put them in the hospital." Chronic aggressive behaviors included hitting, kicking, head butting, biting, spitting, attempting to touch staff, verbal threats of aggression, breaking RIPP restraints and leather restraints while in Seclusion and Restraint (S&R), and property damage. Additionally, the self-harming behaviors included biting, tying blankets/towels around his neck, punching himself in the face, cutting/scratching himself, punching walls/windows, and head banging. Patient A was placed on an Intractable Injurious Behavior Plan (IIBP) to include wrist-to-waist restraints when out of his room. A nursing staff member was placed with him at all times (1:1) to ensure his safety. The goal of the IIBP was to target aggressive and self-harming behaviors and to provide organization, predictability, and control of these behaviors. The program would assist in shaping safe behaviors incrementally and provide opportunities for generalizing them. Patient A initially responded to the IIBP for a short period of time. However, he reverted to aggressive behaviors despite the structure, skills training, and reinforcers made available, particularly during periods where he came out of his room for programming and treatment (including therapy). He continued to require use of Seclusion and Restraint (S&R) due to self-harming behaviors (the most imminent being banging his head) and aggressive behaviors. His room was modified to include safety padding to minimize the potential harm that might occur with repeated self-inflicted head blows. Later, Patient A punched a fire extinguisher resulting in a hairline fracture to his hand. He was placed on suicide II precautions (the highest level of suicide watch) and S&R during the evening hours after voicing thoughts of removing the hand splint and "bashing himself over the head with it." During much of the time the patient was placed on suicide II precautions, two nursing staff were assigned to supervise the patient (2:1). He was placed in walking restraints during the day (in programming) to prevent further harm to himself and/or others. Patient A's aggressive and self-harming behaviors continued, often disrupting the treatment milieu and impacting programming for the other patients. He continued to require S&R multiple times a week due to tying objects around his neck or engaging in self-harm or aggressive behaviors when being let out of his room for programming or bathroom breaks. During movement (bathroom breaks, treatment times, etc.) the patient ran away from staff, punched the walls, fire extinguisher, spit, scratched, bit, and kicked staff. Patient A continued to state his desire to obtain "charges to be sent to county jail or prison." Several months later, Patient A was able to remove/break the floor tiles in his room with the intention of harming himself. He contacted the control center stating that he had broken the tiles. When staff went to his room, he was holding a piece and threatened to harm himself. Staff entered his room and removed the tiles. Patient A was placed in a quiet living area with two staff (2:1) providing oversight 24 hours a day for several months, until his room was repaired.

Since his admission to CMHIP, his behavioral pattern resulted in seclusion and restraint for 77 critical incidents for self-harming and assaultive behaviors. These behaviors included ten critical incidents of staff injury. Patient A demonstrated both instrumental and impulsive aggression. Despite repeated pharmacological and treatment interventions, Patient A continued to display dangerous behaviors and could not be safely treated at the Colorado Mental Health Institute of Pueblo. The treatment team requested a transfer to the Colorado Department of Corrections, a hearing was held and an executive transfer of Patient A was initiated. The Patient has since been transferred to San Carlos Correctional Facility.

Patient B

Patient B was re-admitted to CMHIP on a Mental Health Hold (M-1) after he was determined to be gravely disabled due to his mental health issues. His thought process was extremely disorganized; he could not track conversations, was homeless and did not have a reasonable plan to obtain food, clothes or shelter. He was unwilling to work with the local mental health center to meet his basic needs or accept treatment. Upon his arrival he required emergency medications and seclusion due to his unbalanced mood and unpredictable behaviors. He would be laughing and then without provocation, become aggressive by

cursing, spitting, yelling and threatening. Patient B has a long history of violent behaviors and during his last hospitalization at CMHIP, and required a wrist-to-waist restraint program due to his dangerousness. He has physically attacked both staff and other patients without provocation and often from behind.

Patient B was incarcerated with DOC prior to this hospitalization. He has a history of attempted sexual assault on a female hospital (CMHIP) staff, and pushed and pinned another female psychologist against a wall. These assaults have occurred both when he is on and off of his medications. The patient was transferred to San Carlos Correctional Facility and remains dangerous and unpredictable regardless of multiple and varied treatment interventions. The secure correctional setting has assisted in preventing further sexual assaults.

Staffing Requirements

Prior to their return to CMHIP, five patients were being successfully managed and treated at the Colorado Department of Corrections, San Carlos Correctional Facility (SCCF). As a correctional facility, SCCF utilizes a variety of security resources and tools to address violent behaviors that are not available at Colorado Mental Health Institutes. Such tools include the use of pressure point control tactics (PPCT), oleoresin capsicum (OC) spray, forced cell entry, and steel cuffs. Additionally, the cells at SCCF have bathrooms, while the patient rooms at CMHIP do not, requiring the use of additional security staff to escort a patient any time he leaves his room, either for treatment or restroom breaks. The staffing requirements for the new E2 unit are reflective of the Institutes not being able to utilize the aforementioned control and compliance resources, as well as the structural limitations of the facility. Deliberate and careful consideration of a therapeutic environment that reduces and manages aggressive and violent behaviors has been included as part of this proposal. In addition to the five patients from SCCF, three additional patients from the Institutes appropriate for the unit will fill the eight bed unit.

The Department took very careful consideration when developing the appropriate staffing levels to create a safe environment for staff and patients. The patients being returned to the Institutes from DOC have a very high acuity level and are also very assaultive. The term acuity is used at the Mental Health Institutes to define a patient who: requires one dedicated staff person (1:1) for supervision 24/7 due to medical and/or psychiatric issues, is suicidal, has recently assaulted staff or other patients, is homicidal, or has committed or attempted to commit a sexual assault. The Mental Health Institute at Pueblo experienced a 60% increase in injuries on the job (IOJ) as a result of staff being struck by patients from FY 2012-13 to FY 2013-14. Without the appropriate level of staffing on E2, this number will likely increase further. As an example, one patient who is returning to the Institutes had 74 assaults and/or self-harm attempts in less than one year. This same patient had 310 seclusion and restraint episodes within a one year time frame. A second patient who is returning to the Institutes had 348 seclusion and restraint episodes in a one year time frame. A seclusion and restraint episode is one in which the patient acts out aggressively and displays imminent danger to self or others. In order to safely restrain the patient, five staff are commonly required. Again, the Institutes are not able to use PPCT, OC, or other methods of restraint. For this reason, the patients on this unit will require a high level of staff supervision. Appropriate staffing levels are critical to the success and safety of this new unit. An article published by Advances in Psychiatric Treatment, titled *The Management of Violence in General Psychiatry* by Sophie E. Davison, identifies environmental factors as contributing to an increase in the risk of violence on an inpatient unit. These risk factors include "lack of structured activity, high use of temporary staff, low levels of staff-patient interaction, poor staffing levels, poorly defined staffing roles, and unpredictable programs."

The staffing pattern for E2 is unique and specific to the population being served, and should not be compared to other units at the Institutes or the Department of Corrections. The patients who will be

returned from DOC to CMHIP will require a dedicated treatment team and public safety staff in order to provide the appropriate level of treatment while maintaining a safe environment for both patients and staff. The treatment the patients will receive while on E2 will be highly specialized and directed by a dedicated psychologist and part-time psychiatrist. Treatment will be provided on a daily basis, and will include both individual and group therapy modalities. The Department of Corrections utilizes 23 hours of lock down and group treatment on a weekly basis. The Mental Health Institutes cannot utilize 23 hour lockdown as this is prohibited by federal regulatory standards for hospitals. Additionally, the DOC offenders who were previously at CMHIP were behaviorally sound and not problematic for staff. These lower acuity offenders who did not require additional staffing levels will be replaced with highly acute, assaultive, impulsive and aggressive patients. Lastly, the CMHIP beds assigned to DOC offenders were not always full, so the staffing pattern required for the E-wing was not as concentrated.

The request includes on-going funding for four (4) public safety officers and three (3) nursing staff per shift. In addition, the treatment team will include a full-time psychologist, and a part-time contract psychiatrist. The primary focus of this team will be to create a safe and secure unit conducive to treatment. The Cognitive Behavioral Treatment program will formulate individualized treatment plans that assess and identify specific risks and intervention(s) to address these violent behaviors. Due to the risk for violent behaviors and the lack or correctional tools (such as OC spray), all members of this team will support specific responsivity factors of the patients. This includes evaluation, monitoring and remediation of mental health symptoms and violent behaviors, developing and maintaining quality therapeutic relationships, and creating an environment sensitive to trauma-related histories. A 1.0 FTE, dedicated psychologist is required for the patients on E2 due to the intensive treatment needs of the patients. Additionally, due to the highly assaultive and aggressive nature of the patients who will be on E2, group treatment cannot include all 8 patients at one time. The current staffing for the E-wing (24 beds), which includes the DOC offenders, is 1.0 FTE psychologist. The required staffing for the new E-wing (24 beds), which includes E2 for the returning patients, is 2.0 FTE psychologists; therefore the funding request includes 1.0 FTE psychologist.

The part time psychiatrist is required to provide long term medical evaluations and treatment as well as psychopharmacological expertise. More crucially, the psychiatrist will provide timely crisis management by providing consultation to the treatment team and emergency psychotropic treatment as required. The part time psychiatrist is also required to: evaluate and direct each seclusion and restraint episode, which can potentially occur several times per day; prepare and testify in court for court ordered medications; review and present IIBP requests; consult with the psychologist regarding behavioral treatment programming; manage special requests for diet, recreation, restrictions and privileges; lead plan of care reviews; order Rights Restrictions; and be available to manage emergencies. The part time psychiatrist will be part of the dedicated treatment team that will work specifically with the population on E2. The current staffing for the E-wing, 24 beds, which includes the DOC offenders, is 1.75 FTE contract psychiatrists. The required staffing for the new E-wing, 24 beds, which includes E2 for the returning patients, is 2.25 FTE contract psychiatrists; therefore the funding request includes 0.50 FTE contract psychiatrist. Again, the 5 new patients to be transferred from the San Carlos Correctional Facility require a higher level of care than the patients currently occupying the E2 Unit. For example: In the first three (3) days of one (1) patient's return to CMHIP from DOC, the psychiatrist has spent 10 hours related to the patient's care. This is the only patient that has been returned to CMHIP so far.

Public safety FTE are necessary in order to maintain safety on the unit and to provide escort for patient movement. The current staffing pattern for the E-wing is 2.0 FTE public safety officers. The required staffing for the new E-wing, which includes E2 for the returning patients, is 6.0 FTE public safety officers;

therefore, the funding request includes 4.0 FTE public safety officers. The patient rooms on E2 do not have restrooms, and will require two (2.0 FTE) additional public safety staff to escort the patient for restroom breaks and showering. Furthermore, two FTE are required to escort a patient for any movement to treatment activities. The public safety officers will also provide supervision during group therapy sessions and assist during seclusion and restraint episodes. As previously stated, the population returning to CMHIP has a high occurrence of seclusion and restraint episodes in addition to assaults and aggression. An adequate staffing pattern is required in order to accommodate for the situations that necessitate a higher level of care and supervision. A lower level of staffing for E2 would compromise unit safety for the patients and staff, and significantly increase the likelihood of critical and sentinel events.

Nursing FTE will provide medical care, psychiatric nursing care, administration of medications/treatments, on-site treatment, groups, one-to-one therapy, monitoring of patient care/advocacy, and 24-hour nursing services. The nursing positions will also be responsible for the coordination of care, utilizing the nursing process in the provision of nursing care, performance standards, health assessments, nursing plan of care, quality assurance/quality improvement activities, nursing education, supervision of nursing staff, communication of psychiatric needs, documentation in medical charts, and oversight of the patient's medical conditions. The current staffing pattern for the E-wing, is 5.0 FTE nursing staff. The required staffing for the new E-wing, which includes E2 for the returning patients, is 8.0 FTE nursing; therefore the funding request includes 3.0 FTE nursing staff. Included in the sum of 3.0 FTE nursing staff is a health care technician (1.0 FTE) to watch the eight (8) newly installed cameras in each E2 patient room. This is a new and critical function within the E-wing. The Health Care Technician will be assigned to monitor the security cameras 24/7 to ensure patient and staff safety. Therefore the request is for 2.0 FTE direct care nursing staff, and 1.0 FTE nursing staff to monitor the cameras, for a total of 3.0 FTE nursing staff. Please see Exhibit B for additional details.

Staffing patterns include a shift relief factor of 1.7, or 5.1 FTE for one 24/7 post (3 shifts x 1.7). Shift relief is a common and necessary calculation, incorporated into state agency requests that require a position or post to be staffed 24/7. It is also a common and necessary calculation used in the private sector. Shift relief is used to identify how many people it will take to staff a position, taking into account routine sick and vacation time. While 1.7 is a commonly used shift relief factor for 24/7 positions, it is important to note that shift relief can be affected based on the time required for training, Family and Medical Leave Act (FMLA), or other special circumstances.

Long Term Plan

The Department conducted an analysis of the State's behavioral health system including the current and future needs for inpatient psychiatric services as provided at the Mental Health Institutes. The report is estimated to be completed by December 2014. The results of the study will identify any further need for inpatient psychiatric beds for highly acute and assaultive patients. The results of the study will also assist the Department in determining the most appropriate long-term solution for patients deemed too dangerous for other units within the Institutes, jail admission patients and DOC offenders.

Pending the results of the study, initial discussions have identified a potential long-term solution which could include expanding the Robert L. Hawkins High Security Forensic Institute (HSFI) building. This appropriately designed addition to HSFI could facilitate the safety of patients and staff, thus creating an environment conducive to treatment. This new unit, L2, may utilize current building infrastructure, minimizing overall building costs. The new 21-bed unit could consist of one wing with five (5) beds to treat patients deemed too dangerous for other units within the Institutes. In addition, there could be two, eight (8) bed wings which would be appropriate for jail admission patients and DOC offenders. The new

L2 unit will be designed to increase overall patient, staff, and program safety through enhanced security control systems, including cameras and bathrooms in every room.

The Department estimates, should this or a similar long-term plan be selected, it would take 18-24 months for planning and design of the new unit. The Department's Office of Behavioral Health will work in concert with the Division of Facilities Management to develop a Facilities Program Plan (FPP) and Operational Program Plan (OPP) which is estimated to take approximately eight months to complete, after which, the remaining time will be dedicated to the design phase which will develop a construction estimate. A site master plan will not be required as the new L2 unit was originally incorporated into the design of HSFI. Initial estimates for the construction of the new unit L2 are $3,527,905 for 11,475 square feet. This estimate is very preliminary and would require the completion of the FPP and OPP to further develop more accurate estimates. A staffing analysis, operational, and pharmaceutical cost analysis will also need to be completed for any selected long-term plan prior to requesting funds. The funding request for the new unit will be incorporated into the overall request for capital funds, as determined by the outcome of the statewide needs assessment and facility plan request.

Anticipated Outcomes:

This funding request will provide a solution that enables the Department to maintain services for patients previously transferred to the Department of Corrections. Patients are housed in Treatment Unit E2 within the Robert L. Hawkins High Security Forensic Institute on the CMHIP campus. DOC offenders previously housed in Treatment Unit E2 were transferred back to the Department of Corrections. It is the Department's assumption the DOC will not need to reduce/transfer resources or FTE as a result of the new E2 unit since the beds being vacated by MHI patients will be filled with DOC offenders and not be left vacant. A safe, secure, optimal, long-term solution is necessary, and will be evaluated in the future with the goal of addressing the needs of both the Institutes and DOC.

Implementation Time Frames:

- Department ceased the transfer of patients to DOC: May 1, 2014
- Job posting/hiring for new positions: June –September 2014
- Return offenders from CMHIP to DOC: June 20, 2014
- E2 unit vacated: June 23, 2014
- E2 unit modification complete: September 19, 2014 (estimated)
- Return of CMHIP patients from DOC: September 19 – October 10, 2014 (estimated)
- Results of statewide mental health needs assessment: December 2014 (estimated)
- Request funds for staffing and operating needs for FY 2015-16: November 2014
- Request funds for FPP, OPP and design to be conducted in FY 2016-17 as needed: November 2015
- FPP and OPP for new long-term plan as needed: July 2016 – February 2017 (estimated)
- Request Capital Construction Funding for FY 2017-18 as needed: November 2016
- Construction begins: July 1, 2017 (estimated)

Improving treatment of the affected individuals directly addresses the second half of Goal Five in the Department's Performance Plan "…expanding community supports in mental health and substance abuse services." It is consistent with the Governor's goal of Strengthening Colorado's Mental Health System. This improved treatment is expected to lower rates of seclusion and restraint at the individual level, addressing the C-Stat measures of "Seclusion use" and "Restraint use."

Assumptions and Calculations:

Detailed calculations are included in the following tables:

Exhibit A – Summary Line Item Projections and Requested Financing
Exhibit B – CMHI Personal Services (Staffing) Line Requested Financing
Exhibit C – CMHI Operating Expenses Line Requested Financing
Exhibit D – E2 Public Safety Personal Services Calculations
Exhibit E – E2 Nursing Personal Services Calculations
Exhibit F – E2 Program Personal Services Calculations
Exhibit G – E2 Shift Differential

Additional Information

	Yes	No	Additional Information
Is the request driven by a new statutory mandate?		X	
Will the request require a statutory change?		X	
Is this a one-time request?		X	
Will this request involve IT components?		X	
If yes, has OIT reviewed the request and submitted a corresponding Schedule 13?			
Does this request impact other state agencies?		X	
If yes, has the other impacted state agencies reviewed the request and submitted a corresponding Schedule 13?			
Is there sufficient revenue to support the requested cash fund expenditures?			
Does the request link to the Department's Performance Plan?	X		

Footnotes
[1] Stanford Law School. Three Strikes Project. (2014) *When did prisons become acceptable mental healthcare facilities?* (Report_v12). Darrell Steinberg, David Mills, Michael Romano.

[2] Metzner, Jeffrey L and Jamie Fellner. (2010) Solitary Confinement and Mental Illness in U.S. Prisons: A Challenge for Medical Ethics. *The Journal of the American Academy of Psychiatry and the Law, 38,* 104-108.

Exhibit A

Treatment Unit E2 Summary

Office of Behavioral Health	FY 2015-16	FTE
Personal Services	$2,577,397	36.7
Operating Expenses	$36,841	
GRAND TOTAL	**$2,614,238**	**36.7**

Additional Details:	FY 2015-16	FTE
Personal Services		
Public Safety FTE	$1,207,078	20.4
Nursing FTE	$1,050,312	15.3
Program FTE	$87,335	1.0
Shift Differential	$115,383	
Contract Services (Psychiatrist)	$117,289	
Total Personal Services	**$2,577,397**	**36.7**
Operating Expenses	**$36,841**	

Exhibit B

Treatment Unit E2 : Staffing

Shift Relief Factor 1.7

7 day a week post, 24 hours per day = 1.0 FTE x 3 shifts x 1.7 relief factor = 5.1 FTE

		# Staff Required for Each Shift (with Relief Factor)			
	Monthly	Shift I	Shift II	Shift III	
Public Safety	Salary	7 am - 3 pm	3 pm - 11 pm	11 pm - 7 am	
Correctional/Youth Security Officer I	$3,273	3.4	3.4	3.4	10.2
Correctional/Youth Security Officer II	$3,607	1.7	1.7	3.4	6.8
Correctional/Youth Security Officer III	$3,977	1.7	1.7	0.0	3.4
Total		**6.8**	**6.8**	**6.8**	**20.4**

		# Staff Required for Each Shift (with Relief Factor)			
	Monthly	Shift I	Shift II	Shift III	
Nursing	Salary	7 am - 3 pm	3 pm - 11 pm	11 pm - 7 am	
Registered Nurse I	$4,764	3.4	3.4	3.4	10.2
Health Care Tech II	$2,890	1.7	1.7	1.7	5.1
Total		**5.1**	**5.1**	**5.1**	**15.3**

		# Staff Required for Each Shift			
	Monthly	Shift			
Program Staff	Salary	8 am - 5 pm			
Psychologist I	$5,493	1.0			1.0
Total		**1.0**	**0.0**	**0.0**	**1.0**

TOTAL STATE FTE	**36.7**

		# Staff Required for Each Shift			
	Monthly	Shift			
Contract Staff	Salary	8 am - 5 pm			
Psychiatrist	$9,774	0.5			0.5
Total Contract FTE		**0.5**	**0.0**	**0.0**	**0.5**

Total Staffing Required	**37.2**

Exhibit C

Treatment Unit E2 : Operating	Estimated Unit Cost	Quantity Required	FY2015-16
Staff uniforms	$340.00	21	$7,140
Misc. equipment e.g. spit masks, bite resistant apparel	$4,900.00	1	$4,900
Mobile phone (annual cost)	$360.00	4	$1,440
Misc patient supplies: scrubs, towels, etc	$200.00	8	$1,600
Housekeeping and maintenance (annual cost)	$2,961.00	1	$2,961
TOTAL			$18,041
Total FTE Operating:			$18,800
GRAND TOTAL:			**$36,841**

Exhibit D

Calculation Assumptions:

Personal Services -- Based on the Department of Personnel and Administration's August 2013 Annual Compensation Survey Report, Correctional/Youth Security Officers I, II, and III at the bottom of the pay range will require monthly salaries of $3,273, $3,607 and $3,977 respectively.

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($900), Office Suite Software ($330), and office furniture ($3,473).

General Fund FTE -- New full-time General Fund positions are reflected in FY 2014-15 as 0.9166 FTE to account for the pay-date shift.

Expenditure Detail			FY 2015-16	
Personal Services:		FTE		
	Monthly Salary			
Correctional/Youth Security Officer I	$ 3,273	10.2		400,615
PERA				40,662
AED				17,627
SAED				17,026
Medicare				5,809
STD				881
Health-Life-Dental				87,199
Subtotal Position 1, #.# FTE		10.2	**$**	**569,819**
	Monthly Salary			
Correctional/Youth Security Officer II	$ 3,607	6.8		294,331
PERA				29,875
AED				12,951
SAED				12,509
Medicare				4,268
STD				648
Health-Life-Dental				55,490
Subtotal Position 2, #.# FTE		6.8	**$**	**410,073**
	Monthly Salary			
Correctional/Youth Security Officer III	$ 3,977	3.4		162,262
PERA				16,470
AED				7,140
SAED				6,896
Medicare				2,353
STD				357
Health-Life-Dental				31,709
Subtotal Position 3, #.# FTE		3.4	**$**	**227,186**
Subtotal Personal Services		20.4	**$**	**1,207,078**
Operating Expenses				
Regular FTE Operating Expenses	500	20.4		10,200
Subtotal Operating Expenses			**$**	**10,200**
TOTAL REQUEST		20.4	**$**	**1,217,278**
	General Fund:			*1,217,278*
	Cash funds:			
	Reappropriated Funds:			
	Federal Funds:			

Exhibit E

Calculation Assumptions:

Personal Services -- Based on the Department of Personnel and Administration's August 2013 Annual Compensation Survey Report, a Registered Nurse I and Health Care Technician II at the bottom of the pay range will require monthly salaries of $4,764 and $2,890 respectively.

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($900), Office Suite Software ($330), and office furniture ($3,473).

General Fund FTE -- New full-time General Fund positions are reflected in FY 2014-15 as 0.9166 FTE to account for the pay-date shift.

Expenditure Detail		FY 2015-16	
Personal Services:		FTE	
	Monthly Salary		
Registered Nurse I	$ 4,764	10.2	583,114
PERA			59,186
AED			25,657
SAED			24,782
Medicare			8,455
STD			1,283
Health-Life-Dental			87,199
Subtotal Position 1, #.# FTE		10.2	**$ 789,676**
	Monthly Salary		
Health Care Tech II	$ 2,890	5.1	176,868
PERA			17,952
AED			7,782
SAED			7,517
Medicare			2,565
STD			389
Health-Life-Dental			47,563
Subtotal Position 2, #.# FTE		5.1	**$ 260,636**
Subtotal Personal Services		15.3	**$ 1,050,312**
Operating Expenses			
Regular FTE Operating Expenses	500	15.3	7,650
Subtotal Operating Expenses			**$ 7,650**
TOTAL REQUEST		15.3	**$ 1,057,962**
General Fund:			*1,057,962*
Cash funds:			
Reappropriated Funds:			
Federal Funds:			

Exhibit F

Calculation Assumptions:

Personal Services -- Based on the Department of Personnel and Administration's August 2013 Annual Compensation Survey Report, a Psychologist I at the bottom of the pay range will require a monthly salary of $5,493

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($900), Office Suite Software ($330), and office furniture ($3,473).

General Fund FTE -- New full-time General Fund positions are reflected in FY 2014-15 as 0.9166 FTE to account for the pay-date shift.

Expenditure Detail			FY 2015-16		
Personal Services:			FTE		
	Monthly Salary				
Psychologist I	$	5,493	1.0		65,916
PERA					6,690
AED					2,900
SAED					2,801
Medicare					956
STD					145
Health-Life-Dental					7,927
Subtotal Position 1, #.# FTE			1.0	**$**	**87,335**
Subtotal Personal Services			1.0	**$**	**87,335**
Operating Expenses					
Regular FTE Operating Expenses		500	1.0		500
Telephone Expenses		450	1.0		450
Subtotal Operating Expenses				**$**	**950**
TOTAL REQUEST			1.0	**$**	**88,285**
General Fund:					*88,285*
Cash funds:					
Reappropriated Funds:					
Federal Funds:					

Exhibit G
Treatment Unit E2: Shift Differential

Classification	Monthly Salary	Annual Salary	FTE on Shift II	FTE on Shift III	Shift II 7.5%	Shift III 14%	TOTAL
Correctional/Youth Security Officer I	$3,273	$39,276	3.4	3.4	$10,015	$18,695	
Correctional/Youth Security Officer II	$3,607	$43,284	1.7	3.4	$5,519	$20,603	
Correctional/Youth Security Officer III	$3,977	$47,724	1.7	0.0	$6,085	$0	
Registered Nurse I	$4,764	$57,168	3.4	3.4	$14,578	$27,212	
Health Care Tech II	$2,890	$34,680	1.7	1.7	$4,422	$8,254	
			11.9	11.9	$40,618	$74,764	$115,383

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Numbe R-02

Request Titles

R-02 Early Intervention Caseload Growth

Dept. Approval By: Melissa Wavelet — X — **Supplemental FY 2014-15** / **Change Request FY 2015-16** / **Base Reduction FY 2015-16** / **Budget Amendment FY 2015-16**

OSPB Approval By: — —

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16 FY 2015-16	FY 2016-17 Continuation
	Total	**$44,609,864**	**$0**	**$44,609,864**	**$2,453,204**	**$2,581,644**
	FTE	6.5	-	6.5	-	-
Total of All Line Items	GF	$20,403,665	$0	$20,403,665	$1,098,960	$1,156,498
	CF	$10,895,900	$0	$10,895,900	$680,961	$716,613
	RF	$5,268,899	$0	$5,268,899	$292,746	$308,073
	FF	$8,041,400	$0	$8,041,400	$380,537	$400,460

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16 FY 2015-16	FY 2016-17 Continuation
	Total	**$36,495,892**	**$0**	**$36,495,892**	**$2,002,826**	**$2,107,686**
	CF	$10,895,900	$0	$10,895,900	$680,961	$716,613
06. Division of Early Childhood - Early Intervention Services	FF	$8,041,400	$0	$8,041,400	$380,537	$400,460
	FTE	6.5	-	6.5	-	-
	GF	$17,558,592	$0	$17,558,592	$941,328	$990,613
	Total	**$8,113,972**	**$0**	**$8,113,972**	**$450,378**	**$473,958**
06. Division of Early Childhood - Early Intervention Services Case Management	GF	$2,845,073	$0	$2,845,073	$157,632	$165,885
	RF	$5,268,899	$0	$5,268,899	$292,746	$308,073

Letternote Text Revision Required? Yes X No — **If Yes, describe the Letternote Text Revision:**

See Tables 3B and 4 of the full narrative for the calculations.
(6)(B)b Of this amount, an estimated ~~$5,969,466~~ $6,279,904 shall be from local funds and ~~$4,926,434~~ $5,296,957 shall be from the Early Intervention Services Trust Fund.

Cash or Federal Fund Name and CORE Fund Number: IDEA Part C funds, Local funds, EIST funds, Medicaid funds

Reappropriated Funds Source, by Department and Line Item Name: HCPF

Approval by OIT? Yes — No — **Not Required:** X

Schedule 13s from Affected Departments: HCPF

Other Information:

Cost and FTE

- The Department is requesting an increase of $2,453,204 Total Funds including $1,098,960 General Fund, $680,961 cash funds, $292,746 reappropriated funds, and $380,537 federal funds for early intervention (EI) direct services and service coordination in FY 2015-16. These funds will provide necessary services for infants and toddlers, birth through two years who have developmental delays or disabilities, and their families.

Current Program

- The Department is designated as the lead agency in Colorado under Part C of the federal Individuals with Disabilities Education Act (IDEA).
- Federal regulations require the State to adopt a policy to make appropriate EI services available to all eligible infants and toddlers and their families.
- In FY 2013-14 from July through May, the unduplicated number of children served was 11,453, and the average monthly enrollment was 6,883. This is an increase of 5.9% in average monthly enrollment over FY 2012-13.
- The five year average growth rate from FY 2008-09 to FY 2013-14 in EI caseloads was 5.3%

Problem or Opportunity

- The birth through two years population in Colorado has increased over the past five years. During that time, the percentage of children identified with developmental delays and disabilities has also increased from 2.35% to 3% of the birth to two years of age population.
- In order for the State to maintain Part C funding, Colorado cannot have a waitlist for eligible children and families.

Consequences of Problem

- Children are at risk of longer term or an increased level of delays if intervention is not provided in a timely manner during the developmental years of birth through two years. This could result in higher health care and education costs to the State.
- If EI is not fully funded, and services are not available to all eligible children and families, the State will not meet the Part C requirements and will be at risk of forfeiting eligibility for the federal grant funds of $6,922,597.

Proposed Solution

- The requested funding will adequately fund the growth in caseload, which is an average of 382 children in FY 2015-16, to support direct services and service coordination for infants and toddlers and their families.
- The Department is engaged in ongoing work with the Department of Health Care Policy and Financing to increase Medicaid utilization as a funding source for EI services. This includes implementing procedures to require a denial from Medicaid or private insurance before General Fund or federal Part C funds are used to pay for services that are benefits under those funding sources.

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Department Priority: R-02
Request Detail: Early Intervention Caseload Growth

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Early Intervention Caseload Growth	**$2,453,204**	**$1,098,960**	**$680,961**	**$292,746**	**$380,537**

Problem or Opportunity:

The Department is requesting an increase of $2,453,204 Total Funds including $1,098,960 General Fund, $680,961 cash funds, $292,746 reappropriated funds, and $380,537 federal funds for early intervention (EI) direct services and service coordination in FY 2015-16. The Early Intervention (EI) program, in the Office of Early Childhood (OEC), Division of Community and Family Support, provides infants and toddlers from birth through two years 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 and emotional development and self-help skills. The Department is designated as the lead agency in Colorado under Part C of the Federal Individuals with Disabilities Education Act (IDEA). EI services for infants and toddlers offers service coordination (case management) and direct services through contracts with 20 local providers, Community Centered Boards (CCBs). The program also works collaboratively with the Colorado Department of Education (CDE) who oversees the local Child Find teams that provide the multidisciplinary evaluations for infants and toddlers to allow the CCB's to determine eligibility for EI services.

The birth through two year old population in Colorado has increased over the past five years. During that time, the percentage of children identified with developmental delays and disabilities has also increased from 2.35% to 3% of the birth through two year old population. In FY 2012-13, Colorado identified 3% of the infants and toddlers as eligible for early intervention services. This represents a point in time count on October 1, 2012 of 5,898 infants and toddlers from the birth through two year old population of 199,337. This compares to the national average of 2.77%.[1] The national average has grown from 2.67% to 2.77% in the last five years, but it should be noted that as states set their eligibility standards, they can be described as narrow, moderate, or broad in terms of eligibility. While Colorado and fourteen other states are classified as "broad" in terms of eligibility, the population data suggests that Colorado's population of children identified with developmental delays and disabilities has grown at a faster rate than the national average. The broad classification of eligibility is based on the number of children served in each state under the

[1] Data Source: "Table C1-9 Number and Percent of Infants and Toddlers Receiving Early Intervention Services Under IDEA, Part C, by Age and State: 2012". FY 2013 Data is not yet available

Federal IDEA Act, but there is no limit on the number of children an individual state can serve making growth comparisons difficult.[2]

The average monthly number of eligible infants and toddlers has also increased. In FY 2012-13 the growth of eligible children increased by 2%. In FY 2013-14, the growth rate more than doubled to 5.9% or 383 additional infants and toddlers. This growth can be attributed to the efforts of the Assuring Better Child Health and Development (ABCD) project to increase the use of standardized developmental screening as a routine part of well-child visits within pediatric health care practices, as well as efforts by the Office of Early Childhood to improve outreach to early care and learning programs and child welfare services so that children are referred early if there are any developmental concerns. Between FY 2012-13 and FY 2013-14, the referral rate increased 18.6%.

Colorado has a broad definition of developmental delay as opposed to a moderate or narrow delay requirement used by some states. In Colorado, developmental delay means, as defined in 12 CCR 2509-10, 7.901, a twenty-five percent (25%) delay or greater in one (1) or more of the five (5) domains of development (adaptive, cognitive, communication, physical, or social or emotional) when compared with chronological age or the equivalence of one and a half (1.5) stand deviations or more below the mean in one (1) or more developmental domains. Infants and toddlers are also eligible if they have an established condition that has a high likelihood of resulting in a developmental delay, such as Down Syndrome or Autism Spectrum Disorder. Infants and toddlers with an established condition are automatically eligible for EI services. A third category of eligibility is any infant or toddler who is living with their parent who has a developmental disability determination by a Community Centered Board. This is typically a very small number of children in relation to the other two eligibility categories.

Federal regulations under 34 C.F.R., Section 303.101(a)(1) require the State to adopt a policy to make appropriate EI services, including service coordination available to all eligible infants and toddlers and their families. In order for the State to maintain Part C funding, the State cannot have a wait list for eligible children and families. The 20 CCBs, with whom the Department contracts to provide EI services, report that the funding received for the fifteen allowable EI services and service coordination is not sufficient to meet the demands of serving all eligible children due to caseload growth.

The Coordinated System of Payment Legislation, 27-10.5-706, C.R.S. (2014), was enacted to ensure use of all available funding sources and to coordinate and streamline administrative procedures. In accordance with 12 CCR 2509-10, Section 7.912, a funding hierarchy was established to facilitate access to multiple funding sources for allowable EI services for eligible infants and toddlers. The use of the coordinated system of payment provides access to other available funding sources for services using a State-defined funding hierarchy. General Fund is accessed after attempts have been made to use private and public health insurance resources. Part C funds are the payer of last resort for EI services that are not otherwise funded through other public and private sources. The funding hierarchy is as follows:

- Private pay - at the discretion of the parent(s)
- Private Health Insurance (with written consent of the parent), including the Early Intervention Services Trust Fund
- TRICARE, a military health system
- Medicaid (Title XIX), Home and Community Based Services (HCBS) waivers, Child Health Plan Plus (CHP+)

[2] Example: Both Colorado and Massachusetts are defined as states with "broad" eligibility and both have comparable populations of Early Intervention eligible children, but Massachusetts state law requires more direct financial participation from private insurance. This creates a scenario in Massachusetts where the number of children served and the growth rate are substantially higher than Colorado, despite the comparable population size. (Source: The Early Childhood Technical Assistance Center)

- Child Welfare funding and Temporary Assistance to Needy Families (TANF)
- Other local, state or federal funds, including mill levy funds, as may be made available
- General Fund
- Federal Part C IDEA Funds

FY 2014-15 is the eighth year in which the EI program has utilized the funding hierarchy and more discriminately captured the use of funding sources other than state or federal funds. Colorado's federal Part C funding was reduced by $352,298 (5%) due to sequestration in FY 2013-14 and has only slightly increased in FY 2014-15, but has not kept up proportionately to the annual EI caseload increase. Therefore, the additional costs associated with the growth in caseload and reduced federal funds must shift to other available funding sources in the hierarchy, including General Fund. The availability of the private insurance trust funds known as the Early Intervention Services Trust (EIST) Fund is slightly growing because of the changes to the Affordable Care Act and the coverage of most of the EI services as Essential Health Benefits; however, CCBs report anecdotally that there has been an increase in the number of children with private health insurance plans that are self-funded or have high deductible plans and Health Savings Accounts in lieu of previously provided medical plans that would have covered EI services funded by the EIST.

The Department did not request a funding increase for FY 2014-15 because it was anticipated that the growth would stay relatively stable, there would be sufficient Part C funds carried forward from prior fiscal years, and that CCBs would significantly increase the use of Medicaid and private insurance so that other funds would be available to fully fund the estimated caseload growth. The average rate of utilization of Medicaid for direct services in FY 2012-13 was 40%. Despite extensive technical assistance and incentive management funds provided to the CCBs in FY 2013-14, the average rate of utilization has increased only from 40% in FY 2012-13 to approximately 45% for direct services and from 50% in FY 2013-14 to 79% for service coordination. This is in part due to the fact that there are some EI direct services that are not claimable through Medicaid, and there are some children who go on and off Medicaid throughout the year.[3] Medicaid and private insurance do not provide 100% coverage of the EI services; thus the uncovered costs are claimed through General Funds or Part C funds, as available. Another issue that is affecting the use of the funding hierarchy is the number of CCBs and their independent contractors who do not bill Medicaid for EI services. Reasons for this include lower Medicaid rates as compared to those paid by many of the CCBs and the perceived barriers to completing the Medicaid application and billing processes. As a result, CCBs billed more and more services to General Fund and federal Part C dollars, but these funds have not kept pace with the growth in the number of eligible infants and toddlers.

Proposed Solution:

The Department is requesting an increase of $2,453,204 in Total Funds including $1,098,960 General Fund, $680,961 cash funds, $292,746 reappropriated funds, and $380,537 federal funds for early intervention (EI) direct services and service coordination. These funds will cover the projected EI services caseload growth that will not be covered by the other funding sources. The five year average caseload growth was 5.3% from FY 2008-09 to FY 2013-14. This request presumes that, at a minimum, the same percentage of growth can be expected in FY 2014-15 and again in FY 2015-16.

The Department is engaged in ongoing work with the Department of Health Care Policy and Financing to increase Medicaid utilization as a funding source for EI services. This includes implementing procedures to

[3] On March 1, 2014, Medicaid went to twelve month continuous eligibility for children.

require a denial from Medicaid or private insurance before General Fund or federal Part C funds are used to pay for services that are benefits under those funding sources. The Department is also having discussions with the Department of Health Care Policy and Financing to revise the Medicaid State Plan to include the same services as those covered under the EIST paid for by private health insurance and Child Health Plan Plus (CHP+).

The other alternatives that the Department is not to recommending at this time are:

- Foregoing participation in the Federal Part C program - This would result in declining approximately $7 million in Part C funds but would relieve the State of the requirement to ensure that services are provided to all eligible children (i.e. there could be a limit on the amount of services provided or a waiting list could be used). This would result in children going without needed early intervention services, or delays in receiving services, thus resulting in ongoing developmental delays. This alternative is not recommended because it ultimately will result in increased costs to the State in later years for special education services;
- Tightening the eligibility criteria for developmental delay in children birth through two years of age, from a 25% delay or 1.5 standard deviations in one or more areas of development to a 33% delay or 2 standard deviations in one area of development, a 25% delay or 1.5 standard deviations or greater in two or more areas of development. With this change a cost savings would be realized due to fewer children being determined eligible. Again, reducing the number of children served in the EI program would reduce the short-term costs, but the State could experience future increased costs if unresolved developmental delays result in children needing services later in special education; and,
- Implementation of family sliding fee scale – Implementing a sliding fee scale for families who are financially able to contribute toward the cost of services for their child would increase revenues but would add significant administrative costs, require statutory and regulatory rule changes, and may negatively impact families' access to EI services.

Children are at risk of longer term or increased levels of delay if interventions are not provided in a timely manner during the developmental years of birth through two years. Delaying the identification of developmental delays in young children and the delivery of EI services that they need would likely result in higher health care and other costs to the State during the public education years. Additionally, if EI services are not fully funded and services are not available to all eligible children and families as required under 34 CFR, Section 303.101(a)(1), the State will not meet the Part C requirements and will be at risk of forfeiting eligibility for the federal grant funds. The State has the federal requirement to provide service coordination to every child referred through their enrollment in EI services, complete the multidisciplinary evaluation to determine eligibility within 45 calendar days and provide services in a timely manner, defined in Colorado as 28 calendar days.

Anticipated Outcomes:

Early intervention services will continue to meet the needs of infants, toddlers and their families. Ninety-nine percent (99%) of children with significant delays in development who received EI services in FY 2012-13 showed improvement or maintained functioning at a level comparable to same-aged peers in their acquisition and use of knowledge and skills (motor, cognition, speech, language, etc.). Ninety-five percent (95%) of parents participating in EI services reported that the services assisted their family in helping their children develop and learn. The child outcomes are part of the EI performance measures captured and reported monthly through C-Stat and are reported in the Annual Performance Report (APR) that is shared publicly and with the Federal Office of Special Education Programs (OSEP). The family outcomes are gathered annually through a statewide family survey and are reported in the APR.

This funding request relates to the timely evaluations for infants and toddlers referred to the EI program. The federal requirements under 34 C.F.R., Sections 303.310 and 303.345 are for all infants and toddlers to have their evaluation, eligibility determination and initial planning meeting completed within 45 calendar days of the date of referral. The target of 100% is set by the OSEP. Colorado's performance on this measure in FY 2012-13 was 98.9%; however, for the period of July 1, 2013 through May 31, 2014 that performance decreased to 95% due to capacity issues facing the CCBs and the school district Child Find teams.

This funding request also relates to the C-Stat Performance Measures Infants and Toddlers who Receive Timely Service and Increased Growth in the Acquisition and Use of Knowledge and Skills. Timely initiation of EI services is a federal requirement and the target of 100% is set by the OSEP. The measurement is based on the number of infants and toddlers enrolled in EI services who receive new services documented on their Individualized Family Service Plan (IFSP) in a timely manner – within 28 days. The goal of this measure is to increase the percentage of children for whom services are initiated within 28 days of parent consent to 100%. The actual performance trend results have ranged from 90% to 98% from calendar year 2013 through May 2014.

Assumptions and Calculations:

The total caseload increase for the EI program is projected by calculating the percentage of growth between FY 2008-09 Average Monthly Enrollments (AME) to FY 2013-14 AME. The five year average growth percentage from FY 2008-09 to FY 2013-14 is used to project AME for FY 2014-15 and FY 2015-16. Medicaid utilization for Direct Services is projected to improve to 50% and 82% for Targeted Case Management (TCM). The Department may request future budget actions for FY 2014-15 and FY 2015-16 based on updated caseload and cost per child information. See tables below for calculations.

Table 1: Average Monthly Enrollment Increases

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Unduplicated Count	10,739	10,990	11,762	12,032	12,669
Average Monthly Enrollment	5,667	6,013	6,372	6,500	6,883
Annual Percentage Change	6.5%	6.1%	6.0%	2.0%	5.9%
Five Year Average AME: 5.3%					

Table 1A: Average Monthly Enrolled (AME)

FY 2012-13 (Actual)	FY 2013-14 (as of 8/28/14)	FY 2014-15 (Projected)	FY 2015-16 (Projected)	FY 2016-17 (Projected)
6,500	6,845	7,207	7,589	7,991

Assumption: 5.3% average increase in caseload per year, based on the five previous fiscal years

Table 2A: Total Cost Per Child Per Year Direct Services					
	FY 2012-2013*	**FY 2013-14****	**FY 2014-15*****	**FY 2015-16**	**FY 2016-17**
Direct Service Rate Per Child	$4,990	$5,115	$5,243	$5,243	$5,243
Total Cost for Direct Service	$32,435,000	$35,012,175	$37,786,301	$39,789,127	$41,896,813

*Reported to the JBC in the November 2013 Annual Report on Early Intervention Services, based on AME of 6500

**2.5% provider rate increase in Long Bill that was passed on to the CCBs

***FY 2014-15 direct service rate increased by 2.5%

Table 2B: Total Cost Per Child Per Year Service Coordination (SC)					
	FY 2012-13*	**FY 2013-14 ****	**FY 2014-15 *****	**FY 2015-16**	**FY 2016-17**
SC Rate Per Child	$1,032	$1,150	$1,179	$1,179	$1,179
Total Cost	$6,708,000	$7,871,750	$8,497,053	$8,947,431	$9,421,389

Dollar amounts include Medicaid, EIST, and other funds (such as private insurance, CHP+, local funds)

* FY 2012-13 (AME of 6500), FY 2014-15, FY 2015-16, FY 2016-17 based on projections

**FY 2013-14 based on AME of 6,845 x $1,150 (raising the service coordination rate to be consistent with the rate paid in the EIST)

*** FY 2014-15 service coordination rate increased by 2.5%

Table 2C: Early Intervention Fund Sources*					
	General Fund	**Cash Funds**		**Reappropriated Funds**	**Federal Funds**
		EIST	**Local Funds**	**Medicaid**	**Part C**
Direct Services	47%	18.5%	15.5%	0%	19%
Service Coordination	35%	0%	0%	65%	0%

*Based on FY 2012-13 Funding. FY 2013-14 numbers not available yet.

Table 3A: Direct Service Budget		
	Total Funds	**Shortfall****
FY 2014-15*	$36,495,892	($1,290,409)
FY 2015-16	$37,786,301***	($2,002,826)
FY 2016-17	$39,789,127	($2,107,686)

*Source: HB 14-1336 (FY 2014-15 Long Bill)

**Calculated by subtracting the Total Funds in Table 3A from Table 2A, Total Cost for Direct Service based on the assumption that the prior year projected expenditures become the new base.

***Total Funds for FY 2015-16 are calculated by adding the FY 2014-15 Total Funds and the Shortfall amount. The same process is repeated in the FY 2016-17 sections.

Table 3B: Direct Service Fund Splits					
	Total Funds (Shortfall)	General Fund	Cash Funds		Federal Funds (Part C)
			EIST	Local Funds	
FY 2014-15	$1,290,409	$606,492	$238,726	$200,013	$245,178
FY 2015-16	$2,002,826	$941,328	$370,523	$310,438	$380,537
FY 2016-17	$2,107,686	$990,613	$389,922	$326,691	$400,460

Table 3C: Service Coordination Budget		
	Total Funds	Shortfall**
FY 2014-15*	$8,113,972	($383,081)
FY 2015-16	$8,497,053 ***	($450,378)
FY 2016-17	$8,947,431	($473,958)

*Source: HB 14-1336 (FY 2014-15 Long Bill)

**Calculated by subtracting the Total Funds in Table 3C from Table 2B, Total Cost for Service Coordination based on the assumption that the prior year projected expenditures become the new base.

***Total Funds for FY 2015-16 are calculated by adding the FY 2014-15 Total Funds and the Shortfall amount. The same process is repeated in the FY 2016-17 sections.

Table 3D: Service Coordination Fund Splits						
	Total Shortfall	General Fund	Reappropriated	MCF	MGF	Net GF
FY 2014-15	$383,081	$134,078	$249,003	$249,003	$124,502	$258,580
FY 2015-16	$450,378	$157,632	$292,746	$292,746	$146,373	$304,005
FY 2016-17	$473,958	$165,885	$308,073	$308,073	$154,037	$319,922

Table 4: Summary of Funding to Serve Children in Early Intervention						
	Total Funds*	General Fund	Cash Funds		Reappropriated	Federal Funds (Part C)
			EIST	Local Funds		
FY 2014-15	$46,283,354	$21,144,235	$5,165,160	$6,169,479	$5,517,902	$8,286,578
FY 2015-16	$48,736,558	$22,243,195	$5,535,683	$6,479,917	$5,810,648	$8,667,115
FY 2016-17	$51,318,202	$23,399,693	$5,925,605	$6,806,608	$6,118,721	$9,067,575

*Calculated from the Total Funds in Table 3A and Table 3C plus the shortfall from Tables 3B and 3D, and using actual funding from HB 14-1336 (FY 2014-15 Long Bill)

Table 4A: Request Summary					
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**
FY 2014-15 Request	$1,673,490	$740,570	$438,739	$249,003	$245,178
Direct Services	$1,290,409	$606,492	$438,739	$0	$245,178
Service Coordination	$383,081	$134,078	$0	$ 249,003	$0
FY 2015-16 Request	$2,453,204	$1,098,960	$680,961	$292,746	$380,537
Direct Services	$2,002,826	$941,328	$680,961	$0	$380,537
Service Coordination	$450,378	$157,632	$0	$ 292,746	$0
FY 2016-17 Request	$2,581,644	$1,156,498	$716,613	$308,073	$400,460
Direct Services	$2,107,686	$990,613	$716,613	$0	$400,460
Service Coordination	$473,958	$165,885	$0	$308,073	$0

Table 4B: Request Summary Continued				
	Reappropriated Funds	**Medicaid Cash Fund**	**Medicaid General Fund**	**Net General Fund**
FY 2014-15 Request	$249,003	$249,003	$121,987	$862,557
Direct Services	$0	$0	$0	$606,492
Service Coordination	$249,003	$249,003	$121,987	$256,065
FY 2015-16 Request	$292,746	$292,746	$143,416	$1,242,376
Direct Services	$0	$0		$941,328
Service Coordination	$292,746	$292,746	$143,416	$301,048
FY 2016-17 Request	$308,073	$308,073	$150,925	$1,307,423
Direct Services	$0	$0	$0	$990,613
Service Coordination	$308,073	$308,073	$150,925	$316,810

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-03

Request Titles

R-03 OAP COLA

Dept. Approval By: Melissa Dawdist

OSPB Approval By:

	Supplemental FY 2014-15
x	**Change Request FY 2015-16**
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information		**FY 2014-15**		**FY 2015-16**		**FY 2016-17**
	Fund	**Appropriation**	**Request**	**Base Request**	**FY 2015-16**	**Continuation**
	Total	**$74,014,899**	**$0**	**$74,014,899**	**$2,056,969**	**$2,056,969**
	FTE	0.0	-	0.0	-	-
Total of All Line Items	GF	$0	$0	$0	$0	$0
	CF	$74,014,899	$0	$74,014,899	$2,056,969	$2,056,969
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information		**FY 2014-15**		**FY 2015-16**		**FY 2016-17**
	Fund	**Appropriation**	**Request**	**Base Request**	**FY 2015-16**	**Continuation**
	Total	**$74,014,899**	**$0**	**$74,014,899**	**$2,056,969**	**$2,056,969**
10. Adult Assistance Programs - Cash Assistance Programs	CF	$74,014,899	$0	$74,014,899	$2,056,969	$2,056,969

Letternote Text Revision Required? Yes ___ No X ___ **If Yes, describe the Letternote Text Revision:**

Cash or Federal Fund Name and CORE Fund Number: Old Age Pension Cash Fund

Reappropriated Funds Source, by Department and Line Item Name: N/A

Approval by OIT? Yes ___ No ___ **Not Required** X

Schedule 13s from Affected Departments: N/A

Other Information: N/A

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Cost and FTE

- The Department of Human Services is requesting $2,056,969 total funds/cash funds for FY 2015-16 and beyond. This is a 1.7% increase over the current appropriation, to fund a 1.7% Cost of Living Adjustment (COLA) to be applied to the grant award provided to participants in the Old Age Pension (OAP) Program.

Current Program

- The Employment and Benefits Division provides the oversight and coordination of programs that supports older adults and adults with disabilities to live independently.
- The OAP Program provides financial assistance for low-income adults age 60 or older who meet basic eligibility requirements.

Problem or Opportunity

- Each year, the Social Security Administration (SSA) reviews the Consumer Price Index and determines whether to increase benefit amounts provided to Supplemental Security Income (SSI) recipients. The COLA amount is released in late October of each year for the next calendar year, beginning January 1st.
- If a COLA is approved by the SSA, the State Board of Human Services (SBHS) has the constitutional authority to apply the increase or not.
- The FY 2013-14 COLA increase of 1.5% of the grant standard payment amounted to a monthly increase of $11 and a $748 monthly grant standard; in addition the Joint Budget Committee added an additional 1.5% for a total increase of $22 to $759 per month. The SSA has indicated that the COLA will be increased by 1.7%, beginning January 1, 2015. This increase was used to calculate adjustments to the OAP grant award amount.

Consequences of Problem

- If a COLA is approved by the SSA but is not passed along to OAP recipients, it will result in the OAP grant standard not keeping pace with inflation and would have a fiscal impact on a vulnerable population.
- The total amount of state expenditures provided to SSI recipients will not be fully realized. These expenditures are used to meet the Department's Federal Maintenance of Effort (MOE) spending requirement.

Proposed Solution

- The Department requests an increase in cash funds to pass the COLA along to OAP recipients.
- The FY 2015-16 1.7% COLA is estimated at a monthly increase of $13 and a grant standard of $772 per month. Passing the COLA keeps the OAP in line with inflation and provides the elderly with the resources they need to meet their daily needs.

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Department Priority: R-3
Request Detail: Old Age Pension Cost of Living Adjustment

Summary of Incremental Funding Change for FY 2015-16	Total Funds	Cash Fund
Old Age Pension Program Cost of Living Adjustment	$2,056,969	$2,056,969

Problem or Opportunity:

The Department request $2,056,969 cash funds spending authority in FY 2015-16 and beyond to provide a 1.7% cost of living adjustment for the Old Age Pension Program. According to the State Demographer, the official poverty rate for seniors in Colorado is about 1% higher than that of the general population. However, the Supplemental Poverty Rate indicates a wider gap, where seniors are almost twice as likely to be poorer than the average Colorado resident. This is mostly due to medical costs that are not considered in the official poverty measure, and are accounted for in the supplemental measure. The number of seniors in the State is growing faster than the overall population.

Each year, the Social Security Administration (SSA) reviews the Consumer Price Index and determines whether to increase benefits to Supplemental Security Income (SSI) recipients in order to keep pace with inflation rates through a Cost of Living Adjustment (COLA). This amount is released annually in late October and is effective January 1st of the following calendar year.

If a COLA is approved by the SSA, the State Board of Human Services (SBHS) has the constitutional authority to raise or to not to raise the Old Age Pension (OAP) grant standard in accordance with the SSA. The SBHS has the sole discretion to set the grant standard for the OAP program based on an analysis and recommendation detailing theses impacts from the Department of Human Services (DHS). As such, they could change the grant standard at any time, regardless of whether or not the SSA has approved a COLA. However, when SSA approves a COLA, the importance of the decision to pass benefit increases onto program participants becomes magnified because of the fiscal impacts to the State's Maintenance of Effort (MOE) obligation. In years when the SSA COLA was not passed along to OAP recipients, the Department was unable to meet the MOE expenditure benchmark.

The FY 2014-15 COLA increase of 1.5% of the grant standard payment amounted to a monthly increase of $11 and a $748 grant standard. The Joint Budget Committee added another 1.5%, for a total increase of $22 to $759. The SSA COLA, released on October 22, 2014, will be increased by 1.7%, beginning January 1, 2015. This percentage was used to calculate the impact of a FY 2015-16 COLA and beyond.

This request supports the Department's strategic goal to "Improve the lives of Colorado families in need by helping them to achieve economic security."

Proposed Solution:

The Department requests an increase in spending authority of $2,056,969 in FY 2015-16 and beyond to pass the COLA along to OAP recipients, pending approval of the COLA by the SSA and subsequent approval by the SBHS. The COLA will result in a monthly increase of $13 per month, an increase of 1.7%. This request does not require an increase in FTE.

By passing the COLA onto recipients, the OAP grant will be kept in line with inflation and helps provide the elderly with the resources they need. Through July 2014, the national inflation rate was about 2%. This change would ensure that grants awards keep pace with the national inflation rate, protecting recipients from losing ground. This increase will be effective January 1, 2015 and would result in a maximum grant of $772, which is approximately 79% of the 2014 poverty level.

Alternatively, the SBHS could choose not to pass along the COLA to OAP recipients. In addition to reducing seniors' purchasing power and restricting their ability to meet their needs, this would have SSA MOE implications. Failing to pass along the COLA would effectively reduce the amount of countable state expenditures to meet the MOE. This mandated spending would need to occur in other programs, if possible, or else the State would risk federal penalties. The penalty for not meeting MOE obligations is one quarter of the State's total federal Medicaid funding.

Anticipated Outcomes:

The most important outcome is reduction of hardship for one of the State's most vulnerable populations. By preserving recipients' purchasing power, the Department ensures seniors are no worse off. Furthermore, it is anticipated that the Department will be more likely to meet its MOE obligation in FY 2015-16 and beyond as a result of passing the COLA.

Assumptions and Calculations:

The calculations are based upon the assumption that the COLA will be increased by 1.7%. Furthermore, the assumptions used for the calculations are that the SBHS will approve the COLA for OAP recipients for the same percentage as SSA, and that such approval will occur in time to make the increased payments effective January 1, 2015 in CBMS.

OAP COLA Impacts	**FY 2014-15**	**FY 2015-16**
(a) OAP Monthly Caseload - Projected	18,370	23,974
(b) % of Caseload not on SSI [1]	55%	55%
(c) COLA Increase	$13	$13
Fiscal Impact [2]	$788,073 (a*b*c*6 months)	$2,056,969 (a*b*c*12 months)
[1] The 45% of the OAP Caseload on SSI will receive the COLA automatically from SSA		
[2] The impact for FY 2014-15 is calculated for six months, this amount will be requested through the FY14-15 supplemental process. The impact for FY 2015-16 is calculated on twelve months.		

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number: R-04

Request Titles

R-04 DYC Staffing Enhancements

Dept. Approval By: Melissa Wavelet

OSPB Approval By:

	Supplemental FY 2014-15
X	**Change Request FY 2015-16**
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$121,124,033**	**$0**	**$126,330,156**	**$3,828,057**	**$6,143,169**
	FTE	734.0	-	734.0	83.0	125.0
Total of All Line Items	GF	$98,087,627	$0	$104,238,632	$3,828,057	$6,143,169
	CF	$1,012,169	$0	$1,047,203	$0	$0
	RF	$14,918,066	$0	$13,701,632	$0	$0
	FF	$7,106,171	$0	$7,342,689	$0	$0

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$29,616,816**	**$0**	**$31,215,736**	**$657,956**	**$990,898**
	CF	$656,675	$0	$597,796	$0	$0
	FF	$3,853,817	$0	$3,907,242	$0	$0
01. Executive Director's Office - Health, Life, And Dental	GF	$16,454,712	$0	$19,730,141	$657,956	$990,898
	RF	$8,651,612	$0	$6,980,557	$0	$0
	Total	**$479,976**	**$0**	**$485,648**	**$7,538**	**$11,220**
	CF	$9,749	$0	$11,054	$0	$0

01. Executive Director's Office - Short-Term Disability	FF	$72,527	$0	$69,490	$0	$0
	GF	$306,198	$0	$312,280	$7,538	$11,220
	RF	$91,502	$0	$92,824	$0	$0
	Total	**$8,963,349**	**$0**	**$10,007,004**	**$150,762**	**$244,803**
	CF	$178,449	$0	$222,977	$0	$0
01. Executive Director's Office - Amortization Equalization Disbursement	FF	$1,327,806	$0	$1,403,297	$0	$0
	GF	$5,721,235	$0	$6,439,374	$150,762	$244,803
	RF	$1,735,859	$0	$1,941,356	$0	$0
	Total	**$8,403,140**	**$0**	**$9,665,857**	**$145,624**	**$242,253**
	CF	$167,296	$0	$215,376	$0	$0
01. Executive Director's Office - S.B. 06-235 Supplemental Equalization Disbursement	FF	$1,244,818	$0	$1,355,457	$0	$0
	GF	$5,363,658	$0	$6,219,850	$145,624	$242,253
	RF	$1,627,368	$0	$1,875,174	$0	$0
	Total	**$41,302,095**	**$0**	**$42,597,258**	**$3,823,887**	**$5,691,669**

11. Division of Youth Corrections - Personal Services	FTE	734.0	-	734.0	83.0	125.0
	GF	$41,302,095	$0	$42,597,258	$3,823,887	$5,691,669
	Total	**$3,381,862**	**$0**	**$3,381,862**	**$508,799**	**$327,676**
	FF	$216	$0	$216	$0	$0
11. Division of Youth Corrections - Operating Expenses	GF	$2,041,446	$0	$2,041,446	$508,799	$327,676
	RF	$1,340,200	$0	$1,340,200	$0	$0
	Total	**$28,976,795**	**$0**	**$28,976,791**	**($1,466,509)**	**($1,365,350)**
	FF	$606,987	$0	$606,987	$0	$0
11. Division of Youth Corrections - Purchase of Contract Placements	GF	$26,898,283	$0	$26,898,283	($1,466,509)	($1,365,350)
	RF	$1,471,525	$0	$1,471,521	$0	$0

Letternote Text Revision Required? Yes ___ No ___ **If Yes, describe the Letternote Text Revision:**

Cash or Federal Fund Name and CORE Fund Number:

Reappropriated Funds Source, by Department and Line Item Name

Approval by OIT? Yes ___ No ___ **Not Required** ___

Schedule 13s from Affected Departments:

Other Information:

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Cost and FTE

- The Department requests $3,828,057 General Fund and 83.0 FTE in FY 2015-16, $6,143,169 General Fund and 125.0 FTE in FY 2016-17 and ongoing to move toward meeting federally mandated Prison Rape Elimination Act of 2003 (PREA) staff to youth ratios by October 2017 and mitigate current safety concerns. This represents an 8.5% increase in Personal Services in the Division of Youth Corrections (DYC) Institutional Programs.

Current Program

- The Division of Youth Corrections provides a continuum of residential services that encompass juvenile detention, commitment and parole. The Division is the agency statutorily mandated to provide for the care and supervision of youth committed by the court to the custody of the Department of Human Services.
- The Division operates 10 state-owned secure facilities for detention and commitment which include diagnostic, education, and program services for juveniles.

Problem or Opportunity

- Pursuant to PREA, as well as Department of Justice PREA standards, the Division is not in compliance with mandated staff to youth staffing ratios.
- The Division has historically determined direct-care staffing levels utilizing the concept of a "critical post," which does not take into consideration the staffing levels required for operational needs within a facility such as supervision of visits, medical needs, court appointments, management of youth with elevated needs and transportation.

Consequences of Problem

- Non-compliance with PREA regulations may result in the State losing five percent of all Department of Justice Grant funding.
- The Division has recently experienced several serious issues in safety at state-secured facilities. One resulted in serious attack and injury to a staff member.

Proposed Solution

- This request proposes additional personnel to support safe environments in state-operated secure facilities. This level of staffing will move towards creating a safer environment for youth and staff, as well as meeting the requirements of the PREA Act and federal standards which are supported by the Colorado General Assembly through the adoption of the Detention Center Sexual Assault Prevention Program in 19-2-214, C.R.S. (2014).

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Department Priority: R-4
Request Detail: DYC Staffing Enhancements

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund	FTE
DYC Staffing Enhancements	$3,828,057	$3,828,057	83.0

Problem or Opportunity:

The Department of Human Services (Department) requests $3,828,057 General Fund and 83.0 FTE in FY 2015-16 and $6,143,169 Total Funds/General Fund and 125.0 FTE in FY 2016-17 and ongoing to move toward federally mandated Prison Rape Elimination Act of 2003 (PREA) staff to youth ratios and to mitigate safety and security issues for youth and staff within Department's Division of Youth Corrections' (DYC) facilities. This funding request provides additional staffing for the ten DYC state-operated facilities.

The Prison Rape Elimination Act (PREA) of 2003 (PL 108-79) was enacted to address, deter and eliminate occurrences of sexual abuse and assault within criminal justice institutions as well as to address and provide services for victims of sexual abuse. With the understanding that the impact of sexual abuse within an institution affects not only the victim, but the security of the facility and well-being of the communities to which both victims and perpetrators of sexual abuse return, the PREA Act of 2003 was passed. The legislation created a National Prison Rape Elimination Commission to "carry out a comprehensive legal and factual study of the penalogical [*sic*], physical, mental, medical, social, and economic impacts of prison rape in the United States" and to recommend to the Attorney General "national standards for enhancing the detection, prevention, reduction, and punishment of prison rape" (42 U.S.C. 1506(d)(1), (e)(1)).

PREA, as well as the Department of Justice PREA Standards (28 CRF Part 115), mandate that the Department have a staffing pattern that is determined by staff to youth ratios. PREA standards state, "Each secure juvenile facility shall maintain staff ratios of a minimum of 1:8 during resident waking hours and 1:16 during resident sleeping hours" (PREA Standard §115.313). Federal standards require the staffing ratios must be in compliance by October 1, 2017.

The Department uses a critical post staffing method resulting in a variety of staffing ratios dependent upon the size and configuration of units in a particular facility. Some facilities have units with 20 beds; while others have units with 12 or 14 beds. Twenty-bed units have two staff assigned while 12-bed units have one staff. The characteristics of the population, including gender, age, and offense type impacts the configuration of youth in units, sometimes resulting in one unit running at a level above the stated capacity, for example, a 20 bed unit may have 22 youth or a 12 bed unit may have 14 youth. This results in ratios that range from 1:10 to 1:14 during waking hours. During sleeping hours, a living unit may have one staff

assigned, resulting in a ratio of 1:20. In all of these configurations, staffing levels do not meet the minimum staffing ratio of 1:8 set by PREA. The current utilization of the critical post methodology is based on the current funding allocation. This allocation provides for a consistent range of staff to youth averaging 1:10 up to 1:14 during waking hours and a range of 1:20 to 1:30 for sleeping hours. The Department has determined 319.0 FTE are necessary to meet the PREA standard of 1:8 staff to youth ratio. This request for 125 positions will bring the Department to 39% of reaching the standard.

In addition to the goal of compliance with the Prison Rape Elimination Act, this request is intended to address on-going safety and security issues within DYC state-operated facilities. As discussed later in this request, the historical staffing framework for the Division's state-operated facilities has resulted in inadequate resources to successfully supervise youth in a manner that maintains a safe and secure environment for all youth and staff.

Recent high-profile incidents highlight the situation currently faced by DYC facilities. In late August of 2014, four youth escaped the Lookout Mountain Youth Services Center after an assault of an overnight staff. The Spring Creek Youth Services Center has experienced an elevated number of assaults, fights and injuries to youth and staff.

The deficiencies in the Division's staffing structure are exacerbated by the continual increase in the acuity of youth entering detention and commitment. The following table demonstrates the overall increases in acuity of DYC youth entering commitment.

Treatment Area	**Fiscal Year**				
	09-10	10-11	11-12	12-13	13-14
Mental Health[1]	55.5%	58.7%	58.2%	58.5%	Not available
Treatment Level Substance Abuse[2]	66.9%	68.8%	70.5%	72.7%	Not available
Criminogenic Risk Domains:					
Current Living Arrangement	70.4%	71.6%	74.3%	77.5%	80.5%
Mental Health[3]	19.2%	19.9%	20.6%	26.4%	33.9%
Aggression	75.5%	77.8%	81.6%	84.1%	84.9%

In consideration of the safety and security issues represented by the Prison Rape Elimination Act and the basic need to ensure adequate staff are available to supervise youth on all shifts, the Department is proposing to increase DYC staff. The proposed FTE will be used to enhance the staff to youth ratio to appropriate levels and provide the necessary supervision to the increased direct care staff.

This request to increase staff moves toward PREA standards and improving safety and security issues for youth and staff in facilities. The Department is further exploring other options to improve the physical

[1] Colorado Client Assessment Record (CCAR) Data from DYC Assessment
[2] Substance Abuse measured through the Substance Use Survey (SUS) and the Adolescent Substance Abuse Profile (ASAP) in DYC Assessment
[3] Mental Health issues that relate specifically to offending behaviors (Criminogenic risk)

space such as investing in safety equipment in addition to hiring staff. The Department is evaluating next steps to determine appropriate resource needs to be as cost effective as possible through each step.

Detention and Commitment: Current and Future Need for Secure Capacity

The following provides context for DYC's state-operated facilities structure as well as background for future capacity needs.

Detention Capacity

DYC operates ten secure residential facilities. These facilities serve two distinct populations of youth. Detained youth are held in detention for short-term stays, under the jurisdiction of the juvenile court. Juvenile detention facilities are situated in geographically accessible locations to ensure access by all judicial districts. Detention beds are statutorily capped at 382, which are allocated to Judicial Districts through a formula.

DYC tracks the use of detention beds through several means. One of the most critical measures is that of maximum usage. During FY 2013-14, six of the eight facilities reached their cap and the remaining two were over 97% capacity. Maximum usage statewide has been approximately 322 or 85% of capacity. Research and industry standards indicate that a detention system's or individual facility's capacity should include a 15% "buffer". This analysis appears to support the Department's current secure detention capacity structure.

Commitment Capacity

The second population of youth is those who have been committed to the custody of the Department of Human Services, Division of Youth Corrections, by the District Court. Such commitments average 18-24 months in length.

The Department analyzes the characteristics of youth entering the commitment system to project the percent of the total population who will require secure residential treatment based primarily upon security classification (e.g. type of offense, treatment needs, run history, and other factors). The Department is seeing an increase in the number of highly complex youth requiring placement in a State facility enter the population in recent years. To effectively supervise and treat an increasingly complex and difficult detained and committed youth population, additional staffing is needed to assure safety, reduce assaults and fights, reduce the use of seclusion and restraint as well as ensure school safety. The proportion of the population requiring secure residential treatment has risen from 44% in the late fall of 2013 to a current level of 46%. The Division of Criminal Justice projects DYC's commitment average daily population will average as follows over the next two fiscal years:

Fiscal Year	Projection	Required State Bed Capacity at 46%	Contracted Beds
FY 2014-15	784.5	360.6	423.9
FY 2015-16	729.2	335.0	394.2

DYC's current state-operated capacity is 338. According to the above projections, the State may be slightly under capacity for FY 2014-15 and may come into alignment the following year.

For FY 2013-14, 45% of new commitments were committed for serious person offenses such as assault, menacing, sexual assault, robbery, and weapons. In the same time period, 71% of new commitments have a prior out-of-home placement, while 47% have had two or more prior placements. Historically,

approximately 70% of all youth committed to the Department also have significant histories of running from placements or home. Based upon offense type, run history, failure in prior out of home placements, and treatment issues that include but are not limited to: assaultive/aggressive behavior, mental health issues, substance abuse issues, these youth are not appropriate for further community residential placement.

Current Direct Care Staffing Structure in Division of Youth Corrections' Secure Facilities
The mechanism for determining the appropriate direct-care staffing level in DYC's ten state-operated facilities has been traditionally based upon "critical posts." This method for identifying the staffing need is centered on analyzing the number of locations or "posts" in a particular facility that requires staff coverage. A shift relief factor is then applied to the total number of critical posts to ascertain the facility's direct-care staffing need. By contrast, licensed facilities in the State of Colorado are governed by staffing ratios (the ratio of staff to the number of youth in a given unit or programming area) that are included in the rules governing 24-hour residential facilities. The critical post approach also does not take into account the operational needs of a facility, for example, posts do not include the number of staff which are required to move youth from one location to another, to supervise youth in visits, activities or on telephone calls with family members.

Current Secure Facility Staffing Levels
As discussed previously, the critical post staffing method results in a variety of staffing ratios dependent upon the size and configuration of units in a particular facility. Depending on unit configurations, this results in ratios that range from 1:10 to 1:14 during waking hours. During sleeping hours, a living unit may have one staff assigned, resulting in a ratio of 1:20. In all of these configurations, staffing levels do not meet the minimum staffing ratio of 1:8 during resident waking hours and 1:16 during resident sleeping hours set by PREA.

Staffing Levels and PREA
The Department embraced the philosophy and intent behind the PREA Act, and steps have already been taken to bring the Division into compliance with the vast majority of PREA standards. Subsequent to the adoption of the Detention Center Sexual Assault Prevention Program, passed into statute by the Colorado General Assembly in 2007 in 19-2-214, C.R.S. (2014), the Division began implementing programs designed to detect, prevent, reduce, and penalize occurrences of sexual abuse within state-operated and privately-owned contract facilities. DYC completed a full PREA assessment in relation to current staffing allocations for the determination of compliance.

In addition, DYC appointed a PREA manager for the sole purpose of implementing policy, procedures and services specific to compliance with standards. The PREA manager is also being certified to conduct PREA audits. To ensure that DYC state-operated facilities maintain safe environments, safeguard youth from occurrences of sexual abuse, support youth in making educational, therapeutic and social progress for successful reentry into Colorado communities and move toward the federally mandated standards, increased staffing resources are critical.

Staffing Levels and Adequate Supervision to Maintain Safety and Security
The shift from critical post staffing models to a ratio based model for the purposes of PREA compliance also presents an opportunity for the Department to address the growing disparity between the level of staffing resources needed and actual resources available to DYC state-operated facilities. The intensity of resources needed to effectively supervise and treat an increasingly complex and difficult detained and committed youth population outstrips current appropriated staffing levels. Additional staffing is needed to assure safety, reduce assaults and fights, reduce the use of seclusion and restraint as well as ensure school

safety. The critical post structure does not reflect the level of resources needed to effectively and safely supervise and care for the youth entering the detention and commitment system.

Division of Youth Corrections' Staffing Ratios and Past Capacity Realignment
The Division of Youth Corrections realigned state-secure capacity in FY 2011-12. During this process, the Department requested and received the ability to retain 14 FTE from the closure of the Sol Vista Youth Services Center. These 14 FTE were integrated into several facilities to bring their shift relief factor to the 5.2 level.

Proposed Solution:

The Department requests $3,828,057 General Fund and 83.0 FTE in FY 2015-16 and $6,143,169 General Fund and 125.0 FTE in FY 2016-17 ongoing to move toward federally mandated PREA staff to youth ratios and to mitigate safety and security issues for youth and staff within DYC facilities.

In order to move toward the PREA staffing ratios and to effectively and safely supervise youth in DYC detention and commitment systems, the Department is proposing the following solution.

Elements of the Proposal

- In designing a solution to move toward with PREA standards, the Department recognizes that the demands of operating a secure facility often require staff who are supervising youth to be pulled off coverage. These demands include but are not limited to activities such as: transporting one or more youth to a medical appointment, moving youth to and from visits with family and external service providers (transition), or to provide transition activities such as working to secure employment or enrollment in educational services. Therefore, this request includes positions intended to cover operational "posts."
- The addition of significant numbers of direct care staff also requires the addition of supervisory positions. Current supervisors will not be able to oversee such large numbers of new employees. The current number of supervisors is insufficient to provide supervisory coverage on all shifts with the current number of direct line staff.
- The Department would deploy new staff based upon a ramp up schedule as well as a review of current data and youth populations.

Outcomes of Increased Staffing

- Provide the necessary sight and sound supervision of youth to reduce/eliminate acts of prison rapes.
- Provide a safe environment for youth, staff and school personnel.
- Provide the necessary resources for full implementation of the Division's behavior management program, Facility-Wide Positive Behavioral Interventions and Supports.
- Provide staff with the ability to fully utilize verbal de-escalation techniques.
- Increase opportunities to utilize motivational interviewing techniques with youth in the moment.
- Decrease the response time for incidents and crises.
- Provide the resources necessary for full engagement of families of youth in the detention and commitment systems. This includes but is not limited to increased visits, increased phone contact, increased facility activities, and orientation processes for families in each facility.

The Department believes that setting staff ratios at the levels prescribed by PREA will improve the safety of youth and staff as indicated by:

- Decreasing the number of assaults and fights in state-operated facilities.

- Reducing the use of restraint and seclusion.
- Reducing the number of injuries to youth from fights, assaults and restraints.
- Reducing the number of injuries to staff from assaults or restraints thereby reducing the number of Workers Compensation claims.

The standard requires that "only security staff shall be included in these ratios"; therefore, this request is based upon the PREA standards description of ratios as they relate to security staff. Security staff is defined as employees primarily responsible for the supervision and control of inmates, detainees, or residents in housing units, recreational areas, dining areas, and other program areas of the facility. Direct staff supervision is defined as security staff who are physically located in the same room, and within reasonable hearing distance of, the resident or inmate.

Proposed Additional Staffing Request

- An additional 21.2 direct care supervision "posts" to move toward PREA ratios. This equates to an average of 2.1 posts per facility.
- First line supervisors of 13.0 FTE to provide supervisory coverage on all shifts plus support for an additional 110 staff.
- Human Resource specialist to support additional population in hiring/ other FTE.
- DYC Staff Development Trainer to support additional population 1 FTE.

These posts equate to the following FTE

Note: Direct Care and Operational Posts that must be staffed 24 hours a day, 7 days a week require 5.2 FTE to cover all shifts. Supervisors and support posts do not require 24/7 coverage. FTE equivalents for FY 15-16 are due to a staggered hiring schedule throughout the entire year. The Department proposes to stagger hiring of staff throughout the fiscal year. The equivalent of 83.0 FTE are requested, annualizing to 125.0 FTE in ensuing years.

Type of Staff	Posts	Shift Relief Factor	Positions	FTE for FY 15-16
Direct care staff in living units	21.2	5.2	110	68.0
Supervisors	13.0	1.0	13	13.0
Human Resources and Training	2.0	1.0	2	2.0
Total FTE			**125**	**83.0**

The hiring plan for these 125 positions is as follows:

	Number of Hires					
Hiring plan	CYSO I	CYSO II	CYSO III	GP III	GPIV	Total
July 1, 2015	24	2	13	1	1	41
Oct 1, 2015	24	4	0	0	0	28
Jan 1, 2016	24	4	0	0	0	28
Apr 1, 2016	24	4	0	0	0	28
Staff at year end	96	14	13	1	1	125

The Department proposes to hire the Correctional, Youth, Security Officer III positions first for several reasons. These positions are typically filled from existing CYSO II employees already in the organization which creates promotional opportunities for CYSO I positions as well. Additionally, the Department has recognized a specific need for more supervision on the night and weekend shifts.

A summary of duties for each requested position is outlined below:

Correctional, Youth, Security Officer I (CYSO I):

- Direct youth supervision
- Enforce program rules and behavioral expectations
- Manage adherence to daily structured programming activities
- Document observations and major incidents
- Conduct individual and group counseling
- Intervene in potentially volatile situations
- Manage youth movement (medical, visits, court appointments, other facilities)
- Youth intake
- Control center operations

Correctional, Youth, Security Officer II (CYSO II):

- Duties as a CYSO I
- Provide guidance as a lead worker to a CYSO I
- Assist CYSO III in facilitating team meetings
- Provide feedback to CYSO III for evaluation
- May have specialized duties assigned such as recreation coordinator or restorative justice projects
- May conduct due process hearings for youth

Correctional, Youth, Security Officer III (CYSO III):

- First line supervision for CYSO I and II positions
- Performance supervision, coaching, mentoring
- Crisis management coordination
- Develop and implement quality assurance measures
- Schedule and time keep for CYSO I and II staff
- Resolve staff and youth grievances
- Facilitate staff team meetings
- Conduct onsite training for staff

General Professional III (GP III):

- Human Resources Specialist
- Perform all recruitment and hiring functions
- Manage personnel related issues such as performance evaluations, disciplinary actions, and terminations

General Professional IV (GP IV):

- Staff Development Trainer
- Evaluate, refresh, and conducts training for DYC personnel such as:
    - DYC Academy for new hires
    - Motivational Interviewing
    - First Responder Aid
    - Various professional development courses
    - Specialized training

Given the scope and size of the staffing resources necessary to move toward the federal standard, the Department requests funding beginning in FY 2015-16. Based upon the increase in proportion of state-operated capacity from 42.6% to 46%, the Department is anticipating a savings in Purchase of Contract Placements line item in FY 2015-16. This savings would offset the $5,294,566 by $1,466,509 reducing the request to a total of $3,828,057. Calculated as follows:

FY 2015-16 DCJ Forecast	ADP	State Capacity	Contract Placements
729.2	42.6%	310.64	418.56
729.2	46.0%	335.43	393.77

*Reduction in need for Contract Placements due to higher State placements = 24.7928 ADP * $59,150 annual average= $1,466,509.*

The Department is requesting personnel in FY 2015-16 and annualized with consideration to available workforce, training capacity and facility need. Failure on the Department's part to reach compliance will cause the State to be out of compliance, resulting in a loss of five percent of any Department of Justice grant funds that it would have otherwise received for prison purposes. Increased funding to support safe environments, improved service delivery and compliance with federal PREA standards will not require a statutory change.

Alternatives Considered

The Department reviewed a variety of possible configurations for different capacity levels by living unit and the resulting staff requirements. These are summarized below with the FTE and cost impact along with non-financial impacts and consequences. Based upon the increase in secure capacity from 42.6% to 46%, all options have an impact on the expenditures in the Purchase of Contract Placements. Please refer to Tables A and B for a summary of fiscal impacts, including offsets from savings in the Purchase of Contract Placements line item.

Option 1: **Increase staffing levels without any modifications to current capacity structure. (This option is the Department's preferred option and is conveyed by this funding request.)**

1. Increase staff based upon PREA standards ratios = 1:8.
2. Increase staff to address operational capacity needs.
3. Increase supervisory staff to meet needs of new direct care staff.
4. Increase staff to move toward PREA standards for classroom staffing.

Pros

- Direct staff coverage to move toward PREA standards.
- Increased coverage to improve supervision of youth and decrease the likelihood of assaults and fights.
- Moves toward staffing operational coverage to ensure youth/staff ratios are maintained. (Staff are not pulled from supervision to move youth to and from visits, transport to medical appointments, conduct transition activities, and other duties).
- Moves toward PREA standard of staffing classrooms at 1:8 ratios in all DYC facilities.

Cons

- Cost of additional FTE.

Option 2: **Decrease the need for additional staff through maintaining the same number of youth in fewer living units.**

This option relies upon double-bunking a portion of youth in State-operated facilities. For example, a pod designed for 12 youth would require 2.0 staff during waking hours. To maximize the efficiency of the 2.0 staff- the pod would be utilized at 16 youth. This would require 4 rooms to be double bunked, affecting 8 youth.

Pros

- Results in cost savings through artificially increasing pod sizes to ensure efficient staff to youth ratios.

Cons

- This practice would conflict with the foundational principles behind the Prison Rape Elimination Act. Proper room assignment is critical, ensuring youth who have met certain criteria are not double bunked. The vast majority of youth in the Division are classified as not being eligible for a roommate.
- Compromise safety and security through overcrowding living units designed for a particular size population. This is compounded by the need to separate youth of differing gangs, different ages and gender, potential victims from victimizers, as well as court orders to separate co-defendants.

Option 3: **Reduce State Capacity to optimize staff ratios.**

1. This option reduces State Capacity by 96 ADP.
2. State detention capacity would decrease by 43 ADP.
3. Commitment capacity would decrease by 53 ADP.
4. The reduction in capacity results from lowering the capacity for each living unit to a level where the staff ratio is optimized. For example, a former 12 bed pod at Gilliam Youth Services Center would require 2 staff for all waking hours to move toward PREA ratios. Reducing the capacity of a 12 bed pod to 8 beds lowers the staff requirement during waking hours to 1 staff. Since this post is a 24 hour a day position- the resulting FTE reduction is magnified by a shift relief factor.
5. This option also reduces the overall number of potential classrooms that may be in use in order to employ the same strategy in optimizing staff resources during educational instruction.

Pros

- Milieu size in many facilities is decreased which is often advantageous in both the treatment and management of youth. Smaller utilization provides more space in living units.
- Reduction in the number of staff required to move toward with PREA standards and therefore a reduction in cost.

Cons

- DCJ projections and Division of Youth Corrections analysis shows that commitment populations will not incur the precipitous decrease necessary for this option. DYC analysis shows the proportion of youth requiring a secure setting has increased over time.
- Shifting the population of securely classified youth to community residential placements will pose a substantial risk to public safety and negatively impact both the milieu of contract residential placements and the treatment of youth who are not placed in the program best suited to meet their needs.
- Utilizing fewer facility units poses significant challenges and risk as there are fewer options for separating youth by age, gender, size or gang affiliation.
- Current pod placement considers many factors including whether the youth is detained or committed, the size and age of a youth, gender, as well as the potential to be a victim or victimizer. Some of these important considerations may fall victim to the criteria for not exceeding a pod size.
- The change/restriction in class size and availability of supervision in this option may significantly reduce the options for youth to be in a small vocational program as well.
- Decreases in detention capacity will significantly impact local judicial districts as the use of detention has continued at a level commensurate with current capacity.
- Private detention capacity would increase by like number of state detention capacity.[4]

Option 4: **Maintain current state-operated capacity by NOT applying PREA standards to classrooms.**

Pros

- Direct staff coverage to move toward PREA standards in living units.
- Safety is maintained through allowing the greatest degree of flexibility in the use of facility capacity. This flexibility allows for options in the placement of youth in different living units based upon size, age, gender, and treatment issues.
- State-operated capacity is not reduced to a level that restricts the Department's ability to respond to the growing proportion of youth requiring a secure treatment setting. This also includes placing youth in the placement that best matches their security needs as well as their treatment needs.
- The detention continuum is not compromised through reductions to the detention cap and capacity that are not grounded in detention need and use.
- The Department is in the position to move toward becoming compliant with PREA not only in regard to ratios but also in making room assignments based upon of risk of assault and risk of victimization.

Cons

- PREA Staffing ratios will not be utilized in classroom coverage – potentially leaving safety issues unaddressed.
- FTE Cost to fund the required positions.
- The State will lose 5% Department of Criminal Justice funding.

[4] Private detention capacity would increase unless 19-2-1201 C.R.S. (2014) is amended to decrease the state juvenile detention bed cap.

<u>Option 5</u>: Do not adhere to PREA standards nor address increasing safety concerns.

<u>Pros</u>

- The State does not incur additional costs to support increased FTE to staff Division of Youth Corrections' state-operated facilities.

<u>Cons</u>

- Based upon the Division of Youth Corrections current staff to youth ratio the Governor would not be able to certify the State as compliant with PREA standards.
- The Division will not have the ability to effectively reduce assaults, fights, and the use of restraint and seclusion.
- The Division will not have the ability to provide the supervision necessary to reduce/eliminate incidents of sexual misconduct in state-operated facilities.
- The State will lose 5% Department of Criminal Justice funding.

Anticipated Outcomes:

The outcome of increased staffing in DYC state-operated facilities directly links to the Department's performance improvement efforts. The Division's facilities will achieve safer environments, fewer occurrences of sexual abuse, decreased response time during crisis situations and increased youth access to staff and services. The Department expects that increased staffing resources will result in a reduction in fights/assaults, youth injuries, and staff injuries as well as a decrease in physical restraint and seclusion. School safety would also be improved. Along with the expected reductions, the Department projects increased positive outcomes for youth. Through the infusion of staff, youth will have greater access to programs and services tailored to their individual treatment needs. The Division also expects that State facilities will experience a greater retention rate of security staff. Through increased staffing patterns, staff will have support "on-the-floor" that will translate to feeling safe, being better equipped to hold youth accountable and a stronger sense of helping youth to achieve positive outcomes, thus equating to a higher degree of job satisfaction.

The Department will phase in new staff at each of its ten DYC state-operated facilities over the fiscal year. This process will allow the facilities to manage recruitment and training of new employees without over burdening the Department's current human resources system.

Outcomes will be measured based upon two general themes. First, the Department's compliance with PREA standards will be evaluated through a yearly staffing analysis. Additionally, compliance will be measured through yearly auditing by a PREA certified auditor not affiliated with the Department.

The additional staff resources will positively impact the Department's C-Stat measures related to DYC state-operated facilities. These measures include assaults and fights, youth and staff injuries, and new measures on restraints and seclusions. The impact to these measures may occur as early as the end of the first year of funding.

Assumptions and Calculations:

The Department examined the following to calculate this request:

1. The Department calculated the numbers of individual units in relation to number of rooms per unit to determine the ratio need per each unit for both waking and sleeping hours.
2. The total number of classrooms in operation per facility that will require security staff per the ratio.
3. Assessment of operational duties performed by security staff absent the presence of youth: Examined all operational duties that require security staff to perform which takes them away from direct supervision of youth.
4. Calculated overall need: Utilized all assumptions above to determine need. Final number includes need plus personnel needed to support training and supervision structure.
5. Assumed span of control of 1:15 supervisor to front line staff with consideration for full shift coverage.
6. 1 Full time FTE in Staff Development required to support initial training for hiring and ongoing requirements.
7. 1 Full time FTE in Human Resources included to support hiring and ongoing personnel requirements.
8. Cost of radios for new personnel has been included at a ratio of 1 digital trunk radio for every 5 new facility staff.
9. Shift relief factor of 5.2 is applied for each post, which is required to be staffed 24 hours a day, 7 days a week.
10. Cost savings in Purchase of Contracts Placements done using DCJ forecast for the specified year at 46% community placements. Change in ADP calculated using $59,151 which is an average for all community placements.
11. Cost increase in Purchase of Contract Placements in Option 3 (State capacity reduction) is priced using blended rates for the providers most likely to serve high-risk/ high-needs youth.

Funding calculations for FTE calculations are detailed in Attachment A.

Estimated Funding Need and Funding Split (as applicable)

Long Bill Line Item FY 2015-16	Total	FTE	GF
11) B) Institutional Programs Personal Services	**$ 4,785,767**	**83.0**	**$ 4,785,767**
11) B) Institutional Programs Operating Expenses	**$508,799**		**$508,799**
11) C) Purchase of Contract Placements	**($1,466,509)**		**($1,466,509)**
Total	**$3,828,057**	**83.0**	**$3,828,057**

Annualized:

Long Bill Line Item FY 2016-17 and ongoing	Total	FTE	GF
11) B) Institutional Programs Personal Services	**$7,180,843**	**125.0**	**$7,180,843**
11) B) Institutional Programs Operating Expenses	**$327,676**		**$327,676**
11) C) Purchase of Contract Placements	**($1,365,350)**		**($1,365,350)**
Total	**$6,143,169**	**125.0**	**$6,143,169**

R-5: DYC Staffing Enhancements, Attachment A
FTE Calculations – Page 1 of 3
Facility/ Security Staff

Expenditure Detail		FY 2015-16		FY 2016-17	
Personal Services:		FTE		FTE	
CYSO I	$ 3,273	60.0	2,356,560	96.0	3,770,496
PERA			239,191		382,705
AED			103,689		180,984
SAED			100,154		179,099
Medicare			34,170		54,672
STD			5,184		8,295
Health-Life-Dental			475,631		761,010
Subtotal Position 1, #.# FTE		60.0	**$ 3,314,579**	96.0	**$ 5,337,261**
	Monthly Salary				
CYSO II	$ 3,607	8.0	346,272	14.0	605,976
PERA			35,147		61,507
AED			15,236		29,087
SAED			14,717		28,784
Medicare			5,021		8,787
STD			762		1,333
Health-Life-Dental			63,418		110,981
Subtotal Position 2, #.# FTE		8.0	**$ 480,573**	14.0	**$ 846,455**
Subtotal Personal Services		68.0	**$ 3,795,152**	110.0	**$ 6,183,716**
Operating Expenses					
Regular FTE Operating	500	68.0	34,000	110.0	55,000
Telephone Expenses	450	68.0	30,600	110.0	49,500
PC, One-Time	1,230	68.0	83,640	42.0	51,660
Office Furniture, One-Time	3,473	68.0	236,164	42.0	145,866
Digital Trunk Radios	1,800	22.0	39,600		
Other			-		
Other			-		
Other			-		
Subtotal Operating Expenses			**$ 424,004**		**$ 302,026**
TOTAL THIS PAGE		68.0	**$ 4,219,156**	110.0	**$ 6,485,742**

R-5: DYC Staffing Enhancements, Attachment A (continued)
FTE Calculations - Page 2 of 3

Expenditure Detail		FY 2015-16		FY 2016-17	
Personal Services:		FTE		FTE	
CYSO III	$ 3,977	13.0	620,412	13.0	620,412
PERA			62,972		62,972
AED			27,298		29,780
SAED			26,368		29,470
Medicare			8,996		8,996
STD			1,365		1,365
Health-Life-Dental			103,053		103,053
Subtotal Position 1, #.# FTE		13.0	**$ 850,464**	13.0	**$ 856,048**
	Monthly Salary				
GP IV (Staff Development)	$ 4,764	1.0	57,168	1.0	57,168
PERA			5,803		5,803
AED			2,515		2,744
SAED			2,430		2,715
Medicare			829		829
STD			126		126
Health-Life-Dental			7,927		7,927
Subtotal Position 2, #.# FTE		1.0	**$ 76,798**	1.0	**$ 77,312**
Subtotal Personal Services		14.0	**$ 927,263**	14.0	**$ 933,361**
Operating Expenses					
Regular FTE Operating	500	14.0	7,000	14.0	7,000
Telephone Expenses	450	14.0	6,300	14.0	6,300
PC, One-Time	1,230	14.0	17,220	-	-
Office Furniture, One-Time	3,473	14.0	48,622	-	-
Other			-		
Other			-		
Other			-		
Other			-		
Subtotal Operating Expenses			**$ 79,142**		**$ 13,300**
TOTAL THIS PAGE		14.0	**$ 1,006,405**	14.0	**$ 946,661**

R-5: DYC Staffing Enhancements, Attachment A (continued)
FTE Calculations - Page 3 of 3

Expenditure Detail		FY 2015-16		FY 2016-17	
Personal Services:		FTE		FTE	
GPIII (Human Resources)	$ 3,834	1.0	46,008	1.0	46,008
PERA			4,670		4,670
AED			2,024		2,208
SAED			1,955		2,185
Medicare			667		667
STD			101		101
Health-Life-Dental			7,927		7,927
Subtotal Position 1, #.# FTE		1.0	**$ 63,352**	1.0	**$ 63,766**
Subtotal Personal Services		1.0	**$ 63,352**	1.0	**$ 63,766**
Operating Expenses					
Regular FTE Operating	500	1.0	500	13.0	6,500
Telephone Expenses	450	1.0	450	13.0	5,850
PC, One-Time	1,230	1.0	1,230	-	-
Office Furniture, One-Time	3,473	1.0	3,473	-	-
Other			-		
Other			-		
Other			-		
Other			-		
Subtotal Operating Expenses			**$ 5,653**		**$ 12,350**
TOTAL THIS PAGE		1.0	**$ 69,005**	1.0	**$ 76,116**
Summary of all FTE Pages					
Total FTE		83.0		125.0	
Total Personal Services			$ 4,785,767		$ 7,180,843
Total Operating Expense			$ 508,799		$ 327,676
Total Request			5,294,566		7,508,519

Schedule 13

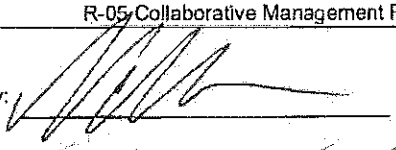
Funding Request for the FY 2015-16 Budget Cycle

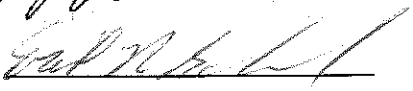
Department of Human Services

PB Request Number: R-05

Request Titles

R-05 Collaborative Management Program

Dept. Approval By: 

OSPB Approval By: 

	Supplemental FY 2014-15
X	Change Request FY 2015-16
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$50,463,281**	**$0**	**$54,374,245**	**$2,139,104**	**$2,143,065**
	FTE	-	-	-	1.8	2.0
Total of All Line Items	GF	$27,845,803	$0	$32,701,645	$2,139,104	$2,143,065
	CF	$4,012,169	$0	$4,047,203	$0	$0
	RF	$12,106,341	$0	$10,889,911	$0	$0
	FF	$6,498,968	$0	$6,735,486	$0	$0

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$29,616,816**	**$0**	**$31,215,736**	**$15,854**	**$15,854**
	CF	$656,675	$0	$597,796	$0	$0
	FF	$3,853,817	$0	$3,907,242	$0	$0
01. Executive Director's Office - Health, Life, And Dental	GF	$16,454,712	$0	$19,730,141	$15,854	$15,854
	RF	$8,651,612	$0	$6,980,557	$0	$0
	Total	**$479,976**	**$0**	**$485,648**	**$205**	**$227**
	CF	$9,749	$0	$11,054	$0	$0

	CF	$3,000,000	$0	$3,000,000	$0	$0
05. Division of Child Welfare - Performance-based Collaborative Management Incentives	FTE	-	-	-	1.8	2.0
	GF	$0	$0	$0	$2,115,007	$2,117,124

Letternote Text Revision Required?	Yes	No	X	**If Yes, describe the Letternote Text Revision:**
Cash or Federal Fund Name and CORE Fund Number:				Performance-based Collaborative Management Incentive Cash Fund
Reappropriated Funds Source, by Department and Line Item Name				N/A
Approval by OIT?	Yes	No	**Not Required** X	
Schedule 13s from Affected Departments:	N/A			
Other Information: N/A				

Cost and FTE

- The Department requests $2,139,104 General Fund and 1.8 FTE for FY 2015-16 and $2,143,065 General Fund and 2.0 FTE for FY 2016-17 and ongoing for the Collaborative Management Program (CMP) to augment the existing cash fund to provide services to children, youth and families served across multiple support programs. This represents a 67% increase in funding for the program.

Current Program

- CMP is a collaboration of multiple youth-serving agencies that provide a unified treatment approach to serving children and youth. Local providers and youth-serving agencies take a team approach to case management and addressing the complex needs of children and youth.
- The CMP started with six counties in FY 2005-06 and now has 38 participating counties.
- Per evaluation results, CMP results in cost sharing across local service agencies, high rates of foster care children/youth obtaining a permanent home, improved quality of services, and reductions in service duplication and fragmentation.
- CMP sites are funded through performance-based incentives from the Collaborative Management Cash Fund established in 24-1.9-104, C.R.S. (2014), which is currently funded with 100% divorce docket fees.

Problem or Opportunity

- CMP incentive revenues have not kept pace with the increase in the number of participating counties and the dollar amount accrued from divorce filing fees has fluctuated, resulting in budget unpredictability and a reduction in funds per county.
- Currently there are no funds allocated to the State to provide oversight to CMP.
- The Department is expecting results in mid-November of a recent audit review of the program.

Consequences of Problem

- The program has served as an incentive for local agencies to work together in serving families. Any decrease in these funds jeopardizes CMP sites' ability to meet local demand for services.

Proposed Solution

- Augment existing cash funds to ensure an adequate level of funds to continue serving children and youth involved with multiple agencies, to allow new counties to adopt the program, and to provide oversight to the program.
- Increased funding will allow counties to provide adequate services to children, youth and families.
- Coordinated and integrated services will address the need to improve permanency for children in foster care.
- Once the full scope of the audit is released, the Department may request future budget amendments or statutory changes to address the audit findings.

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Department Priority: R-5
Request Detail: Collaborative Management Program

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund	FTE
Collaborative Management Program	$2,139,104	$2,139,104	1.8

Problem or Opportunity:

The Department requests $2,139,104 General Fund and 1.8 FTE in FY 2015-16 and $2,143,065 General Fund and 2.0 FTE in FY 2016-17 and ongoing to augment existing cash funds to support county Collaborative Management (CMP) programs, to ensure an adequate level of funds to continue serving children/youth involved with multiple agencies, and to provide oversight and technical assistance to the program.

The CMP is a collaboration of multiple local children/youth-serving agencies that provide a unified treatment approach to serving children/youth in the community and within child welfare. Local providers and children/youth-serving agencies take a team approach to case management and addressing the complex needs of children/youth. When adequately funded, this program can improve cost sharing across local agencies, provide preventive services needed to keep children/youth safe at home, increase support services needed for foster care children/youth obtaining a permanent home, improve quality of services, and reduce service duplication and fragmentation.

The Department experiences significant challenges with the ongoing administration and oversight of CMP. The CMP services provided through multiple agencies are reported at the local level and on local software programs. For confidentiality reasons, local providers do not have access to the Colorado Trails system which makes it very difficult for the Department and the evaluator to monitor outcomes and savings generated from reduced costs contributed from prevention services, reduction of duplication, and reduction of fragmentation of services through CMP. Funding has not been allocated for staff to adequately oversee, monitor, and further develop a growing and very complex multi-agency program.

CMP sites are funded through performance-based incentives from the Collaborative Management Cash Fund established in 24-1.9-104, C.R.S. (2014), which is currently funded with 100% divorce docket fees. The cash fund balance has remained relatively unchanged since CMP began with six participating counties in FY 2005-06. In FY 2014-15 there are 38 counties serving children/youth in the Collaborative Management Program making allocation of adequate funding to sustain local services based on size and need difficult at best. In addition, increased funding would afford new counties an opportunity to adopt the program and bring the key local providers together to better serve families.

Proposed Solution:

The Department requests $2,139,104 General Fund and 1.8 FTE in FY 2015-16 and $2,143,065 General Fund and 2.0 FTE in FY 2016-17 and ongoing to augment existing cash funds to support county CMP programs, to ensure there is an adequate level of funds to continue serving children/youth involved with multiple agencies, and to provide oversight and technical assistance to the program. In addition, new funds will provide the opportunity for new counties to adopt the program. For programs to adequately serve children, youth, and families, they need funds to support the services being provided.

Additionally, the Department is expecting results in mid-November of a recent audit review of the program. Once the full scope of the audit is released, the Department may request future budget amendments or statutory changes to address the audit findings.

Program oversight is needed to assure that the program operates according to statutory requirements and regulations. The Department will hire two State FTEs ($139,104 General Fund in FY 1015-16 and $143,065 in FY 2016-17 and ongoing) to monitor outcomes, track Division of Child Welfare children participating and receiving CMP services and consolidate local reports to better understand and capture how CMP funds have been spent. The FTEs will monitor county compliance to statute and regulation governing interagency Memorandums of Understanding (MOU) and work with the evaluator to determine cost effectiveness of programs. The two positions providing oversight will be a Program Administrator (GP V) and an Administrative Assistant.

The enhancement of the implementation of existing CMP counties has a direct effect on the coordinated and integrated services for children, youth, and families involved in multiple systems. In particular, this effort specifically addresses and is aligned with the Department's C-Stat performance goal of improving permanency for children in foster care. In addition, there are positive effects in service systems supported by other state agencies, especially when services are coordinated in a way to ensure that children/youth remain in their communities and avoid placement in out-of-home care or in youth corrections.

Improved outcomes from additionally funded, coordinated, and integrated services for children/youth could have a positive benefit to other departments. According to the Administration of Children and Families in the U.S. Department of Health and Human Services, "Serving children involved in the child welfare system calls for services and support from a variety of human service and community organizations, which is often a challenging aspect of child welfare casework. Interagency collaboration, a core principle in systems of care, focuses on bringing together and engaging critical stakeholders, such as juvenile justice, mental health, education, law enforcement, and Tribal authorities, in a coordinated and integrated effort to serve children whose needs cross multiple systems."

CMP is an established interagency collaborative program. As additional counties participate in the CMP program, incentive funds distributed to each local program site continue to diminish and at some point, the inability to properly staff and fund services will become a disincentive for local providers to participate.

Anticipated Outcomes:

An adequately funded program will result in cost sharing across local service agencies, high rates of foster care children/youth obtaining a permanent home, improved quality of services, and reductions in service duplication and fragmentation. These results will be tracked by the program evaluator and a CMP Program Administrator via required data entry of each CMP site which will provide accountability and transparency with legislated requirements.

The evaluation process will determine if the program meets the statutory requirements by assessing if the program:

- Serves children/youth involved with multiple agencies;
- Reinvests cost savings in local Collaborative Management projects;
- Reduces duplication and fragmentation of services provided;
- Increases quality, effectiveness, and appropriateness of services delivered to children, youth, and families;
- Maximizes cost savings that may have occurred by collaboratively managing the multi-agency services provided through the individualized service and support teams; and
- Creates consistency in data collection.

The outcomes of this program are also linked to the Department's Strategic Initiative to ensure children/youth safety through improved prevention, service access, and permanency.

Assumptions and Calculations:

The Department is obligated by statute to continue to accept MOUs from counties that want to participate in the CMP as long as local programs meet statutory and regulatory requirements, but the current funding from the cash fund is limited and with more counties participating in the program, the share that each county receives is decreasing.

Fiscal Year 2007-08 was the first year in which a sizable number of smaller counties participated in the CMP. In FY 2008-09, there were a total of 17 counties that participated in the CMP, seven larger and ten smaller, with $3,162,878 available in the cash fund for incentive funds. The average incentive payment for the larger counties in that fiscal year was $290,289 and the average incentive payment for smaller counties was $125,650. See Table 1 for an illustration of participating counties, funding, distributions, and numbers of youth or families served.

In FY 2013-14, there were 35 counties participating and approximately $2,600,000 available in the cash fund for incentive funds. The estimated average incentive payment for larger counties is $136,226 and the estimated average for smaller counties is $63,501. This represents a 47% decrease in incentive dollars for larger counties and a 50.5% decrease for smaller counties since FY 2008-09.

In order to fund incentives at a comparable level as FY 2008-09 for the current 35 counties, the dollars available for incentive funds would require an additional $2,000,000 beyond the current cash fund. This assumption is based on the distribution method of the funding and the number of participating counties remain the same.

Calculations for FTE costs are illustrated in Attachment A.

Collaborative Management Program: Table 1 – Participating Counties and Funding Data

Collaborative Management Program

Summary of Funding and Incentive Payments by Fiscal Year

Fiscal Year	Large County Participation[1]	Remaining County Participation[2]	Reserves	Appropriation	Total Available to Distribute	Amount Reimbursed	Number of Youth or Families Served
FY 2005-06		0	$1,280,000	$0	$1,280,000	$0	*Information Pending*
FY 2006-07	6	0	$1,280,000	$2,610,000	$3,890,000	$2,600,000	*Information Pending*
FY 2007-08	7	3	$1,290,000	$2,690,000	$3,980,000	$3,160,000	*Information Pending*
FY 2008-09	7	10	$820,000	$2,570,000	$3,390,000	$3,160,000	10,290
FY 2009-10	8	16	$230,000	$2,830,000	$3,060,000	$3,150,000	*Information Pending*
FY 2010-11	10	17	$0	$2,880,000	$2,880,000	$3,170,000	19,600
FY 2011-12	10	20	$0	$2,820,000	$2,820,000	$2,970,000	20,800
FY 2012-13	10	22	$0	$2,800,000	$2,800,000	$2,810,000	20,500

[1] Large County Participation in FY 2010-11, FY 2011-12, and FY 2012-13 includes Adams, Boulder, Denver, Douglas, El Paso, Jefferson, Larimer, Mesa, Pueblo, and Weld Counties.

R-21: Collaborative Management Program, Attachment A, FTE Calculation

Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($900), Office Suite Software ($330), and office furniture ($3,473).

General Fund FTE -- New full-time General Fund positions are reflected in FY 2015-16 as 0.9166 FTE to account for the pay-date shift.

Expenditure Detail		FY 2015-16		FY 2016-17	
Personal Services:		FTE		FTE	
	Monthly Salary				
Program Administrator - GP V	$ 5,960	0.9	64,368	1.0	71,520
PERA			6,533		7,259
AED			2,832		3,433
SAED			2,736		3,397
Medicare			933		1,037
STD			142		157
Health-Life-Dental			7,927		7,927
Subtotal Position 1, #.# FTE		0.9	**$ 85,471**	1.0	**$ 94,730**
	Monthly Salary				
Admininstrative Assistant II	$ 2,644	0.9	28,555	1.0	31,728
PERA			2,898		3,220
AED			1,256		1,523
SAED			1,214		1,507
Medicare			414		460
STD			63		70
Health-Life-Dental			7,927		7,927
Subtotal Position 2, #.# FTE		0.9	**$ 42,327**	1.0	**$ 46,435**
Subtotal Personal Services		1.8	**$ 127,798**	2.0	**$ 141,165**
Operating Expenses					
Regular FTE Operating	500	2.0	1,000	2.0	1,000
Telephone Expenses	450	2.0	900	2.0	900
PC, One-Time	1,230	2.0	2,460		
Office Furniture, One-Time	3,473	2.0	6,946		
Other			-		
Other			-		
Other			-		
Other			-		
Subtotal Operating Expenses			**$ 11,306**		**$ 1,900**
TOTAL REQUEST		1.8	**$ 139,104**	2.0	**$ 143,065**
General Fund:					
Cash funds:					
Reappropriated Funds:					
Federal Funds:					

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-06

Request Titles

R-06 Modernizing the Child Welfare Case Management System

Dept. Approval By: Melissa Wavelet

OSPB Approval By:

	Supplemental FY 2014-15
X	**Change Request FY 2015-16**
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
Total of All Line Items	**Total**	**$53,190,411**	**$0**	**$57,222,311**	**$191,758**	**$195,682**
	FTE	61.8	-	61.8	2.7	3.0
	GF	$32,539,159	$0	$37,494,931	$159,159	$162,417
	CF	$1,012,169	$0	$1,047,203	$0	$0
	RF	$12,243,647	$0	$11,030,717	$0	$0
	FF	$7,395,436	$0	$7,649,460	$32,599	$33,265

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
01. Executive Director's Office - Health, Life, And Dental	**Total**	**$29,616,816**	**$0**	**$31,215,736**	**$23,781**	**$23,781**
	CF	$656,675	$0	$597,796	$0	$0
	FF	$3,853,817	$0	$3,907,242	$4,042	$4,042
	GF	$16,454,712	$0	$19,730,141	$19,739	$19,739
	RF	$8,651,612	$0	$6,980,557	$0	$0
	Total	**$479,976**	**$0**	**$485,648**	**$276**	**$307**
	CF	$9,749	$0	$11,054	$0	$0

	FF	$72,527	$0	$69,490	$47	$52
01. Executive Director's Office - Short-Term Disability	GF	$306,198	$0	$312,280	$229	$255
	RF	$91,502	$0	$92,824	$0	$0
	Total	**$8,963,349**	**$0**	**$10,007,004**	**$5,516**	**$6,685**
	CF	$178,449	$0	$222,977	$0	$0
	FF	$1,327,806	$0	$1,403,297	$938	$1,136
01. Executive Director's Office - Amortization Equalization Disbursement	GF	$5,721,235	$0	$6,439,374	$4,578	$5,549
	RF	$1,735,859	$0	$1,941,356	$0	$0
	Total	**$8,403,140**	**$0**	**$9,665,857**	**$5,328**	**$6,616**
	CF	$167,296	$0	$215,376	$0	$0
	FF	$1,244,818	$0	$1,355,457	$906	$1,125
01. Executive Director's Office - S.B. 06-235 Supplemental Equalization Disbursement	GF	$5,363,658	$0	$6,219,850	$4,422	$5,491
	RF	$1,627,368	$0	$1,875,174	$0	$0
	Total	**$5,727,130**	**$0**	**$5,848,066**	**$156,857**	**$158,293**

	FF	$896,468	$0	$913,974	$26,666	$26,910
	FTE	61.8	-	61.8	2.7	3.0
05. Division of Child Welfare - Administration	GF	$4,693,356	$0	$4,793,286	$130,191	$131,383
	RF	$137,306	$0	$140,806	$0	$0

Letternote Text Revision Required?	**Yes**		**No**	**X**	**If Yes, describe the Letternote Text Revision:**
Cash or Federal Fund Name and CORE Fund Number:	**N/A**				
Reappropriated Funds Source, by Department and Line Item Name:	**N/A**				
Approval by OIT?	**Yes**	**X**	**No**		**Not Required**
Schedule 13s from Affected Departments:	**Health Care Policy and Financing**				
Other Information:	**N/A**				

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Cost and FTE

- The Department of Human Services requests $191,758 ($159,159 General Fund and $32,599 federal funds) and 2.7 FTE for FY 2015-16; $195,682 ($162,416 General Fund and $33,266 federal funds) and 3.0 FTE for FY 2016-17 and FY 2017-18 to oversee a dedicated Trails team to modernize the Child Welfare Case Management System - Trails. This represents a 3% increase in the Child Welfare Administration budget.

Current Program

- Trails is Colorado's Child Welfare automated case management system and is used by Child Welfare, Youth Corrections, Early Childhood, Administrative Review, the Office of Child Protection Ombudsman, certain contracted providers and sixty-four county Departments of Human and Social Services.
- It is the reporting system for several sets of federal requirements and has been Statewide Automated Child Welfare Information System (SACWIS) compliant since 2011.

Problem or Opportunity

- An independent analysis of Trails in FY 2013-14 resulted in a recommendation to modernize the Trails system through technology upgrades and enhanced data interfaces.
- The FTE are necessary to ensure the changes made to the system meet the requirements of a changing child welfare practice.
- Trails is critical to implementing the Governor's Child Welfare 2.0 Plan and supporting the daily operations of county departments and youth corrections.

Consequences of Problem

- The technologies of Trails are past their end-life and are no longer supported by the manufacturers.
- Trails is not able to deliver information timely and efficiently.
- User interfaces are inadequate and archaic causing a cumbersome and inefficient system.
- There will be inadequate resources to monitor the technical and budgetary changes to Trails.

Proposed Solution

- The Department proposes to modernize Trails to be easy to use, easy to adapt, and easy to maintain.
- The system will allow users a more comprehensive view of children across programs, enabling caseworkers to be more effective and responsive. Improved reports will give the Department the ability to communicate better to internal and external stakeholders.
- Trails will be accessible via the internet and on mobile devices improving caseworker accessibility.
- The Department requests additional FTE to oversee a dedicated Trails team to implement and maintain the new hardware, software and analytics.

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Department Priority: R-6
Request Detail: Modernizing the Child Welfare Case Management System

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund	Federal Fund	FTE
Modernizing the Child Welfare Case Management System	**$191,758**	**$159,159**	**$32,599**	**2.7**

Problem or Opportunity:

Colorado's current Statewide Automated Child Welfare Information System (SACWIS), better known as Trails, has been in use for the past thirteen years. It is a complex and comprehensive system that has evolved over time since 2001, resulting in benefits and challenges to its continued use. Trails is a system purchased from another state and tailored to fit Colorado's needs. There have been many changes over the years to Trails, as process changes occur and new requirements are identified. The system is used by Child Welfare, Youth Corrections, Early Childhood, Administrative Review, the Office of Child Protection Ombudsman, sixty-four county Departments of Human and Social Services, and certain contracted providers. It is the reporting system for several sets of federal requirements and has been SACWIS compliant since 2011. Additionally, Trails integrates with eleven other systems via eighty-seven unique interfaces within the Colorado Department of Human Services (DHS) and other state agencies. Internal and external stakeholders have identified limitations with the current system, including but not limited to, outdated system architecture, limited mobile system access, redundant data entry, missing data interfaces, data integrity, inability to augment case data with attachments, and ad hoc reporting capabilities. Users are required to enter the same information in more than one area, they have difficulty navigating a complex system, and the system has a slow response time due to a client-server based technology. Providing an upgrade to Trails could simplify Trails navigation, provide greater access to the system for the use of mobile technology, and improve accuracy and efficiency of services and outcomes. This funding request supplements a capital request that addresses the current condition of the state child welfare case management system that is operating on an antiquated technology platform. To better serve the children and families in Colorado, counties need a system that functions effectively, maintains program integrity, and is easy to use.

Trails is staffed through the Governor's Office of Information Technology (OIT) and currently has 33 FTEs. Of these, there are eight (8) FTE Application Developers, of which only 2.5 FTE are dedicated to actual development and 5.5 are dedicated to maintaining Trails. In the Department's FY 2014-15 Long Bill appropriations, $4,970,392 is budgeted for Trails operating costs which includes $4,583,663 for infrastructure support.

The Department contracted with a vendor in FY 2013-14 for an independent analysis of Trails, which resulted in a recommendation to modernize the system. The recommendation is included in a capital

request and will be achieved through technology upgrades and enhanced data interfaces. Some benefits include: a more modern, effective, and elegant interface that is easy to navigate and supports common data views and capabilities provided by other, similar systems; a more modern technology platform; greater reporting flexibility and data analytics capabilities; and greater system interoperability to facilitate data sharing and overall case management outcomes. Trails is critical to implementing the Governor's Child Welfare Plan 2.0 and supporting the daily operation of county departments and youth corrections. Advanced analytical capabilities and a quality case management system will allow child welfare agencies to track current and historical services across multiple programs leading to a more comprehensive view and understanding of the needs of Colorado children and a greater ability for the child welfare agencies to provide services. Modernizing Trails will result in greater efficiencies for the workforce and will allow caseworkers to make faster and better informed responses leading to improved safety and well-being of Colorado children.

Proposed Solution:

The Department is requesting funding for FTE to provide oversight to a dedicated Trails team that will enhance and modernize Colorado's current SACWIS compliant case management system (Trails) and underlying infrastructure. Funding for the Department will be used to provide financial analysis, data analysis, and administrative support. The state automated case management system is a critical component to county child protection practice. Providing oversight of the financial and technical aspects of a system change minimizes potential for service interruption.

Changes to the system will improve how counties perform case management. County departments of human and social services have indicated for several years they are understaffed when it comes to caseworkers. The Department received funding in the 2013 legislative session to perform a workload study. The Office of the State Auditor managed the study, in collaboration with the Department. Additionally, the Department received funding in the same legislative session to implement a central Hotline for child abuse and neglect reporting, which is scheduled to be operational by January 2015. Reports of suspected child abuse and neglect are likely to increase due to the Hotline, requiring additional staffing needs at the county level. Already county staff has a difficult time inputting information into Trails, even as the State has provided modifications and improvements. The nature of their work takes them many places besides the county office, including court, case residences, and twenty-four hour placement facilities. Being required to input a large amount of information into an antiquated system which is not easy to navigate makes it difficult to keep current on case management. Updating the Trails system, coupled with improving mobile data capability, will allow greater flexibility and faster data input. The result will be a quicker assessment of data necessary to make the right case decisions at the right time leading to appropriate services and better outcomes for children involved with child welfare.

The Department requests $191,758 ($159,159 General Fund and $32,599 federal funds), and 2.7 FTE in FY 2015-16; $195,682 ($162,416 General Fund and $33,266 federal funds) and 3.0 FTE in FY 2016-17 and ongoing to increase staff. These positions are a Budget Analyst, a Data Programmer, and an Administrative Assistant. They will be involved in the project through the first three years, as changes are being developed and implemented. They will continue to work with ongoing changes to Trails, ensuring a fiscally and technically sound system. The details of duties for each of these three positions with the Department follow.

The functions of the three FTE in the Division of Child Welfare are detailed below.

The Budget Analyst will:

- Manage and provide fiscal oversight of funding related to the project and ongoing
- Perform research and make recommendations to leadership during all phases of the project and beyond
- Develop budget monitoring tools and processes
- Provide technical assistance
- Provide ongoing budget management
- Work collaboratively with the Trails team on future funding requests
- Develop legislative and audit responses to inquiries regarding Trails changes

The Data Analyst will:

- Oversee ongoing maintenance, new development, and project prioritization in the Trails case management system with OIT/Trails
- Collaborate with Governor's OIT (Office of Information Technology) and county partners to transition existing reports and develop new reports and data extracts for the Division of Child Welfare
- Transition and maintain SQL Server data extracts and procedures from Trails for use with read-only memory (ROM) and other data analysis needs
- Advise and recommend to management on the application of information technology to the development and promotion of child welfare information systems
- Manage inter-operability projects, connecting Trails to other child serving state agency databases in order to share data efficiently and effectively and improve the quality of information available to caseworkers
- Extract, analyze and interpret complex child welfare quantitative data
- Research, collect, compile and synthesize a wide variety of demographic, caseload, program, service, and expenditure data into management reports at both the state and county levels for use in decision-making and program management
- Provide complex non-routine technical research, data and statistical analysis and evaluation using database programming, development, and reporting expertise combined with data and statistical analysis skills and an extensive knowledge of source data, transformations, and business usage
- Provide consultation and support to program managers and planning staff in setting assumptions underlying projections and forecasts
- Advise management, division staff, county staff, Governor's OIT (Office of Information Technology) staff, or other outside entities on how to maximize and achieve necessary data outcomes

The Administrative Assistant will:

- Support the team with tasks related to the management of Trails data
- Assist with the preparation of documents and communication regarding Trails changes
- Schedule internal and external meetings and events for the Trails team and Department team including communicating with internal and external stakeholders
- Provide high quality customer service to assist and accommodate the needs of coworkers and external stakeholders
- Perform day-to-day operations, such as answering Trails calls from counties, completing forms, and filing

- Support the Research Analysis & Data Team in the Division of Child Welfare with other tasks related to Trails and county requests for data

Trails is due for an upgrade to make the system more efficient and effective. If the Department were not to provide an upgrade to the case management system, there will still be navigation issues, mobility needs, and lack of data integration. Caseworkers in county human and social services offices will continue to experience difficulty moving within the system, and data input will remain time consuming. As the Department is implementing workforce tools and mobile technology to counties, modernizing Trails will improve flexibility in how caseworkers can conduct business in the field.

Anticipated Outcomes:

The Trails project includes a complete overhaul of 11 state agency systems and 87 data entry interfaces within Trails. Standardizing the 87 unique interfaces will improve timeliness of data entry, increase mobile access and make Trails easier to use and maintain. The enhancements will improve efficiency and accuracy of available data leading to outcome improvements on C-Stat measurements and related federal safety and permanency goals such as timeliness of assessment closure, safety assessment forms completed accurately, and caseworker contact with parents. More easily accessible data will allow state agencies to share critical information on child welfare children helping them to respond quickly to the needs of Colorado children and provide those children with appropriate services. County and State program staff and data users will be consulted as subject matter experts throughout the design, build and implementation of all system modifications which will promote better and standardized business practices.

In addition, enhancing the current system will meet the needs of the stakeholders and users of the system at a fraction of the cost of building a new system.

Assumptions and Calculations:

The modernization of the Trails system will require additional FTE.

This request is asking for ongoing FTE associated with the modernization of Trails. Attachment A provides the positions and associated salaries and costs for FY 2015-16, FY 2016-17 and ongoing.

Modernizing the Child Welfare Case Management System: Attachment A – FTE Calculations

Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($900), Office Suite Software ($330), and office furniture ($3,473).

General Fund FTE -- New full-time General Fund positions are reflected in FY 2015-16 as 0.9166 FTE to account for the pay-date shift.

Expenditure Detail		FY 2015-16		FY 2016-17	
Personal Services:		FTE		FTE	
	Monthly Salary				
Budget Analyst I	$ 4,122	0.9	44,518	1.0	49,464
PERA			4,519		5,021
AED			1,959		2,374
SAED			1,892		2,350
Medicare			646		717
STD			98		109
Health-Life-Dental			7,927		7,927
Subtotal Position 1, #.# FTE		0.9	**$ 61,559**	1.0	**$ 67,962**
	Monthly Salary				
Data Analyst	$ 4,200	0.9	45,360	1.0	50,400
PERA			4,604		5,116
AED			1,996		2,419
SAED			1,928		2,394
Medicare			658		731
STD			100		111
Health-Life-Dental			7,927		7,927
Subtotal Position 2, #.# FTE		0.9	**$ 62,573**	1.0	**$ 69,098**
	Monthly Salary				
Administrative Assistant III	$ 3,285	0.9	35,478	1.0	39,420
PERA			3,601		4,001
AED			1,561		1,892
SAED			1,508		1,872
Medicare			514		572
STD			78		87
Health-Life-Dental			7,927		7,927
Subtotal Position 3, #.# FTE		0.9	**$ 50,667**	1.0	**$ 55,771**
Subtotal Personal Services		2.7	**$ 174,799**	3.0	**$ 192,832**
Operating Expenses					
Regular FTE Operating	500	3.0	1,500	3.0	1,500
Telephone Expenses	450	3.0	1,350	3.0	1,350
PC, One-Time	1,230	3.0	3,690		
Office Furniture, One-Time	3,473	3.0	10,419		
Other			-		
Other			-		
Other			-		
Other			-		
Subtotal Operating Expenses			**$ 16,959**		**$ 2,850**
TOTAL REQUEST		2.7	**$ 191,758**	3.0	**$ 195,682**
General Fund:			*$ 159,159*		*$ 162,416*
Cash funds:			*$ -*		*$ -*
Reappropriated Funds:			*$ -*		*$ -*
Federal Funds:			*$ 32,599*		*$ 33,266*

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-07

Request Titles

R-07 Office of Children, Youth & Families Medical Oversight

Dept. Approval By:

OSPB Approval By:

	Supplemental FY 2014-15
X	Change Request FY 2015-16
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
Total of All Line Items	Total	$53,832,514	$0	$57,828,111	$743,140	$590,754
	FTE	36.0	-	36.0	3.6	4.0
	GF	$34,215,036	$0	$39,155,511	$464,071	$295,377
	CF	$1,012,169	$0	$1,047,203	$0	$0
	RF	$12,106,341	$0	$10,889,911	$279,069	$295,377
	FF	$6,498,968	$0	$6,735,486	$0	$0

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
01. Executive Director's Office - Health, Life, And Dental	Total	$29,616,816	$0	$31,215,736	$31,708	$31,708
	CF	$656,675	$0	$597,796	$0	$0
	FF	$3,853,817	$0	$3,907,242	$0	$0
	GF	$16,454,712	$0	$19,730,141	$15,854	$15,854
	RF	$8,651,612	$0	$6,980,557	$15,854	$15,854
	Total	$479,976	$0	$485,648	$464	$518
	CF	$9,749	$0	$11,054	$0	$0

	FTE	36.0	-	36.0	3.6	4.0
11. Division of Youth Corrections - Medical Services	GF	$6,369,233	$0	$6,453,866	$438,836	$268,043
	RF	$0	$0	$0	$253,834	$268,043

Letternote Text Revision Required?	Yes	No	X	If Yes, describe the Letternote Text Revision:	
Cash or Federal Fund Name and CORE Fund Number:	N/A				
Reappropriated Funds Source, by Department and Line Item Name:	N/A				
Approval by OIT?	Yes	No	X	Not Required	
Schedule 13s from Affected Departments:	Health Care Policy and Financing				
Other Information:	N/A				

Cost and FTE

- The Department requests $743,140 Total Funds ($464,071 General Fund and $279,069 reappropriated funds) and 3.6 FTE in FY 2015-16 and $590,754 ($295,377 General Fund and $295,377 reappropriated funds) and 4.0 FTE in FY 2016-17 and ongoing to oversee the medical, behavioral health and dental well-being of all children involved in child welfare and youth corrections systems.

Current Program

- There is currently no state-level medical professional consultation available in the child welfare system regarding child and youth health needs and psychotropic medication usage. The Division of Youth Corrections has limited access to independent psychiatric medical consultation and has a clinical provider but not a Medical Director to set overall policies and guidelines.

Problem or Opportunity

- There is a lack of training, data systems support, consultation, monitoring and evaluation of current practice and information about best practices available to county departments and youth corrections.
- There is a need to develop a program to ensure all children in the child welfare system are receiving medical and dental care, to include assessments of at-risk 0-5 year olds.
- Children and youth in the child welfare and youth corrections system are being prescribed psychotropic medications at a higher rate than those in the general Medicaid population, based on a nine-state study by Medicaid Medical Directors.

Consequences of Problem

- Colorado is currently not meeting federal well-being goals for medical and dental visits for children in foster care. Federal fiscal sanctions are possible in the future, if these goals are not met.
- Children and youth in the child welfare and youth corrections system are receiving psychotropic medications at inappropriately high rates, causing unintended health problems and at the same time, may not be receiving appropriate physical and behavioral health services.
- Youth transitioning from DYC may not receive appropriate physical and behavioral health services.

Proposed Solution

- A Medical Director will consult with county departments and youth corrections about complex medical issues for children and youth, including psychotropic medications.
- The Department will assess and develop guidelines, policies and improvement plans to address the overall health care of children and youth in the child welfare and youth corrections system.
- Funding will allow claims data for physical, behavioral, and oral health, including psychotropic medications, to be captured in Trails, via an interface through Trails with Medicaid data.
- Funding will develop a program to ensure all children ages 0-5 years who are assessed at medium-high-risk are evaluated by a medical professional.

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Department Priority: R-7
Office of Children, Youth and Families Medical Oversight

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund	Reappropriated Funds	FTE
Office of Children, Youth, and Families Medical Oversight	$743,140	$464,071	$279,069	3.6

Problem or Opportunity:

The Department of Human Services requests $743,140 ($464,071 General Fund and $279,069 reappropriated funds) and 3.6 FTE in FY 2015-16 and $590,754 ($295,377 General Fund and $295,377 reappropriated funds) and 4.0 FTE in FY 2016-2017 and ongoing to oversee the medical, behavioral health and dental well-being of all children involved in the child welfare and youth corrections systems.

The Department recognizes the need to have a Medical Director who can oversee the health needs of children in the child welfare and youth corrections systems and consult with the State and county staff as well as the Department of Health Care Policy and Financing (HCPF) and the Department of Public Health and Environment (DPHE). The Department's Division of Child Welfare is not yet meeting the federal well-being measures related to health, and the number of foster care youth on psychotropic medications is rising. The Division of Youth Corrections (DYC) would benefit from increased oversight of policy and procedures related to psychotropic medications.

Additionally, the child welfare and youth corrections case management system, Trails does not have the capability for tracking health related services or psychotropic medications for children and youth in the custody of the State or county human and social services departments. There is also a discrepancy in data tracking and collection between HCPF and the Department serving foster children. According to Colorado Medicaid data, of the children and youth in foster care, only 59% received one well child check-up in the last federal fiscal year and only 62% received one oral health visit. The federal Medicaid goals for these measures are 80% and 62%, respectively. During a similar time period, the Child and Family Services Plan for Child Welfare shows that Colorado's performance on regular medical exams for children in foster care is 81.5%, and performance for regular dental exams is 81%, with a federal well-being goal of 95% for both.[1] Many youth in the youth corrections system are known as "cross-over youth," meaning that they have spent time in the child welfare system. It is important to ensure that all of the youth in the Child Welfare system receive coordinated medical care and clinical oversight regardless of their placement. Colorado could face federal fiscal penalties in the future if these goals are not met, based on the Federal

[1] HCPF and CDHS, *Psychotropic Medication Guidelines for Children and Adolescents in Colorado's Child Welfare System* (Denver, 2013)

Child and Families Service Review, Well-Being Outcome 3: Children receive adequate services to meet their physical and mental health needs.[2]

The multiple problems and corresponding opportunities relating to the oversight of the health needs of children in the child welfare and youth corrections systems are outlined below.

- Use of Psychotropic Medication
  The use of psychotropic medication with children has risen, according to a report issued by the University of Colorado Skaggs School of Pharmacy. Compared to 2011 findings, use of atypical antipsychotics in foster children, and overall use of psychotropic medications in children and in foster children appears to have increased. Many children, particularly foster care children, are receiving two or more psychotropic medications within the same therapeutic class. Foster children carry a 6-fold and a 9-fold higher risk of being prescribed psychotropic medication and antipsychotic medication, specifically, compared to those not in foster care. [3]

  Counties do not have a medical resource apart from the prescribing physician to consult for determining if children and youth in their custody are on appropriate medications and appropriate amounts of medications. The State does not have a medical professional with expertise in the use of appropriate medications to treat children and youth suffering from trauma due to abuse and neglect. A medical professional would also be essential to inform policy and practice and to monitor medication prescribing practices on an aggregate level.

- Inconsistent Standards of Care
  There have been inconsistent standards of care across the State. Children in rural areas, with less access to mental health services, may be receiving psychotropic medications in lieu of other treatment modalities. Also, children with trauma symptoms, i.e. acting out behavior or inability to concentrate and perform in school and other social settings may be receiving medications to treat the symptoms of their trauma rather than the cause of the trauma and associated behaviors. Adolescents in youth corrections may experience inconsistent prescribing practices across psychiatrists. The Department is working with HCPF to get information about children and youth in foster care on high levels of psychotropic medications as well as outlying prescribers. A Medical Director would provide the Department access on an ongoing basis to routinely review the information, consult on difficult cases and make recommendations and responses to the Department about policy needs and to counties for practice needs.

- Data Systems Discrepancies
  HCPF and the Department's data systems do not currently interface, so it is a very cumbersome and inaccurate process to determine the types and numbers of psychotropic medications children in Colorado's foster care system are taking. It is essential that data systems are improved in order to improve data collection and ultimately the service delivery to children in foster care.

  FY 2012-13 Administrative Review data shows that in cases reviewed 78-82% of children and youth received regular health care; 80-83% received regular dental care; and 72-75% received mental health services previously determined necessary.

[2] Federal Children and Families Service Review, 45 CFR 1355.

[3] Skaggs School of Pharmacy and Pharmaceutical Services, *Psychotropic Medication Use in Colorado Medicaid Children and Adolescents: A focus on Foster Care Children* (Denver, HCPF, 2013)

In 2011, a multi-state study, that included Colorado Medicaid data, reported that 11.2% of children and youth in Colorado's foster care system were prescribed anti-psychotic medications and 24.3% were prescribed four or more mental health drugs concurrently.

- Audit on Oversight

  The Office of State Auditor recently completed an audit on the oversight of medication prescribing practices in DYC facilities. The findings pointed to a need to improve oversight of medication prescribing practices. Following are the key facts and findings, and recommendations as reported in the August 2014 Performance Evaluation.

  Key facts and findings from the audit are listed below[4].
  - In 24 of the 60 cases in our judgmental sample of youth medical records, facilities did not adhere to Division policies and/or national standards, meaning either that the Division lacks controls to ensure that prescribers follow accepted practices or the controls are not working. For example, in 22 cases the record did not indicate what diagnosis or symptoms prescribed medications were intended to treat.
  - In 11 cases we reviewed the youth had asthma but for 8 of these cases, rather than conducting diagnostic work, the facility provided treatment based solely on the youth reporting that he or she had asthma, which is inconsistent with the National Heart, Lung, and Blood Institute Asthma Guidelines.
  - In 13 cases we found no evidence that medical staff obtained consent for treatment with psychotropic medications and in another 6 cases no evidence that the facility had discussed the benefits and risks of all medications being given a youth.
  - For 57 cases in our sample youth were prescribed psychotropic medications. We found almost no evidence that vital signs such as blood pressure, weight, and heart rate were taken when youth entered the facility or when medications were changed, in accordance with national standards.
  - In three of five facilities we reviewed, nurses prepared medications for youth at discharge, violating state pharmacy regulations that define the practice of pharmacy and generally only allow pharmacists to dispense medications.
  - Some facilities do not comply with state rules for disposal of prescription drugs classified as hazardous waste and federal rules for disposal of controlled substances. For example, two facilities had no procedures to render medications classified as hazardous waste unusable before disposal and only one facility uses a process fully compliant with federal rules to dispose of controlled substances.

  The audit recommendations for the Department are listed below[5].
  - Ensure that committed youth receive appropriate treatment and medication by implementing a system of robust clinical oversight of medication prescribing practices at all facilities.
  - Strengthen informed consent policies covering psychotropic medications.
  - Reduce the risk of medication errors by requiring uniform practices across state and contractor facilities to improve medication administration practices.

[4] Health Management Associates, *Medication Management for Committed Youth at Division of Youth Corrections Facilities, Performance Evaluation* (Denver, 2014)
[5] Health Management Associates, *Medication Management for Committed Youth at Division of Youth Corrections Facilities, Performance Evaluation* (Denver, 2014)

- Require that facilities monitor the effects and outcomes of treatments for youth with high-risk conditions and medications.
- Ensure that state-operated facilities comply with all applicable federal and state laws regarding the handling and disposal of controlled substances.

Proposed Solution:

Forty states in the nation have a medical professional who is able to consult with state and county departments of human and social services to oversee medical and behavioral health care for children and youth in their system, including the oversight of psychotropic medication use. The Department's Divisions of Child Welfare and Youth Corrections need a medical professional on staff to provide these services, develop improvement plans, and to assure federal child well-being health measures are met. The Department faces no sanctions at this time if these duties are not fulfilled; however, it believes they are likely in the future based on the numbers of children and youth in foster care being prescribed psychotropic medications including multiple medications and the high dosages that are being prescribed.

Office of Children, Youth, and Families (OCYF) Medical Director

The OCYF Medical Director will develop and implement a state-wide plan that strengthens the partnerships between DHS, HCPF, DPHE and providers, which are needed to assess and meet medical, dental and behavioral health needs of children in the child welfare and youth corrections systems. Through the oversight of the Medical Director, a process will be implemented to provide the most effective and efficient model for medical oversight in meeting the well-being needs of these children and youth. It is the State's responsibility to ensure that the medical needs of children in its care are met. The Medical Director will provide oversight and direction in fulfilling the State's responsibilities to serve children in the child welfare and youth corrections system.

The OCYF Medical Director, with the support of four FTE, will be responsible for overseeing medical care for youth in the child welfare and youth corrections system. This will include developing a plan to ensure that the State is meeting requirements of the Federal Fostering Connections Act, the Child and Family Services Improvement and Innovation Act and the Federal Child and Family Services Review. The Acts require a plan for oversight and coordination of health care services for children in foster care including protocols for monitoring psychotropic medications. The review requires that physical, dental and behavioral health well-being needs of children and youth in foster care are met. The duties of the Medical Director and supporting staff are detailed below.

<u>Medical Director</u>:

- Develop and implement a state-wide plan in partnership with HCPF, DPHE, county departments and providers, to assess and meet medical, dental and behavioral health needs of children in the child welfare system to allow the State to meet requirements of the Federal Fostering Connections Act, the Child and Family Services Improvement and Innovation Act and the Federal Child and Family Services Review;
- Review the current infrastructure for meeting medical, dental, and behavioral health needs of adolescents in the youth corrections system, and provide consultation and recommendations for improvements;
- Provide consultation to the youth corrections system regarding medication management and psychotropic medications prescribing practices;

- Collaborate with the youth corrections system's Director of Behavioral Health & Medical Services to establish monitoring practices in medication management practices;
- Provide consultation to the youth corrections system's Medical Authority, a physician who oversees medical care for DYC;
- Ensure that recommendations from the Office of State Auditors related to medication management practices for youth in the Division of Youth Corrections are implemented as agreed upon
- Consult on complicated cases regarding medical issues;
- Provide peer consultation for treatment planning with clinically challenging cases, including those children and youth with numerous failed placements;
- Consult with county child welfare departments and DYC staff regarding consent for psychotropic medications being prescribed to children in out-of-home care.

General Professional IV:

- Coordinate meetings with the OCYF Medical Director and similar level peers at HCPF, DPHE, Behavioral Health Organizations (BHO), Regional Care Collaborative Organizations (RCCO) and other health professionals;
- Assist with development and coordination of health care trainings, in coordination with the Child Welfare and DYC Training Academies for caseworkers and supervisors, foster parents, Guardians Ad Litem (GALs), DYC staff, etc., to include in-person regional trainings, as well as web-based trainings;
- Assist with the development of trainings and a process to support community health providers to address behaviors and medical issues specifically related to trauma;
- Work with the RCCOs to assure that excellent care coordination for foster care children and youth is being provided, especially those transitioning out of the foster care system and youth corrections
- Coordinate consultations for Medical Director with county departments and DYC;
- Lead the grant application process for the proposed demonstration grant from the Administration of Children and Families (ACF) and the Center for Medicare and Medicaid Services (CMS) to provide evidence-based psycho-social interventions to children and youth in foster care to reduce the inappropriate use and over-prescribing of psychotropic medications;
- Gather and review monthly data for children and youth in child welfare and DYC who are receiving psychotropic medications that fall outside recommended parameters, to inform the Medical Director;
- Assist with medical care audits for DYC;
- Review aggregate data for adolescents in the youth corrections system to inform the Medical Director on policy development and modifications;
- Assist with developing policy for prospective and retrospective medication authorizations
- Address other support as needed for the Medical Director.

Nurse III:

- Monitor use of the clinical guidelines for ten state-operated facilities and nine contractor-operated facilities;
- Assist in the development and maintenance of systems to adhere to the National Commission on Correctional Health Care guidelines for health care;

- Monitor adherence to DYC Parameters for Use of Psychotropic Medication in Children and Adolescents;
- Ensure monthly reporting by providers on prescription drugs;
- Monitor tracking system of youth with complex conditions;
- Provide data to management for monthly review;
- Assist with the development of annual audit standards, and monitor to the standards quarterly;
- Conduct quarterly chart review for continuous quality control and improvement;
- Assist with a formal case review of complex cases identified through established criteria;
- Review medical policies quarterly and make recommendations for improvements;
- Monitor documentation of prescriber orders and session notes of medical providers to ensure adherence to standards;
- Assist contractor in quarterly audits related to controlled substances and drug disposal practices;
- Monitor adherence to DYC guidelines on drug specific monitoring.

General Professional III:

- Assist the DYC Medical Operations Coordinator, and two Nurse III positions with administrative duties related to monitoring guidelines, policies, and standards for facilities;
- Prepare workflow protocols as directed to meet the needs of the medical clinics to ensure organization and follow-through;
- Coordinate meetings with DYC leadership and others as indicated to review outcomes related to monitoring;
- Assist with the coordination of training and technical assistance when new protocols are implemented;
- Coordinate medical and behavioral health integration efforts as needed;
- Coordinate regular meetings with DYC medical leadership and others as indicated to update action plans related to ongoing initiatives;
- Assist with medical care monitoring and audits by organizing materials and preparing formal reports to demonstrate findings;
- Address other needs as directed by the DYC Medical Operations Coordinator and two Nurse III position.

Coordination of the Health Care Needs for Foster Children

Since Child Welfare has the responsibility for the health care of more than 10,000 children per year (children in out-of-home placement alone in FY 2012-13 equaled 9,878 with an average daily population (ADP) of 5,243)[6], services will need to be delivered through a coordinated system. As child welfare services increase, the Medical Director will need to coordinate the health care of children remaining in the home who demonstrate a high need for medical oversight. Both the Medical Director and the FTE positions will need to work with HCPF to train and identify local health providers who can provide services to children in the child welfare system. As a result, these positions will work closely with HCPF.

Trails

[6] Preliminary data for FY 2013-2014 estimates out-of-home placements to be 9,610, with and ADP of 5,159.

Changes to Trails would enable an interface with HCPF, and allow claims data for physical, oral, and behavioral health and psychotropic medications data to be captured in Trails. DYC currently uses Trails as its electronic medical record. However, the Trails system was never designed to serve this purpose.

Departments that may be affected are HCPF, through collaboration of services and data, and potentially DPHE depending on the model designed.

Potential consequences of not funding this request may include children and youth in the child welfare and youth corrections systems not receiving appropriate behavioral health care, being prescribed psychotropic medications at inappropriately high rates and dosages, which may cause unintended health problems. Failure to meet federal child well-being performance measures in the areas of physical, dental and behavioral health needs may result in fiscal sanctions.

Anticipated Outcomes:

It is anticipated that having a Medical Director and an FTE available to confer with the State and county departments of child welfare will lead to increased oversight of the physical, oral, and behavioral health care services received by children and youth in the child welfare and youth corrections systems. This will improve not only the health outcomes of children and youth in the system but also, improve permanency as well, through the stabilization of their health and behavioral needs. The Medical Director will ensure that recommendations from the Office of State Auditor related to medication management practices for youth in the Division of Youth Corrections are implemented as agreed upon.

Changes to the Health Passport component in Trails will enable medications and other health services to be tracked more efficiently, reducing the occurrences, on an individual child level, of repeating medications that have been used unsuccessfully or with negative side effects. These improvements will also ensure that more and reliable health information is entered into Health Passport to be shared with other health providers and caregivers. On a macro level, data can be captured to determine psychotropic medication usage on a county and state level.

Training will help county workers, foster parents, GALs, and DYC staff to think more critically when attending psychiatric consultations or when consenting for other types of treatment, enabling them to ask more questions of the provider, as well as exploring additional physical health and behavioral health treatment options. Training and support to community health providers will help promote best practices when working with traumatized children.

Outcomes will be measured by increasing the delivery of physical, dental, and behavioral health services and reducing the use of psychotropic medications by children in the child welfare and youth corrections systems. Data will be available through the changes in Trails that will link with HCPF data. It is expected that Colorado will meet or exceed federal guidelines within two years of hiring these positions.

Assumptions and Calculations:

The Department is requesting $743,140 ($464,071 General Fund and $279,069 reappropriated funds) and 3.69 FTE in FY 2015-16 and $590,754 ($295,377 General Fund and $295,377 reappropriated funds) and 4.0 FTE in FY 2016-2017 and ongoing. The Medical Director will be under contract which is consistent with the Colorado Mental Health Institute at Pueblo's contract with University of Colorado psychiatrists. In addition, the hiring of FTE will have the responsibility of staffing projects, coordinating trainings and services, and applying for grants to expand the reach of this work.

The anticipated cost for changes to Trails is $35,000 General Fund and $150,000 General Fund to complete a gap analysis and overview of the medical needs for Colorado's children and youth. These are both one-time costs. The cost for changes in Trails is estimated by using the Trails developer consulting fee of $110 per hour based on recent funding received for similar work. A gap analysis will be performed to show what medical needs are not being met for children and families in the child welfare and youth corrections systems. The cost is based on historical costs for similar studies.

The Department has agreed to implement several recommendations from the OSA that require additional funding to execute; however, none of the recommendations require statutory changes.

- Implement a system of robust clinical oversight of medication prescribing practices at all DYC state-operated facilities and contract facilities that provide on-site medical care.

- Improve the medication monitoring practices at all facilities by working with the primary care and psychiatric providers to establish a set of written guidelines that apply to both DYC state-operated and contract facilities. Policies would need to be modified or developed by a qualified subject matter expert.

  Note: The two Nurse III and one General Professional III are necessary to perform the workload of these two recommendations.

- Strengthen oversight of the handling and disposal of controlled substances at DYC state-operated facilities. The cost to provide pharmacist services to inspect all facilities is $23,000 ($11,500 General Fund) in FY 2015-16 and $44,000 ($22,000 General Fund) in FY 2016-17 and ongoing to provide quarterly audits by a pharmacist. These costs will be contractor provided services.

The reappropriated funds are Medicaid and are calculated at the current match rates of reimbursement.

Personal Services, One-Time and Ongoing Costs
(See Attachment A for detailed FTE calculation)

FY 2015-16				
Type of Cost	**Total Cost**	**GF**	**RF**	**FTE**
Medical Director	$226,017	$113,009	$113,008	
GP IV	$69,910	$34,955	$34,955	0.9
GP III	$57,810	$28,905	$28,905	0.9
Nurse III	$158,791	$79,396	$79,395	1.8
Operating Costs	$22,612	$11,306	$11,306	
Pharmacist Services	$23,000	$11,500	$11,500	
Trails Changes	$35,000	$35,000	$0	
Gap Analysis	$150,000	$150,000	$0	
Total Cost	**$743,140**	**$464,071**	**$279,069**	**3.6**

FY 2016-17				
Type of Cost	**Total Cost**	**GF**	**RF**	**FTE**
Medical Director	$226,017	$113,009	$113,008	
GP IV	$77,312	$38,656	$38,656	1.0
GP III	$63,766	$31,883	$31,883	1.0
Nurse III	$175,859	$87,929	$87,930	2.0
Operating Costs	$3,800	$1,900	$1,900	
Pharmacist Services	$44,000	$22,000	$22,000	
Total Cost	**$590,754**	**$295,377**	**$295,377**	**4.0**

Note: Although the Medical Director will be a contracted staff whose salary is commensurate with qualifications and experience, the cost is based on a Physician II Department of Personnel and Administration classified position.

Office of Children, Youth & Families Medical Oversight: Attachment A – FTE Calculation

Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($900), Office Suite Software ($330), and office furniture ($3,473).

General Fund FTE -- New full-time General Fund positions are reflected in FY 2015-16 as 0.9166 FTE to account for the pay-date shift.

Expenditure Detail		FY 2015-16		FY 2016-17	
Personal Services:		FTE		FTE	
	Monthly Salary				
General Professional IV	$ 4,764	0.9	51,451	1.0	57,168
PERA			5,222		5,803
AED			2,264		2,744
SAED			2,187		2,715
Medicare			746		829
STD			113		126
Health-Life-Dental			7,927		7,927
Subtotal Position 1, #.# FTE		0.9	**$ 69,910**	1.0	**$ 77,312**
Subtotal Personal Services		0.9	**$ 69,910**	1.0	**$ 77,312**
Personal Services:		FTE		FTE	
	Monthly Salary				
General Professional III	$ 3,834	0.9	41,407	1.0	46,008
PERA			4,203		4,670
AED			1,822		2,208
SAED			1,760		2,185
Medicare			600		667
STD			91		101
Health-Life-Dental			7,927		7,927
Subtotal Position 1, #.# FTE		0.9	**$ 57,810**	1.0	**$ 63,766**
Subtotal Personal Services		0.9	**$ 57,810**	1.0	**$ 63,766**

Office of Children, Youth & Families Medical Oversight: Attachment A – FTE Calculation (cont.)

Personal Services:		FTE		FTE	
	Monthly Salary				
Nurse III	$ 5,493	1.8	118,649	2.0	131,832
PERA			12,043		13,381
AED			5,221		6,328
SAED			5,043		6,262
Medicare			1,720		1,912
STD			261		290
Health-Life-Dental			15,854		15,854
Subtotal Position 1, #.# FTE		1.8	**$ 158,791**	2.0	**$ 175,859**
Subtotal Personal Services		1.8	**$ 158,791**	2.0	**$ 175,859**
Operating Expenses					
Regular FTE Operating	500	4.0	2,000	4.0	2,000
Telephone Expenses	450	4.0	1,800	4.0	1,800
PC, One-Time	1,230	4.0	4,920		
Office Furniture, One-Time	3,473	4.0	13,892		
Other			-		
Other			-		
Other			-		
Other			-		
Subtotal Operating Expenses			**$ 22,612**		**$ 3,800**
TOTAL REQUEST		3.6	**$ 309,123**	4.0	**$ 320,737**
General Fund:			*$ 154,562*		*160,369*
Cash funds:					
Reappropriated Funds:					
Federal Funds:			*$ 154,561*		*160,368*

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-08

Request Titles

R-08 Child Welfare County Workload Study

Dept. Approval By: Melissa Wavelet

OSPB Approval By:

	Supplemental FY 2014-15
X	**Change Request FY 2015-16**
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
Total of All Line Items	**Total**	**$407,603,681**	**$0**	**$411,545,733**	**$8,227,138**	**$7,941,391**
	FTE	67.8	-	67.8	0.9	1.0
	GF	$213,153,277	$0	$218,115,648	$6,578,035	$6,340,866
	CF	$68,013,433	$0	$67,948,467	$1,551,685	$1,551,685
	RF	$27,187,262	$0	$25,974,332	$0	$0
	FF	$99,249,709	$0	$99,507,286	$97,418	$48,840

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
01. Executive Director's Office - Health, Life, And Dental	**Total**	**$29,616,816**	**$0**	**$31,215,736**	**$7,927**	**$7,927**
	CF	$656,675	$0	$597,796	$0	$0
	FF	$3,853,817	$0	$3,907,242	$1,347	$1,347
	GF	$16,454,712	$0	$19,730,141	$6,580	$6,580
	RF	$8,651,612	$0	$6,980,557	$0	$0
	Total	**$479,976**	**$0**	**$485,648**	**$91**	**$101**
	CF	$9,749	$0	$11,054	$0	$0

01. Executive Director's Office - Short-Term Disability	FF	$72,527	$0	$69,490	$15	$17
	GF	$306,198	$0	$312,280	$76	$84
	RF	$91,502	$0	$92,824	$0	$0
	Total	**$8,963,349**	**$0**	**$10,007,004**	**$1,822**	**$2,208**
	CF	$178,449	$0	$222,977	$0	$0
01. Executive Director's Office - Amortization Equalization Disbursement	FF	$1,327,806	$0	$1,403,297	$310	$375
	GF	$5,721,235	$0	$6,439,374	$1,512	$1,833
	RF	$1,735,859	$0	$1,941,356	$0	$0
	Total	**$8,403,140**	**$0**	**$9,665,857**	**$1,760**	**$2,185**
	CF	$167,296	$0	$215,376	$0	$0
01. Executive Director's Office - S.B. 06-235 Supplemental Equalization Disbursement	FF	$1,244,818	$0	$1,355,457	$299	$371
	GF	$5,363,658	$0	$6,219,850	$1,461	$1,814
	RF	$1,627,368	$0	$1,875,174	$0	$0
	Total	**$5,727,130**	**$0**	**$5,848,066**	**$235,000**	**$0**

	FF	$896,468	$0	$913,974	$39,950	$0
	FTE	61.8	-	61.8	-	-
05. Division of Child Welfare - Administration	GF	$4,693,356	$0	$4,793,286	$195,050	$0
	RF	$137,306	$0	$140,806	$0	$0
	Total	**$6,551,963**	**$0**	**$6,462,115**	**$103,863**	**$52,295**
	CF	$137,230	$0	$37,230	$0	$0
	FF	$3,161,684	$0	$3,165,237	$17,657	$8,890
05. Division of Child Welfare - Training	FTE	6.0	-	6.0	0.9	1.0
	GF	$3,253,049	$0	$3,259,648	$86,206	$43,405
	Total	**$347,861,307**	**$0**	**$347,861,307**	**$7,876,675**	**$7,876,675**
	CF	$66,864,034	$0	$66,864,034	$1,551,685	$1,551,685
	FF	$88,692,589	$0	$88,692,589	$37,840	$37,840
05. Division of Child Welfare - Child Welfare Services	GF	$177,361,069	$0	$177,361,069	$6,287,150	$6,287,150
	RF	$14,943,615	$0	$14,943,615	$0	$0

Letternote Text Revision Required?	Yes X No	If Yes, describe the Letternote Text Revision:

See Tables 10, 11, and 12 of the full narrative for the calculations.
(5) d Of this amount, $2,905,9682,925,596 shall be from Title IV-E of the Social Security Act, and $255,716 shall be from the Title XX Social Services Block Grant .

(5) e For informational purposes, this amount includes $4,605,011 that is anticipated to be initially held out from state and federal funds that are allocated to county departments of social services for the administration and provision of child welfare services, including the following estimated amounts: $3,208,511 for parental fee reimbursements to counties pursuant to Section 26-5-104 (2), C.R.S., $950,000 for tribal placements of Native American children, $346,500 for a statewide insurance policy for county-administered foster homes, and $100,000 for contractual services related to the allocation of funds among counties. The remaining $343,256,296351,132,971 includes the state and federal funds to be allocated to county departments of social services pursuant to Section 26-5-104, C.R.S., the estimated local share of child welfare services expenditures, and federal Medicaid funds estimated to be available to county departments of social services for certain expenditures.

(5) f Of these amounts, $64,153,62065,705,305 (I) shall be from Title IV-E of the Social Security Act, $23,590,313 shall be from the Title XX Social Services Block Grant, and $4,019,549(I) shall be from Title IV-B, Subpart 1, of the Social Security Act [7400]. Although federal funds amounts that contain the (I) notation are not appropriated, these amounts were assumed in developing the appropriated fund source amounts in these line items. The amount from Title IV-E of the Social Security Act is reflected pursuant to Section 26-1-111 (2) (d) (II) (B), C.R.S., and shall be used in determining the amount to be deposited to the Excess Federal Title IV-E Reimbursements Cash Fund pursuant to Section 26-1-111 (2) (d) (II) (C), C.R.S.

Cash or Federal Fund Name and CORE Fund Number:	Cash Funds are from local funds, and Federal Funds are from Title IV-E of the Social Security Act.
Reappropriated Funds Source, by Department and Line Item Name:	N/A
Approval by OIT?	Yes No Not Required X
Schedule 13s from Affected Departments:	
Other Information:	N/A

Department Priority: R-8
Request Detail: County Child Welfare Workload Study

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
County Child Welfare Workload Study	**$8,227,138**	**$6,578,035**	**$1,551,685**	**$97,418**	**0.9**

Problem or Opportunity:

The Department of Human Services requests $8,227,138 ($6,578,035 General Fund) and 0.9 FTE for FY 2015-16; $64,716 ($53,714 General Fund) and 1.0 FTE for FY 2016-17 and beyond to increase county staffing in response to a workload study performed by the Office of the State Auditor (OSA).

The Department requested funding in FY 2013-14 for a workload study of county child welfare staff that focused on the amount of time staff spent on each case. The workload study aligns with the State's client-focused business model and it accounts for differences in cases and services, such as case complexities and the varying lengths of time needed to provide different services. The study was designed to establish a comprehensive picture of the State's child welfare operations and understand how these operations impact various county needs. The work performed at the counties for the provision of child welfare services ranges from many functions including, but not limited to, referrals, ongoing case management out-of-home, administration and documentation, adoptions, and licensing.

The workload study revealed that county caseworkers are working on average 44.6 hours per week while supervisors/managers/executives are working on average 48 hours per week. County child welfare employees spent most of their time on ongoing and out-of-home services (OOH), averaging 7.2 hours per child receiving ongoing or OOH services. Time spent working on case-related services and tasks are in line with other state child welfare studies. In addition, the workload study showed there were few differences between urban and rural counties.

Time spent on screening is the second highest amount of hours worked by county staff on child welfare services. Colorado child welfare staff screened 6,734 referrals in February 2014. The high volume of screenings contributes to a county caseworker spending 38% of their time documenting referrals and case-related work into Trails, Colorado's child welfare case management system. While the Department is recommending Trails be modified and updated to help reduce the amount of re-entry and documentation time needed, other changes in best practices are increasing the time needed for documentation, such as increased family engagement and case-related services. It is anticipated that Colorado's new Child Abuse

and Neglect Hotline will increase the time needed to document referrals. Mobile technology is providing caseworkers more efficiency and more flexibility to enter data into Trails, but not necessarily reducing time. Enhanced documentation will lead to better decisions and better outcomes for Colorado's children. Over time, the Department anticipates the increases in staff and technological improvements will offset the time needed to properly screen and document referrals and case related services.

The study made a recommendation of the number of county staff that needed to be added to address the increased time it takes to provide services and complete tasks. What the workload study did not address specifically was the right caseload ratio per worker to provide the right services at the right time. The summary suggests the Department may want to consider options for conducting additional workload studies that build upon the current baseline results. Future analyses could elaborate upon the findings of this study and assess the impact of process improvements[1].

Proposed Solution:

The workload study determined that apart from identifying inefficiencies and streamlining processes, counties needed 650 additional staff in order to meet program goals and outcomes. Under the current Child Welfare infrastructure, the Department estimates that it would take five years for counties to increase capacity to the level recommended in the workload study. Based on this estimation, the Department recommends only increasing the work force by 130 additional child welfare staff in FY 2015-16 which is approximately one-fifth of additional staff recommended by the workload study.

Tables 1, 2, 4, and 5 illustrate costs comprised of 110 caseworkers, 15 supervisors, and 5 case aides, but counties could also choose to hire nurses, practice coaches, or educational specialists. In an effort to increase retention, job satisfaction, caseworker performance, and supervisor performance, practice coaches could be hired for the purpose of helping individuals to learn new skills faster, more efficiently and effectively, and support county departments in implementing new practices and strategies. As caseworkers are experiencing more complex cases, with many medical aspects, nurses could be hired to be a resource for referral screening, medical consultation, assessments, medical report interpretations, referral to ongoing medical care, and medical records reviews. Children ages 0-5 are at the highest risk of near fatalities, and fatalities and having a nurse consult on high risk cases could prove to be valuable.

The Department is requesting funds to further analyze caseload ratios and monitor the impact the 130 additional child welfare staff on the overall system before funding is requested for the remaining 520 child welfare staff recommended in the workload study. Lastly, the Department of Human Services requests an additional (1.0 FTE) training certification specialist (GP III) to handle the increase in training demands. As noted earlier, counties should know their individual staffing needs to determine what combination of caseworkers, supervisors, case aides, nurses, or practice coaches to hire. However, the Department will work collaboratively with counties on the details of staffing needs. This request is for new county FTE only and not to supplement overtime costs at the county level. The funding to the counties will be appropriated via legislation in the Child Welfare Services line item and the funding for state staff and training

[1] ICF International Incorporated, L.L.C., *Colorado Child Welfare County Workload Study, August 2014*, (Denver)

development will be appropriated in the Training line item. The legislated Child Welfare Allocation Committee will determine the allocation to counties through the approved child welfare allocation methodology.

Anticipated Outcomes:

The workload study includes child welfare worker's perspectives about the issues they observed as affecting their volume of work, employee morale, job satisfaction, and staff retention[2]. Overall, workers reported that the volume of work can have a significant impact on staff. Approximately two-thirds of workers describe their volume of assigned work as heavy and often unmanageable. Increased volumes of work can also impact the quality of work and services provided to children and their families.

Additionally, increased work load can significantly affect employee morale and job satisfaction, as well as staff retention and turnover. Workers reported reasons such as lack of engagement with client families, inadequate time to perform all necessary tasks or quality work, and a consistent feeling of being behind on work and never caught up. These issues are magnified if a supervisor has to dedicate time to casework, and is unable to provide support, mentoring and guidance to staff.

The workload study also looked at turnover rates in participating counties. The average annual turnover rate was about 10 percent (ranging from 0 to 24 percent) for 2009 through 2011. This compares to a 2009 study documenting annual turnover between 23 and 60 percent nationally. Although turnover rates do not appear to be excessively high, the impact can be compounded by the number of child welfare workers that will be retiring in the next several years.

Additional caseworkers and related staff are expected to reduce these adverse effects, leading to higher employee morale, job satisfaction, and staff retention and caseload continuity.

Assumptions and Calculations:

The Department based the assumptions on recommendations of the Office of the State Auditor's (OSA) August 2014 workload study.

For the workload study, 49 of 64 counties provided staffing information and showed an average of 24.5 case workers per county. Applying this number to 64 counties equals 1,568 caseworkers. Counties received 33,443 screened in referrals (cases accepted for further investigation) in Fiscal Year 2012-13. Based on this figure, the Department is proposing to fund 130 total new child welfare staff in FY 2015-16.

The Department of Human Services requests $8,227,138 ($6,578,035 General Fund) and 0.9 FTE for FY 2015-16 in response to a workload study performed by the Office of the State Auditor (OSA). Costs by fund type and cost component are summarized in Tables 1 and 2. Detailed costs are illustrated in Tables 3 through 5. The monitoring of caseload ratios is estimated at one-half the amount of the cost of the workload

[2] ICF International Incorporated, L.L.C., *Colorado Child Welfare County Workload Study, August 2014*, (Denver)

study. Funding to counties will be distributed through the Child Welfare Allocation Committee's allocation model currently used to distribute funding of the Child Welfare Block pursuant to 26-5-104 C.R.S. (2014).

Table 1 – Summary of Costs by Component

Fiscal Year	County Staff	Monitoring and Caseload Study	Training Development	Training Certification Specialist	Total Cost
FY 2015-16	$7,876,675	$235,000	$52,000	$63,463	$8,227,138
FY 2016-17 and ongoing	$0		$0	$64,716	$64,716

Table 2 – Summary of Costs by Fund Type

Fiscal Year	Total Cost	General Fund	Cash Funds	Federal Funds	FTE
FY 2015-16	$8,227,138	$6,578,035	$1,551,685	$97,418	0.9
FY 2016-17 and ongoing	$64,716	$53,714	$0	$11,002	1.0

Training development costs include the funding needed for the development of training for new county staff. For example, if practice coaches were hired, this would include a pre-service training for practice coaches. Staff costs are the salaries of the additional Training Certification Specialist needed as the number of county staff increases.

Table 3 - Position: Training Development and Staff Costs (See Attachment 1 for FTE detail)

Fiscal Year	Training Development	Training Certification Specialist	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16	$52,000	$63,463	$115,463	$95,835	$19,628	0.9
FY 2016-17 and ongoing	$0	$64,716	$64,716	$53,714	$11,002	1.0

County staff costs are an average of salaries paid for each position, as surveyed from nearly half of all counties of various sizes. Benefits, one-time operations and pre-service training costs are estimated at a rate typical for current State FTE or county case workers. Table 4 details this cost per worker.

Table 4 - Staffing Cost Per Worker

Position	Salary	Benefits at 30%	One-Time Operations Costs	Pre-Service Training Cost	Total Annual Cost per Position
Case Aide	$ 29,076	$ 8,723	$ 5,000	$ -	$ 42,799
Case Worker	$ 41,112	$ 12,334	$ 5,000	$ 1,000	$ 59,446
Supervisor	$ 53,352	$ 16,006	$ 5,000	$ 550	$ 74,908

Table 5 - Year One County Staff Request (FY 2015-16)

	Number of Staff	Salaries	Benefits	Operating	Training	Total Cost	General Fund	Cash Funds	Federal Funds
Case Aides	5	$ 145,380	$ 43,615	$ 25,000	$ -	$ 213,995	$ 171,196	$ 42,799	$ -
Caseworkers	110	$ 4,522,320	$ 1,356,740	$ 550,000	$ 110,000	$ 6,539,060	$ 5,218,048	$ 1,285,812	$ 35,200
Supervisors	15	$ 800,280	$ 240,090	$ 75,000	$ 8,250	$ 1,123,620	$ 897,906	$ 223,074	$ 2,640
Total	**130**	**$ 5,467,980**	**$ 1,640,445**	**$ 650,000**	**$ 118,250**	**$ 7,876,675**	**$ 6,287,150**	**$ 1,551,685**	**$ 37,840**

Table 6 - Letternote (5) d Calculation

Fund Type	Title IV-E	Title XX
Current Amount	$2,905,968	$255,716
Change	$19,628	$0
New Amount	**$2,925,596**	**$255,716**

Note: The change in Title IV-E funding is earnings for the Salary, PERA, and Medicare costs for the GPIII FTE and training development.

Table 7 - Letternote (5) e Calculation

Fund Type	Total Funds	Holdout	Parental Fees	Tribal Placements	Insurance	Contractual	Remaining Allocation to Counties
Current Amount	$347,861,307	$4,605,011	$3,208,511	$950,000	$346,500	$100,000	$343,256,296
Change	$7,876,675	$0	$0	$0	$0	$0	$7,876,675
New Amount	**$355,737,982**	**$4,605,011**	**$3,208,511**	**$950,000**	**$346,500**	**$100,000**	**$351,132,971**

Table 8 - Letternote (5) f Calculation

Fund Type	Title IV-E	Title 20	Title IV-B
Current Amount	$64,153,620	$23,590,313	$4,019,549
Change	$1,551,685	$0	$0
New Amount	**$65,705,305**	**$23,590,313**	**$4,019,549**

County Child Welfare Workload Study: Attachment 1 – FTE Calculation

Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($900), Office Suite Software ($330), and office furniture ($3,473).

General Fund FTE -- New full-time General Fund positions are reflected in FY 2015-16 as 0.9166 FTE to account for the pay-date shift.

Expenditure Detail		FY 2015-16		FY 2016-17	
Personal Services:		FTE		FTE	
	Monthly Salary				
Training Specialist	$ 3,834	0.9	41,407	1.0	46,008
PERA			4,203		4,670
AED			1,822		2,208
SAED			1,760		2,185
Medicare			600		667
STD			91		101
Health-Life-Dental			7,927		7,927
Subtotal Position 1, #.# FTE		0.9	**$ 57,810**	1.0	**$ 63,766**
Subtotal Personal Services		0.9	**$ 57,810**	1.0	**$ 63,766**
Operating Expenses					
Regular FTE Operating	500	1.0	500	1.0	500
Telephone Expenses	450	1.0	450	1.0	450
PC, One-Time	1,230	1.0	1,230		
Office Furniture, One-Time	3,473	1.0	3,473		
Other			-		
Other			-		
Other			-		
Other			-		
Subtotal Operating Expenses			**$ 5,653**		**$ 950**
TOTAL REQUEST		0.9	**$ 63,463**	1.0	**$ 64,716**
	General Fund:		*$ 52,675*		*53,714*
	Cash funds:				
	Reappropriated Funds:				
	Federal Funds:		*$ 10,788*		*11,002*

Cost and FTE

- The Department of Human Services requests $8,227,138 ($6,578,035 General Fund) and 0.9 FTE for FY 2015-16; $7,941,391 ($6,340,864 General Fund) and 1.0 FTE for FY 2016-17 and ongoing to increase county staffing in response to a workload study performed by the Office of the State Auditor (OSA). This represents a 2.3% increase in the Child Welfare Services line item.

Current Program

- The Department received funding in FY 2013-14 for a workload study of county child welfare staff.
- The client-oriented workload study focused on the amount of time spent on each child welfare case and was designed to establish a comprehensive picture of child welfare operations.
- The workload study aligns with the State's client-focused business model and it accounts for differences in cases and services, such as case complexities and the varying lengths of time needed to provide different services.

Problem or Opportunity

- The workload study revealed that county caseworkers are working on average 44.6 hours per week while supervisors/managers/executives are working on average 48 hours per week.
- Time spent working on case related services are in line with other State child welfare studies.
- However, Colorado caseworkers and supervisors manage more cases than compared to the national average per various studies reviewed in the workload study. In addition, the workload study showed there were few differences between urban and rural counties.

Consequences of Problem

- Heavy caseloads and workloads have been cited repeatedly as key reasons workers leave child welfare. Turnover is both a consequence and a cause of high workloads. Staff turnover impacts the ability to deliver quality services with a negative impact on timeliness, continuity, and quality.
- Continued heavy workload could lead to a degradation of services or prevent an expansion of services to children in need.

Proposed Solution

- As recommended by the OSA, the Department requests additional funds to allow counties to hire additional child welfare staff to provide the level of staff needed to manage a more appropriate number of cases.
- For Colorado to continue implementing best practices and putting what is best for children first, more funding for county child welfare staff is needed.

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Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-09

Request Titles

R-09 Micro Loans to Increase Access to Child Care

Dept. Approval By: Melissa Wavelet

OSPB Approval By:

		Supplemental FY 2014-15
X		**Change Request FY 2015-16**
		Base Reduction FY 2015-16
		Budget Amendment FY 2015-16

Line Item Information		**FY 2014-15**		**FY 2015-16**		**FY 2016-17**
	Fund	**Appropriation**	**Request**	**Base Request**	**FY 2015-16**	**Continuation**
	Total	**$0**	**$0**	**$0**	**$338,200**	**$338,200**
	FTE	-	-	-	-	-
Total of All Line Items	GF	$0	$0	$0	$338,200	$338,200
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information		**FY 2014-15**		**FY 2015-16**		**FY 2016-17**
	Fund	**Appropriation**	**Request**	**Base Request**	**FY 2015-16**	**Continuation**
	Total	**$0**	**$0**	**$0**	**$338,200**	**$338,200**
06. Division of Early Childhood - Micro Loans to Increase Access to Child Care	GF	$0	$0	$0	$338,200	$338,200

Letternote Text Revision Required? Yes ___ No X ___ **If Yes, describe the Letternote Text Revision:**

Cash or Federal Fund Name and CORE Fund Number:

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes ___ No ___ **Not Required** ___

Schedule 13s from Affected Departments:

Other Information:

Cost and FTE

- The Department requests $338,200 in General Fund in FY 2015-16 to fund approximately 40 micro loans (new line) to increase the availability of safe, high quality licensed child care via new child care homes in Colorado communities without sufficient capacity. The request annualizes to the same amount in FY 2016-17.

Current Program

- Colorado presently has over 3,000 licensed family child care homes and over 2,400 child care centers serving over 108,000 children per day.
- The Department supports the improvement of quality through initial licensing and grant funding, as well as appropriated funds for the improvement of quality in Colorado Child Care Assistance Program (CCCAP) serving facilities.
- A key goal of the Department is to ensure the ability to access licensed child care in all Colorado communities.

Problem or Opportunity

- Many communities lack access to licensed child care, particularly children living in rural and resort communities in Colorado.
- Prospective child care homes lack the funding associated with starting up a new family child care home, preventing the provider from obtaining the resources and requirements for licensed care.
- Funds do not currently exist to invest in the start-up costs associated with safe, fiscally viable family child care homes.

Consequences of Problem

- Children in underserved and rural and resort communities lack access to licensed, quality child care.
- Investment in early childhood development has been linked to improved school readiness, early childhood development and self-sufficiency.

Proposed Solution

- The Department is proposing a micro loan program to provide start-up funding for basic credentialing and business start-up costs to increase access to child care in rural and underserved areas of Colorado.
- The loan program will fund child care providers' start-up costs thereby promoting safety and quality associated with licensure standards, and the operation of a successful Colorado small business.
- This initiative requires partnering with community developers, lenders, and governmental economic development agencies to offer micro loans.

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Department Priority: R-09
Request Detail: Micro Loans to Increase Access to Child Care

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Micro Loans to Increase Access to Child Care (new line)	$338,200	$338,200

Problem or Opportunity:

The Department of Human Services is requesting $338,200 General Fund in FY 2015-16, $338,200 in FY 2016-17, $241,860 in FY 2017-18, $155,070 in FY 2018-19, and $73,055 in FY 2019-20 (see Table 5: General Fund Request) to fund approximately 40 micro loans (new line) to increase the availability of safe, high quality licensed child care via new child care homes in Colorado communities without sufficient capacity. Rural and underserved communities lack adequate capacity of licensed child care however, many children are well cared for by friends, family and neighbors (FFN). Corporate providers are less likely to operate in rural areas because of insufficient population density and business economies. Even in urban areas, low-income families are faced with a lack of affordable access to quality licensed child care.

Colorado is home to approximately 400,000 children under age six, and 245,000 of these children live in families with working parent(s). Colorado's licensed child care centers and family care homes have capacity for over 108,000, or 44 percent of the total population of children with working parents. That means 56 percent of children may have a need for non-parental child care.

Many families in rural regions throughout the United States struggle economically. According to the National Child Center for Poverty in 2011, 47 percent of infants and toddlers in the Midwest – 1.2 million – live in low-income families. More specifically, 58 percent of infants and toddlers in rural areas – 1 million – live in low-income families. In comparison 43 percent of infants and toddlers in Colorado live in low-income families and of these, 27 percent live in rural areas. These statistics show how rural, Colorado experiences the same phenomenon as the Midwestern regions of the United States in that economic disadvantages create difficulties providing and paying for quality child care. Furthermore, because of basic logistics, there is simply a lack of accessibility for most of these families to quality child care facilities. More specific to Colorado, rural areas like Morgan County only have enough licensed part/full-time facilities for 9 percent of children under the age of two. This example is one of many regions that lack basic providers for early child care. The issue of accessible child care has numerous residual effects for children and their families.

The Department has identified school readiness as an essential component to realizing its ongoing effort to ensure children are prepared for success in their next phase in life. Research suggests that a quality early education environment substantially contributes to school readiness. However, many children throughout

the State do not have access to such an environment. This proposal seeks to increase access to quality early education facilities in underserved areas, and thus reduce disparities by increasing the number of children ready for school when entering kindergarten, ultimately resulting in more children being prepared for success in their next life stage.

Proposed Solution:

The Department is proposing a micro loan program to provide startup funding, basic credentialing and business startup costs to increase access to child care in rural and underserved areas of Colorado. The loan program will fund child care provider's startup costs thereby promoting safety, quality associated with licensure standards, and the operation of a successful Colorado small business. In exchange for the loan, recipients would be required to accept Colorado Child Care Assistance Program slots to ensure more accessibility to quality child care providers, including during non-standard work hours based on community need. Micro loans would be followed by access to the Department's existing quality grant programs that would provide resources for startup providers to operate and build on quality associated with initial licensure and enhance school readiness for young children. The maximum loan amount is $10,000, and the Department anticipates the average loan will be $7,500. Similar to loan programs in other states, the interest rate is expected to be between 1 and 3 percent, with terms of up to 60 months.

This solution will use micro loans to address safety, quality, and accessibility for both providers and children in partnership with community developers, lenders, and governmental economic development agencies based on the needs of the community. Micro loan programs for child care are offered in numerous states as a resource for small businesses to meet short term initial operating requirements. Colorado Enterprise Development Services has very low to no default rate on loans provided to clients of the Colorado Refugee Program (CCCAP), similarly national micro loan statistics are quite successful (see Appendix A). Micro loans will provide the initial capital for home child care centers to become licensed, meet safety regulations, and provide essential quality care (see Appendix B). By utilizing micro loans there will be an increase in access to licensed home based child care facilities for families who lack nearby providers.

Providers would be required pay a $96.50 fee to cover the cost of the application fee and background checks. The background check fees will be paid directly to the Department's Background Investigation Unit (BIU), as is consistent with the current BIU practices and procedures. The application fee will be collected under the standard procedures for all child care applicants under the General Rules for Child Care Facilities (See Table 6: Application and Background Check Fees). Once the background check and application are approved the provider would be eligible for micro loans of up to $10,000, although the average loan amount is expected to be $7,500. The loan would fund the following:

- Licensing Expenditures – These costs represent the typical licensing requirements like: licensing fees; inspections; insurance; CPR training; medication administration training; and minor facility modifications. (See Appendix B – Licensing Expenditures)
- Allowable Purchases – These costs represent the physical equipment and educational and developmental materials needed to provide an appropriate home care classroom, including: cots, cribs, car seats, child-sized furniture; age-appropriate educational, developmental, and play materials. (See Appendix C – Allowable Expenditures)
- Training and Coaching – These loans would cover additional training and coaching costs. All loan recipients would be required to participate in at least 3 sessions with a certified coach. Loan recipients would be allowed to have up to 10 coaching sessions if desired. Loan recipients could

also use this funding to take up to 9 credit hours of relevant Early Childhood college-level coursework.

The Department has also had discussions with the Colorado Office of Economic Development and International Trade (OEDIT). OEDIT will provide best practices and coaching for operating a successful business to the Office of Early Childhood at no cost. This will help OEC create measureable and successful outcomes through the micro loan program. Offering micro loans and technical assistance provides resources to support startup child care facilities while requiring the provider to make a personal financial commitment to their business. The Department would work with a third-party administrator to provide loans to support the startup and ongoing operation quality of licensed facilities. It is anticipated there will be a $38,200 cost associated with the administration of the program.

Anticipated Outcomes:

The anticipated outcome is a demonstrated increase in the number of children with access to licensed child care programs in rural and underserved areas of Colorado. The long-term outcome is that facilities receiving loans would continue to operate as stable and sustainable businesses. Awarding 40 loans could create licensed capacity for 320 children based on a licensed capacity of 8 children per home. However, the Department anticipates the creation of 240 slots based on an average of 6 children per home which is more realistic.

Furthermore, the Department anticipates that these micro loans will help increase economic activity. A study conducted by the Self Employment Learning Project (SELP) of the Aspen Institute showed 49% of micro businesses surviving after 5 years, with average revenues increasing 27% and profits doubling in that period. Nearly three-fourths of the micro-entrepreneurs increased their average household income over 5 years, and more than half (53%) of poor entrepreneurs moved over the poverty line. Microenterprises also create jobs, and job creation grows among micro-entrepreneurs with sustained relationships with microenterprise development programs. (See Appendix A)

The success of this initiative will be measured by the number of children having increased access to licensed child care, as well as the percentage of those attending quality-rated facilities. This will then show the number of accessible child care slots associated with this increase in providers. Utilizing Colorado's early childhood education rating system and licensing division the Department will be able to see a marked increase in safe, quality child care facilities accessible to families with young children throughout the State.

Assumptions and Calculations:

Table 1: Micro loans	
Average Loan Amount	$7,500
Number of Awards	40
Total	$300,000
Administration	$38,200
Request Total	$338,200

Note: The maximum loan amount is $10,000, and the Department anticipates an average loan amount of $7,500. The program is anticipated to be self-sustaining by the fourth year as initial loans are repaid.

Administrative Cost Breakdown

Table 1A: Micro Loan Administrative Cost		
3rd Party Administration		
Application Review (40 * $200)	Initial application review and preparation of loan documents.	$8,000
Loan Servicing (12 * 40 * $15)	Administrative monthly cost for servicing loans, including loan statements, and balance tracking	$7,200
Billing, Accounting, Reimbursement (@ $1,000 per month)	Cost of processing reimbursements and issuing payments for allowable expenditures.	$12,000
Technical Assistance (40 * 4 * $50)	Each grantee is eligible for 4 hours of business and technical assistance @ 50/hour	$8,000*
Travel and miscellaneous	Miscellaneous expenditures @ $250/month	$ 3,000
Total		$38,200
Notes:		
1.) The $8,000 for technical assistance and coaching will be through existing contract vendors who provide quality rating improvement services.		

Loan Details

- Average Loan Amount: $7,500
- Annual Interest Rate: 3%
- Loan Start Date: 07/01/2015
- Anticipated Monthly Payment: $166
- Number of Payments: 48
- Total Interest: $469
- Total Annual Cost of the Program: $338,200

Table 2: Loan Details					
Average Loan Amount	Loan Term	Annual Interest Rate	Monthly Principal Payment	Monthly Interest Payment	Total Monthly Payment
$7,500	48 Months	3%	$156.25	$4.69	$160.94
Notes:					
1.) The Monthly Principal Payment is calculated by dividing the Average Loan Amount by Loan Term.					
2.) The Monthly Interest Payment is calculated by multiplying the Average Loan Amount and the Average Interest Rate, then dividing by the Loan Term.					
3.) The Total Monthly Payment is Calculated by adding the Monthly Principal Payment and the Monthly					

Interest Payment.

Loan Program Sustainability

Table 3: Loan Program Sustainability			
Total Monthly Payment	Annual Provider Payment	Number of Loans	Total Payments Received Annually
$160.94	$1,931	40	$77,240
Notes:			
1.) The Annual Provider Payment is calculated by multiplying the Total Monthly Payment by twelve.			
2.) Total Payments Received Annually is calculated by multiplying the Annual Provider Payment by the Number of Loans.			

The requested $338,200 will enable the program to administer 40 loans in the first year. After one year, the program is expected to receive $77,240 in loan repayments from the first 40 loans. After year two, another 40 loans will be administered and the program is projected to have a total of $154,480 from loan repayments. After year 4, a total of 160 loans will be administered and a total of $772,400 is projected to be collected ensuring sustainability for the program. The fifth cohort of loans will ensure that the program's ongoing funding will be sustained.

Loan Repayment

- There will be $300,000 in loans made each year at 3% interest rate, with repayment beginning the following year.
- Beginning in the second year, the General Fund request will be reduced by approximately $77,240.
- By the fourth year, loan repayments and interest are likely to generate enough revenue to self-fund the loan portion of the request without the need for additional General Fund.
- The Department will contract with the fiscal intermediary for loan servicing activities.

Table 4: Loan Repayment					
Providers Taking Loans	Received Payments Year 1 (2016)	Received Payments Year 2 (2017)	Received Payments Year 3 (2018)	Received Payments Year 4 (2019)	Received Payments Year 5 (2020)
FY 2016-17 Loan Recipients	$77,240	$77,240	$77,240	$77,240	
FY 2017-18 Loan Recipients		$77,240	$77,240	$77,240	$77,240
FY 2018-19 Loan Recipients			$77,240	$77,240	$77,240
FY 2019-20 Loan Recipients				$77,240	$77,240
FY 2020-21 Loan Recipients					$77,240
Funding From Loan Repayment	$77,240	$154,480	$231,720	$308,960	$308,960

General Fund Requirement

Table 5: General Fund Request			
Fiscal Year	Loan Funding (General Fund)	Administrative Funding (General Fund)	Total
FY 2015-16	$300,000	$38,200	$338,200
FY 2016-17	$300,000	$38,200	$338,200
FY 2017-18	$222,760	$19,100	$241,860
FY 2018-19	$145,520	$9,550	$155,070
FY 2019-20	$68,280	$4,775	$73,055
FY 2020-21	$0	$0	$0
Notes			
1.) It is assumed that loan repayment will not begin until FY 2016-17.			
2.) Loan Funding From General Fund is calculated by subtracting the loan repayment funding from the $300,000 base.			
3.) Administrative Funding is anticipated to decrease by approximately 50% annually as the program becomes self-sustaining.			

Table 6: Application and Background Check Fees	
Application Fee	$24.00
Background Investigation Unit Facility Inquiry Form	$33.00
Colorado Bureau of Investigations Fingerprint Fees	$17.50
Federal Bureau of Investigations Fingerprint Fees	$22.00
Total	$96.50

Appendix A: Micro Business Performance

National Statistics- (School of Welfare, University of Kansas)

A study conducted by the Self Employment Learning Project (SELP) of the Aspen Institute showed 49% of micro businesses surviving after 5 years, with average revenues increasing 27% and profits doubling in that period. Nearly three-fourths of the micro-entrepreneurs increased their average household income over 5 years, and more than half – 53% - of poor entrepreneurs moved over the poverty line. Furthermore, 80% of businesses were open at the 3 year mark. According to ACCION USA, one of the largest micro-lenders worldwide, they claim only a 5% default rate as of 2006.

FIELD at the Aspen Institute

- Microenterprises create jobs, and job creation grows among micro-entrepreneurs with sustained relationships with microenterprise development programs.
    - Among 1,198 microenterprise entrepreneurs surveyed in 2011 about the status of their business in 2010, 43 percent reported providing paid work and were responsible for 2,158 paid jobs for others, a mean of 1.9 jobs per business.
    - From intake to survey, a mean period of 1.7 years, the net number of new jobs supported by these firms was 740, an increase of 104%.
    - Across all the respondents (including both sole proprietorships and employee businesses), the number of jobs per business was 2.9. That figure includes the owner and anyone who was paid for work.
- At the time of the 2011 survey, 76% of owners who answered questions reported compensating themselves in 2010 (n = 926).
    - The median and mean payments were $18,024 and $24,168.
    - This translated into mean and median hourly rates of $11.11 and $16.30 (n=679).
- Respondents to the 2011 survey also provided wage data for 50 percent of the workers (1,082 out of 2,158 positions).
    - The median hourly wage was $10 and the mean was $14.
    - The median annual payment was $11,520 and the mean payment was $14,330 (n = 1021).
- For owners who paid themselves, the median hourly wage was 53 percent higher than the $7.25 federal minimum wage in effect in 2010. For workers, it was 38 percent higher.
- Although most micro-entrepreneurs are self-employed, at least 40 percent of those who work with microenterprise development programs create paid work for others as well as themselves.

Appendix B: Colorado Licensing Cost and Fees

Typical Licensing Costs	Costs
Pre-Licensing	$50
Application to State for License	$24
CPR/1st Aid	$100
Universal Precautions Class	$10
Medication Administration	$40
Background and Fingerprinting	$25
Liability Insurance (1st Year)	$100
Zoning CUP	$100
Tax ID# or Incorporation	$18-50
Home Improvements (**average**)	$300
Total	**$767-$799**

Appendix C: Allowable Expenditures for Micro Loan Program

Allowable Purchases (based on Nebraska Loan Program)

1. **Minor Building Modifications:** Expenditures in this category must be absolutely necessary for state requirements and/or local zoning ordinance requirements. Documentation of requirement must be submitted from the appropriate agency on an agency form, and must cite the specific regulation or ordinance that needs correction. All documentation must be signed and dated by the appropriate agency representative. Be very specific when requesting building modifications; individual costs for every modification must be provided.
    - Fire Safety
        - Fire alarm system, Sprinkler System, Self-Closing Doors, Barriers for Furnaces/Water Heater
    - External Modifications
        - Steps into Home, Fencing
    - Bathroom Modifications
        - Porcelain Lavatories, Porcelain Toilets, Necessary Plumbing
2. **Training**
    - Classes, not First Aid/CPR, Workshops, Conferences
3. **Adaptations for Children with Disabilities**
    - Entrance/Exit Ramp, Widening Doorways, Handrails and other Adaptive Equipment
4. **Miscellaneous**
    - Repair flooring, only damaged areas, i.e linoleum, Lead Paint removal/abatement, Painting
5. **Equipment** (Specify number of each item requested)
    - Safety
        - Car Seats, First Aid Kits, Stepping Stools
    - Developmentally/Age-Appropriate Equipment
        - Cots/Mats, Cribs, Child Size Chairs/Tables, Playpens, Baby Swings
    - Miscellaneous
        - Pads, Blankets, Strollers, Shelving/Storage, Fans
6. **Toys** (Maximum cap of $250 for homes)
    - Wooden/Soft Blocks, Books, Balls, Toy Cars, Dolls, Rattles, Play-Doh, etc.
7. **Administrative Costs** (For new facilities without having a previous license)
    - Must be defined as costs per month
        - Insurance
        - Utility/Deposits
        - Locks/Locked Storage
        - Telephones (Not Cellphones)
        - Salaries (Not for Owner): Salaries cannot exceed 50% of total dollar amount requested. Only can be requested for Direct Care Staff.

Non-Allowable

1. Purchasing of; buildings, land, vehicles.
2. Construction; buildings, excavations, roofing, decks, porches, sheds, hardwood flooring
3. Rental Property; purchasing of non-essentials for child care

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-10

Request Titles

R-10 Increase Access to Licensed Family, Friend, and Neighbo

			Supplemental FY 2014-15
Dept. Approval By:	Melissa Wavelet	X	**Change Request FY 2015-16**
			Base Reduction FY 2015-16
OSPB Approval By:			**Budget Amendment FY 2015-16**

Line Item Information		**FY 2014-15**		**FY 2015-16**		**FY 2016-17**
	Fund	**Appropriation**	**Request**	**Base Request**	**FY 2015-16**	**Continuation**
Total of All Line Items	**Total**	**$0**	**$0**	**$0**	**$250,000**	**$250,000**
	FTE	-	-	-	-	-
	GF	$0	$0	$0	$250,000	$250,000
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information		**FY 2014-15**		**FY 2015-16**		**FY 2016-17**
	Fund	**Appropriation**	**Request**	**Base Request**	**FY 2015-16**	**Continuation**
	Total	**$0**	**$0**	**$0**	**$250,000**	**$250,000**
06. Division of Early Childhood - Micro Grants to Increase Access to Child Care	GF	$0	$0	$0	$250,000	$250,000

Letternote Text Revision Required?	Yes	No	X	**If Yes, describe the Letternote Text Revision:**
Cash or Federal Fund Name and CORE Fund Number:				
Reappropriated Funds Source, by Department and Line Item Name:				
Approval by OIT?	Yes	No	**Not Required**	
Schedule 13s from Affected Departments:				
Other Information:				

Cost and FTE

- The Department requests $250,000 in General Funds for micro grants for family, friend, and neighbor (FFN) providers (new line) to increase access to quality child care. These grants will cover start-up funding for rural FFN providers. The request annualizes to the same amount in FY 2016-17.

Current Program

- Colorado's licensed child care centers and family care homes have capacity for 108,000 children, or 44 percent of the total population with working parents. That means 56 percent of children may have a need for non-parental child care.
- Corporate providers do not typically operate in rural and underserved areas due to insufficient population density, family incomes, and business economies of scale. In these areas, small, community-based providers have the potential to fill the gap in the availability of licensed care.
- A key goal of the Department is to ensure access to licensed child care in all Colorado communities, in settings that promote safety, education, and social and emotional growth.

Problem or Opportunity

- Rural and underserved areas suffer from a lack of licensed child care facilities.
- Many providers lack the resources required to open a licensed child care home.
- Many children are well cared for by FFN providers, and with a small investment, many of these providers could become licensed to provide care for additional children.

Consequences of Problem

- There is substantial evidence of the lifetime benefits of high quality care in the early childhood development. Without that access, children are denied the opportunity to reach their full potential.
- Investment in early childhood development can reduce the need for future public assistance.

Proposed Solution

- This request aims to increase access to child care in rural and underserved areas by providing startup funding for community-based providers, including equipment, educational and developmental materials; and access to training, coaching, and educational opportunities.
- Micro grants would provide assistance to purchase baby-gates, cabinet locks, outlet covers, playground resilient material, cord wraps, first aid kits, first aid trainings, CPR, and other trainings and materials.
- The combination of financial and technical assistance would allow providers to increase their capacity, while operating revenue-producing, sustainable businesses. Through coaching and access to existing quality initiatives, providers would also be encouraged to increase their quality rating.

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Department Priority: R-10
Request Detail: Increase Access to Family, Friend, and Neighbor (FFN) Providers

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Increased Access to FFN Providers (new line)	$250,000	$250,000

Problem or Opportunity:

The Department requests $250,000 in General Funds for micro grants for family, friend, and neighbor (FFN) providers to increase access to quality child care. Rural and underserved communities lack adequate capacity of licensed child care however, many children are well cared for by friends, family and neighbors. Corporate providers are less likely to operate in rural areas because of insufficient population density and business economies, and even in urban areas low-income families are faced with a lack of affordable access to quality licensed child care.

Colorado is home to approximately 400,000 children under age six, and 245,000 of these children live in families with working parent(s). Colorado's licensed child care centers and family care homes have capacity for over 108,000, or 44 percent of the total population with working parents. That means 56 percent of children may have a need for non-parental child care.

Many families in rural regions throughout the United States struggle economically. According to the National Child Center for Poverty in 2011, 47 percent of infants and toddlers in the Midwest – 1.2 million – live in low-income families. More specifically, 58 percent of infants and toddlers in rural areas – 1 million – live in low-income families. In comparison, 43 percent of infants and toddlers in Colorado live in low-income families and of these 27 percent live in rural areas. These statistics show how rural, Colorado experiences the same phenomenon as the Midwestern regions of the United States in that economic disadvantages create difficulties providing and paying for quality child care. Furthermore, because of basic logistics, there is simply a lack of accessibility for most of these families to quality child care facilities. More specific to Colorado, rural areas like Morgan County only have enough licensed part/full-time facilities for 9 percent of children under the age of two. This example is one of many regions that lack basic providers for early child care. The issue of accessible child care has numerous residual effects for children and their families.

According to Child Care Aware, Colorado is one of the least affordable states for child care. High costs compounded with the number of families and children living below the poverty level create an issue of affordability for child care centers that already lack the capacity to serve the full early childhood population. Enabling potential child care providers to have access to funds to start a child care business will

increase child care slots and reduce the negative effects associated with denying children access to high quality learning environments.

The rich network of FFN caregivers has the potential to increase access to child care, particularly in rural and underserved areas. For a minimal investment, these providers could receive licensing, materials, and training that would allow them to expand their capacity and operate a revenue producing business. Children would benefit from access to an appropriate and safe developmental environment. Families would benefit from access to affordable care, and providers could earn increased income.

In addition to improved access, FFN providers have the potential to be more affordable. Unlike corporate facilities that must cover operating overhead, fixed costs, and generate profit for owners, FFN providers are likely to be sole proprietors with significantly less overhead and administrative costs. By providing a small initial investment for startup costs and credentialing, the Department could greatly increase access to licensed child care, while allowing providers to grow profitable and sustainable businesses.

The Department has identified school readiness as an essential component to realizing its ongoing effort to ensure children are prepared for success in their next phase in life. Research suggests that a high quality early education environment substantially contributes to school readiness. However, many children throughout the State do not have access to such an environment. This proposal seeks to increase access to quality early education facilities in underserved areas, and thus reduce disparities, by increasing the number of children ready for school when entering kindergarten, ultimately resulting in more children being prepared for success in their next life stage.

Proposed Solution:

The Department is proposing a micro grant program to provide start-up funding to increase access to child care in rural and underserved areas. The request is to increase the number of children receiving quality child care by providing a series of complementary supports to help develop capacity for high quality child care providers in rural and underserved areas. While any provider is eligible to apply for a micro grant, the program would be targeted towards existing FFN providers. The grants will allow FFN providers to purchase basic materials needed in licensed facilities. The Department anticipates that these grants will encourage FFN providers to take on additional children, and will be a step towards FFN's becoming licensed child care providers.

Providers would be required pay a $96.50 fee to cover the cost of the application fee and background checks. The background check fees will be paid directly to the Department's Background Investigation Unit (BIU), as is consistent with the current BIU practices and procedures. The application fee will be collected under the standard procedures for all child care applicants under the General Rules for Child Care Facilities (See Table 2: Application and Background Check Fees).Once the background check and application are approved the provider would be eligible for micro grants of up $3,000. The grant would fund the following:

- Licensing Expenditures – These costs represent the typical licensing requirements such as: licensing fees; inspections; insurance; CPR training; medication administration training; and minor facility modifications. (See Appendix A – Licensing Expenditures)
- Allowable Purchases – These costs represent the physical equipment and educational and developmental materials needed to provide an appropriate home care classroom, including: cots, cribs, car seats, child-sized furniture; age-appropriate educational, developmental, and play materials. (See Appendix B – Allowable Expenditures)

- Training and Coaching – These grant funds would cover additional training and coaching costs. All grantees would be required to participate in at least 3 sessions with a certified coach. Grantees would be allowed to have up to 10 coaching sessions if desired. Grantees could also use this funding to take up to 9 credit hours of relevant Early Childhood college-level coursework.

Micro grants would be followed by access to the Department's proposed micro loan program that would provide resources for startup providers to operate and build on quality associated with initial licensure and enhance school readiness for young children. Facilities would then be encouraged to increase their quality rating by applying for funding through the Department's existing quality grant programs. This proposal can potentially increase child care access, particularly in rural and underserved areas. Grant recipients would be required to accept Colorado Child Care Assistance Program children. Additionally, the grants will also be targeted to meet the needs of local communities, including operating during non-standard work hours. In order to determine the highest needs areas for high-quality child care, the Department, using census data and other analytical methods, will target underserved neighborhoods. The desired outcome is increased school readiness for children in these facilities.

Micro grant programs have had proven levels of success in other states. Specifically, Nebraska created and established a micro grant program. In the time since the program's inception, licensed child care facilities were created and hundreds of child care slots were opened, although there is not reliable evidence that the micro grant program directly attributed to the creation of facilities or the opening of slots. Micro grants will provide the initial capital for home child care centers to provide basic quality care.

This request requires ongoing funding to ensure that micro grants will enable potential providers to start a small child care business ensuring more access in low capacity regions. Funding potential providers in underserved regions on an ongoing basis will ensure accessibility for children to safe and essential quality in licensed family home based care.

There is substantial evidence that supports the benefits of access to child care facilities in terms of safety and social benefits. By continuing to fund start-up facilities, utilizing the proposed loan program and existing quality grants, the Department can strive to ensure that these start-up facilities are licensed and that they will have access to further funding sources for quality. The ability for providers to open access to child care slots helps to ensure high quality learning environments for children with long-term social and educational benefits while helping providers maintain a sustainable business.

Anticipated Outcomes:

The anticipated outcome is a demonstrated increase in the number of children having access to licensed child care in rural and under-served areas. Through existing quality initiatives, coaching, and educational opportunities, these providers are also expected to increase their quality ratings. The program will target areas with the highest need for more child care access by increasing licensed quality child care slots. The long-term outcome is that facilities receiving grants continue to operate as stable and sustainable businesses while providing successful early child care programs to children and families. Opening 100 home child care facilities will open approximately 600 child care slots with the average licensed capacity of home care facilities being 6 children per home.

Assumptions and Calculations:

Table 1: Micro grants	
Average Grant Amount	$2,500
Number of Awards	100
Total	$250,000
Request Total	**$250,000**

Note: The maximum grant is $3,000, and the Department anticipates the average grant will be $2,500.

Table 2: Application and Background Check Fees	
Application Fee	$24.00
Background Investigation Unit Facility Inquiry Form	$33.00
Colorado Bureau of Investigations Fingerprint Fees	$17.50
Federal Bureau of Investigations Fingerprint Fees	$22.00
Total	**$96.50**

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

Appendix A: Child Care Licensing Expenditures in Colorado:

Licensing Requirements	Costs
Pre-Licensing	$50
Application to State for License	$28
CPR/1st Aid	$100
Universal Precautions Class	$10
Medication Administration	$40
Fire Inspection	$25
Liability Insurance (1st Year)	$100
Zoning CUP	$100
Tax ID# or Incorporation	$18-50
Home Improvements (**average**)	$300
Total	**$767-$799**

Appendix B: Example of Allowable Expenditures

Allowable Purchases (based on Nebraska Micro Grant Program)

I. **Minor Building Modifications:**

- Expenditures in this category must be absolutely necessary for State requirements and/or local zoning ordinance requirements. Documentation of requirement must be submitted from the appropriate agency on an agency form, and must cite the specific regulation or ordinance that needs correction. All documentation must be signed and dated by the appropriate agency representative. Be very specific when requesting building modifications; individual costs for every modification must be provided.

A. Fire Safety**:**
   1. Fire alarm system;
   2. Sprinkler system;
   3. Emergency lighting and exit signs;
   4. Self-closing door (maximum cap of $175);
   5. Barriers surrounding furnace or water heater (maximum cap of $450);
   6. Electric smoke alarms and wiring;
   7. Wiring necessary for the installation of items in this section, as needed.

B. External Modifications:
   1. Steps leading into the home (maximum cap of $300);
   2. Fence (maximum cap of $1,000)—written bids for fences must be provided.

C. Bathroom Modifications:
   1. Porcelain lavatories (maximum cap of $150);
   2. Porcelain toilets (maximum cap of $150);
   3. Necessary plumbing for installation of lavatories and toilets.

D. Training (Maximum cap of $200 for homes; $500 for centers):
   1. Classes (not including First Aid/CPR);
   2. Workshops;
   3. Conferences.

E. Adaptations for Children with Disabilities: (*Documentation from at least two parents must be included, which verifies these adaptations are necessary for their child(ren) to access the facility, AND that they intend to use the facility for care)
   1. Entrance/exit ramp;
   2. Widening of doorways;
   3. Handrails or other adaptive equipment.

F. Miscellaneous**:**
   1. Repair of linoleum (Maximum cap of $25 per square yard)—Written bids for flooring must be included, and only damaged areas of linoleum will be replaced;
   2. Lead paint removal/abatement (maximum cap of $1,500);
   3. Paint (maximum cap of $150)

II. **Equipment:** (*Specify the number of each item requested):
   A. Safety:
      1. Car seats;
      2. First Aid Kits (maximum cap of $25 for each);
      3. Step stools.

B. Developmentally/Age-Appropriate Equipment:
   1. Cots or mats;
   2. Cribs and playpens (federally-approved), highchairs, crib mobiles, baby swings, booster seats, baby monitors;
   3. Adult rocking chairs (maximum cap of $100);
   4. Child-sized tables and chairs.

C. Miscellaneous:
   1. Crib/cot sheets, pads, or blankets;
   2. Shelving/storage (maximum cap of $200 for homes);
   3. Strollers;
   4. Fans (maximum cap of $25)
   5. CD players/Tape recorders (maximum cap of $50)

III. **Toys:** (Maximum cap of $250 for homes)
Requested items in this category may include, but are not limited to: wooden blocks, soft blocks, books, balls, small cars and trucks, stuffed animals, dolls and doll clothing, doll beds, stacking toys, rattles, dramatic play items, sand and water toys, clay, play-doh, games, peg boards, stringing beads, infant discovery quilts, shape sorters, riding toys, swing set anchors, playground equipment, etc.

Appendix C: Nebraska Department of Health and Human Services

- In FFY 2009-10, DHHS awarded 24 Start-Up/Expansion Grants and 59 Mini-Grants, totaling $197,892 and contributed to the enrollment of 1,977 children across the state. Twenty-six Legally Exempt Grants were awarded statewide, totaling $2,474. DHHS awarded 139 Quality Improvement Grants since their inception in May of 2005, totaling $66,248.

- In FFY 2010-11 and 2011-12, DHHS awarded 45 Start-Up/Expansion Grants and 94 Mini-Grants, totaling $357,153, and contributed to the enrollment of 2,443 children across the state. Nineteen Legally Exempt Grants were awarded statewide, totaling $1,642. DHHS awarded 182 Quality Improvement Grants since their inception in May of 2005, totaling $86,609.

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-11

Request Titles

R-11 Gerontology Stipend Program

Dept. Approval By: Melissa Wavelet

OSPB Approval By:

	Supplemental FY 2014-15
X	**Change Request FY 2015-16**
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$0**	**$0**	**$0**	**$179,438**	**$442,367**
	FTE	-	-	-	-	-
Total of All Line Items	GF	$0	$0	$0	$179,438	$442,367
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$0**	**$0**	**$0**	**$179,438**	**$442,367**
01. Executive Director's Office - Gerontology Stipend Program	GF	$0	$0	$0	$179,438	$442,367

Letternote Text Revision Required?	Yes	No	x	**If Yes, describe the Letternote Text Revision:**
Cash or Federal Fund Name and CORE Fund Number:	N/A			
Reappropriated Funds Source, by Department and Line Item Name:	**N/A**			
Approval by OIT?	Yes	No		**Not Required:** X
Schedule 13s from Affected Departments:	N/A			
Other Information:	N/A			

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Cost and FTE

- The Department requests $179,438 General Fund in FY 2015-16, $442,367 in FY 2016-17, $606,262 in FY 2017-18, $635,531 in FY 2018-19 and $358,048 in FY 2019-20 for a total of $2,221,646 to contract with a state college or university for an academic gerontology stipend program. The request will fund a 5-year pilot program that will train social workers and health services managers specializing in gerontology to provide services to Colorado's aging population.

Current Program

- Social workers provide many services in Colorado's programs for the aging, including helping seniors and their families manage an illness or diagnosis, finding appropriate services, making necessary lifestyle and health care choices and protecting elders from abuse and exploitation.
- Health services managers provide leadership, plan, and direct health and medical services through oversight of nursing homes, group medical practices, hospitals and health care facilities.

Problem or Opportunity

- Colorado's aging population has experienced and continues to experience significant growth.
- There is a shortage of qualified health care social workers and health services management professionals trained to serve the needs of the senior community.
- Research that shows a lack of interest among social work students in working with older adults. However, research and other state models indicate that an academic stipend program can have a significant impact on student interest and in filling the workforce gap.
- The Department is proposing a tuition stipend program to address the need for training and sustaining a workforce specializing in geriatric health care social work in Colorado.

Consequences of Problem

- Without a trained workforce, seniors will lack accessibility to and information about available services. As a result, seniors may suffer higher mortality, injury and hospital readmissions as well as higher rates of abuse and lower quality social and health care.
- A trained workforce is critical to the successful ongoing implementation of mandatory reporting.

Proposed Solution

- Funding will be used to train social and health services workers to fill the workforce gap and provide Colorado's seniors access to services that will allow them to thrive in the community.
- The program will include terms for "payback" employment as criteria for receipt of the stipend, and is anticipated to produce up to 85 qualified social workers with expertise in elder care by 2020.

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Department Priority: R-11
Request Detail: Gerontology Stipend Program

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Gerontology Stipend Program (New Line)	$179,438	$179,438

Problem or Opportunity:

Health care social workers and health services managers play an integral role in the staff make-up and success of several of the Department's programs for the aging. These programs include Adult Protective Services, Aging and Adult Service programs, and the Colorado Veteran's Community Living Centers. Medical and health services managers provide leadership and plan, direct and coordinate health and medical services through oversight of nursing homes, group medical practices, hospitals and health care facilities. Social workers provide a wide variety of services, which can include helping vulnerable senior patients and their families with a myriad of issues including managing an illness or diagnosis, finding appropriate services, making necessary lifestyle, housing and health care choices and protecting elders from abuse and exploitation.

While Colorado's senior population, those age 65 and older, has grown in recent years and continues to grow significantly, the employee pool for health care services managers and health care social workers with specialization in caring for aging adults is experiencing a workforce shortage. As baby boomers age, the demand for services grows, and the workforce gap continues to widen. Research shows that the shortage includes urban areas, but rural areas are affected even more as training and specialized education programs in those areas may be limited.[1] The population of Coloradans over the age of 65 is higher at 17% in rural areas compared to less than 12% in urban areas. Other factors that impact older adults, including increased mental health care needs, higher rates of chronic illness and lowered accessibility to transportation, are well documented in rural Colorado.[2] Both nationally and locally, the health care workforce is not prepared to serve an older population.

The Department's programs and its quality will be affected as health care social workers who specialize in geriatrics are anticipated to be in short supply. While social workers exist in a broader scope of human service areas such as child welfare, domestic violence and economic security, many are not trained to deal with issues specific to an older population.

[1] Data is from the Metropolitan State University of Denver Department of Social Work, Gerontology Stipend Program Proposal dated June 2014 and prepared for the Department of Human Services, Office of Community Access and Independence.
[2] Colorado Rural Health Center, (2013)

A trained workforce is particularly critical to the ongoing successful implementation of mandatory reporting, which became effective in Colorado July 1, 2014 pursuant to SB 13-111. The bill created a new class of protections from abuse, neglect and exploitation for adults age 70 and older. As a result, caseloads across the State are anticipated to increase, resulting in the need for an increase of more than 20.0 FTE in FY 2014-15 alone for caseworkers and supervisors, funded by SB 13-111. These positions benefit from specialized skills to evaluate an elder's social, psychological and physical environment, and to assess risk and advocate for seniors. Reports received in the first quarter since mandatory reporting became law (July 1, 2014 through September 30, 2014) reflect an approximate increase of 51% when compared to the number of reports received in FY 2013-14. The U.S. Department of Labor Statistics predicts that by 2022, there will be a 27% increase in demand for gerontological social workers and a 23% increase in the demand for medical and health services managers. Compared to an 11% average growth rate for all occupations, the growth in demand for gerontology specialization is high. Further, the medical field has experienced a decline in certified geriatricians, dropping from 8,000 in 1998 to 7,000 in 2004, bringing the average to 1 geriatrician for every 2,500 older adults in the U.S. (Rieder, 2009). In June 2014, Colorado reflected 439 job openings for Medical and Health Services Managers and 97 Healthcare Workers.[3] These trends indicate a pattern of decline for gerontological specialization that, coupled with significant increases in the older population, is anticipated to exacerbate the workforce shortage.

The Colorado Rural Health Center reports that rural Colorado is facing general health care workforce shortages and that almost all counties are considered having a total or partial shortage, resulting in underserved populations. The shortage of professionals includes social workers. According to the Colorado Rural Health Center, 2013, "Most rural communities experience provider shortages, and the current workforce is also nearing retirement."

The following table shows the projected rapid growth of the population over 65 years of age in proportion to the population under 65 in Colorado through calendar year 2040.

	(Colorado Resident Population and Projections by Age)						
Age	2012 Actual	2014 Projected	2016 Projected	2020 Projected	2030 Projected	2040 Projected	% change 2012 to 2040
Under 18	1,240,948	1,272,434	1,309,803	1,383,862	1,605,533	1,813,991	46%
18-64	3,331,732	3,407,734	3,489,891	3,658,181	4,053,834	4,491,208	35%
65-79	461,783	520,926	580,756	707,555	925,771	957,517	107%
80-89	127,717	133,435	140,283	159,675	289,690	414,723	225%
90+	26,503	29,160	31,793	36,855	51,321	95,027	259%

Data is from the website of the Colorado Department of Local Affairs, State Demography Office, July 2014

Several state-funded universities in Colorado offer coursework aimed at training health care social workers and health services managers. Research indicates student lack of interest in social work aimed at the older population is a significant factor contributing to the workforce shortage. While outreach and exposure have been explored to spur interest, it has not been enough to overcome the challenge. Research and other state

[3] Data is from the Metropolitan State University of Denver Department of Social Work, Gerontology Stipend Program Proposal dated June 2014 and prepared for the Department of Human Services, Office of Community Access and Independence

models indicate that an academic stipend program can have a significant impact on student interest and in filling the workforce gap.[4]

Proposed Solution:

The Department requests $179,438 General Fund in FY 2015-16, $442,367 in FY 2016-17, $606,262 in FY 2017-18, $635,531 in FY 2018-19 and $358,048 in FY 2019-20 for a total of $2,221,646 General Fund to seek a competitively bid contract for a local university to offer a gerontology stipend program. The request will fund a 5-year program to train five cohorts of medical and health services managers and health care social workers specializing in gerontology to provide services to Colorado's older population.

The purpose of the stipend program is threefold: to train professionals to specialize in serving socially and medically vulnerable older adults; to fill the workforce gap that currently exists for this expertise in Colorado, including rural Colorado; and to sustain that workforce. The program seeks to attract quality professionals into the arena of older adult care.

The stipend pilot will run for 5 years beginning in FY 2015-16 and support 4 cohorts of Bachelor of Social Work (BSW) and Masters of Social Work (MSW) students, producing an estimated total of between 70 and 85 graduates. Following are highlights:

- Stipend recipients are anticipated to include approximately 50% for a Bachelor of Social Work (BSW), and 50% Master of Social Work or dual Master of Social Work/Master of Health Care Management type degrees (MSW/MHCM).
- The stipend will fully fund students' tuition and books.
- BSW students will enter the social work program at the "junior" level, so the stipend will cover two years of coursework.
- Students in the program will be committed to take a predetermined set of courses focused on developing knowledge and skills for working with the older population and their families.
- Students will be required to participate in gerontology focused field placement (internship) supervised by a MSW field instructor.
- In years 2-5 of the program, at least half of the students accepted will need to be committed to post-graduation employment in a rural area.
- Stipend recipients are required to commit to payback employment for a period corresponding with the number of years the stipend was received.
- The employment component will include employment with agencies selected with input by the Department.
- An evaluation will be completed in year five to determine the effectiveness of the pilot. The cost of the evaluation will be part of the proposed year five funding.

Outreach efforts for the program will be conducted throughout the State to attract quality placements and build program capacity. Criteria used for the application process is geared toward improving the likelihood of the students' success in the program and beyond in the workforce.

[4] Data is from the Metropolitan State University of Denver Department of Social Work, Gerontology Stipend Program Proposal dated June 2014 and prepared for the Department of Human Services, Office of Community Access and Independence

A similar program, the Child Welfare Stipend Program, is in place with the University of Denver Graduate School of Social Work and the Metropolitan State University to meet the critical need to educate and train professional social workers to serve families engaged in public child welfare services. Funding is obtained from Title IV-E of the Social Security Act and includes state matching fund requirements. The program addresses the need for social workers in both urban and rural areas across Colorado who are skilled in child welfare services. The stipend program requires payback employment in a public child welfare agency corresponding to the number of years a student receives a stipend. In FY 2013-14, there were 30 students enrolled. Below are several components of the program.

- Includes local stipends as well as a distance learning program (University of Denver) whereby students take positions in rural county departments of human or social services.
- Required curriculum includes specialized courses in child welfare practice.
- Detailed payback requirements which include terms for work clearance, time-frame to successfully complete studies, and failure to secure employment.
- An Intern Cohort option to assist stipend recipients in obtaining employment upon graduation.

Without an adequate and trained workforce in health care management and social work, seniors will lack accessibility to and information about available services and care options. Service quality will suffer as a result of staff that are not trained to serve the specific needs of older adults. As a result, seniors may suffer higher mortality, injury and hospital readmissions. There is a potential for higher rates of elder abuse and lower quality social and health care, resulting in a lower quality of life for seniors that ultimately results in higher financial and social costs for the Colorado public.

Options:

The proposal includes a Tier 1 and a Tier 2 funding alternative. Tier 1, the funding option of this request, is for full funding of student tuition and most books with a maximum per student stipend amount of $10,000 per student per year for a BSW and $12,000 per student per year for a MSW. Depending on the successful college/university bid, the amounts provided as a stipend and administration costs may need to be adjusted based on the selected proposal. The Tier 2 alternative would be partial coverage of participating students' educational costs. Tier 2 is approximately 50% funding, but would limit some of the key attributes of the proposed program as it would not include funding to support outreach for rural placements or provide funding needed for the oversight of stipend participants by Masters Level Social Workers (MSWs). It is anticipated the MSW oversight would produce a better training and development product for students resulting in higher quality services to seniors. The tables that follow show a cost comparison of the Tier 1 and Tier 2 options. The Department has researched and is not aware of any available federal funds for the gerontology stipend program.

Comparison of Tier 1 and Tier 2 Proposed Costs

Tier 1 Stipend Program Costs (option requested by the Department)

Year	Number of Students*	Student Stipends (Tuition and Books)**	Administrative Costs	Stipend Contingency Costs	Indirects	Total Tier 1
FY 2015-16	10	$110,000	$45,938	$7,188	$16,313	$179,438
FY 2016-17	30	$349,800	$48,927	$3,425	$40,215	$442,367
FY 2017-18	40	$492,800	$56,089	$2,258	$55,115	$606,262
FY 2018-19	40	$519,200	$56,663	$1,892	$57,776	$635,531
FY 2019-20	20	$272,800	$48,048	$4,650	$32,550	$358,048
Totals				$19,878	$201,968	$2,221,646

*50% of students are anticipated to be BSW and 50% MSW or dual MSW/MHCM. BSW Cohort 1 (C1)=5; C2=10; C3=10; C4=10 for 35 total students. MSW C1=5; C2=10; C3=10; C4=10 for 35 total students.

**Student stipend amounts are $12,000 per year MSW, $10,000 BSW. For example, there are 5 students in FY 2015-16 in the MSW cohort, and 5 students in the BSW cohort (5*$12,000) + (5*10,000)=$110,000. Reference the budget in Attachment A for a full breakdown of costs by cohort.

Tier 2 Stipend Program Costs (alternative not chosen)

Year	Number of Students*	Student Stipends (Tuition and Books)**	Administrative Costs	Stipend Contingency Costs	Indirects	Total Tier 2
FY 2015-16	10	$55,000	$37,338	$6,468	$9,881	$108,686
FY 2016-17	30	$174,900	$31,127	$3,045	$20,907	$229,979
FY 2017-18	40	$246,400	$31,689	$1,858	$27,995	$307,942
FY 2018-19	40	$259,600	$32,263	$1,732	$29,360	$322,955
FY 2019-20	20	$136,400	$32,848	$4,090	$17,334	$190,672
Totals				$17,193	$281,269	$1,160,234

*50% of students are anticipated to be BSW and 50% MSW or dual MSW/MHCM. BSW Cohort 1 (C1)=5; C2=10; C3=10; C4=10 for 35 total students. MSW C1=5; C2=10; C3=10; C4=10 for 35 total students.

**Student stipend amounts are $6,000 per year MSW, $5,000 BSW. For example, there are 5 students in FY 2015-16 in the MSW cohort, and 5 students in the BSW cohort (5*$6,000) + (5*5,000)=$55,000.

The table below shows the support and product under Tier 1 and Tier 2.

Comparison of Tier 1 versus Tier 2 Approach to Stipend Program

	# of Students who would receive funding	Percent of Student Tuition Support	Max Field Placement Options (Supports MSW supervision)	Optimal Support for Rural Placements
Tier 1	70-85	$20K BSW/100% $24K MSW 100%	Yes	Yes
Tier 2	70-85	$10K BSW/ 50% $12K MSW/ 50%	No	No

Tier 1, or full funding, was selected as the Tier 2 alternative would not meet the significant workforce need in rural areas of Colorado.

Anticipated Outcomes:

The primary outcome of the program will be a highly trained workforce skilled at providing the best care for Colorado's older adult population in both urban and rural areas. As a result, Colorado's seniors and their families will receive quality care and services to make the best choices for seniors to live successfully in the community of their choosing. The outcome aligns with the Department's vision to *deliver high quality human services and health care that improve the safety, independence, and well-being of the people of Colorado.*

The Gerontology Stipend Program indirectly relates to numerous C-Stat measures. The impact of leadership provided by health services managers and social workers trained in services for older adults will positively affect each aspect of service choice, outcomes and care provided to Colorado's older population. These staff will be cognizant of the specific needs of this community and how to best serve those needs. The request aligns with the Department's Strategic Plan, which includes preparing Colorado to meet the needs of more seniors who choose to live and thrive in their homes and communities.

As part of the contracted stipend program, the selected vendor would be required to measure the following outcomes surrounding the work with older adults during the program period.

- assessing student knowledge and skills;
- gauging student interest in gerontological social work;
- student success in obtaining and maintaining relevant employment; and
- increasing the number of students in gerontology placements over and above the program.

Assumptions and Calculations:

Estimated costs for the stipend program include four components: 1) university personnel; 2) stipends; 3) outreach; and 4) program costs for recruitment, field placement and program evaluation. The costs of the stipend program by year from 2015-2020 are detailed on Attachment A. Estimated indirect costs shown on Attachment A are the cost allocations for centralized services such as information technology (IT), accounting, payroll, department management, office supplies, etc. Indirect costs would be administrative in nature, but not something that can be directly attributed to the program itself. Contingency stipend costs may provide funding for additional students, part-time students or allow for a wider range of bids from institutions of higher education.

The work will be contracted with a qualified college/university through the State Procurement process.

ATTACHMENT A GERONTOLOGY STIPEND PROGRAM BUDGET
CDHS Gero Stipend Program FY 2015-2020 Budget

Budget Categories		Project Year 1	Project Year 2	Project Year 3	Project Year 4	Project Year 5	Total	
Administrative Costs		Request	Request	Request	Request	Request	Request	Project Total
Dept of SocialWork Faculty, Academic year release-time @ annual salary of $53,462; 30%		$ 16,039	$ 16,359	$ 16,687	$ 17,020	$ 17,361	**$ 83,466**	**$ 83,466**
Gerontology Stipend Program Coordinator (.2 FTE, $15/hr)		$ 5,760	$ 5,875	$ 5,993	$ 6,113	$ 6,235	**$ 29,975**	**$ 29,975**
First Year ProgramDevelopment Start Up- Faculty Overload Pay 10% (@ annual salary of $53,462)		$ 5,346	$ -	$ -	$ -	$ -	**$ 5,346**	**$ 5,346**
Sub Personnel		**$ 27,145**	**$ 22,235**	**$ 22,679**	**$ 23,133**	**$ 23,596**	**$ 118,787**	**$ 118,787**
Sub Total Fringe Benefits @ 26.5 %	0.265	**$ 7,193**	$ 5,892	$ 6,010	$ 6,130	$ 6,253	**$ 31,478**	**$ 31,478**
Other Personnel (includes undergraduate students)								
Research Assistants for Data Collection and Management		$ 1,000	$ 1,000	$ 3,000	$ 3,000	$ 3,000	**$ 11,000**	**$ 11,000**
Sub total Other Personnel		**$ 1,000**	**$ 1,000**	**$ 3,000**	**$ 3,000**	**$ 3,000**	**$ 11,000**	**$ 11,000**
a) Total Personnel		**$ 35,338**	**$ 29,127**	**$ 31,689**	**$ 32,263**	**$ 32,848**	**$ 161,265**	**$ 161,265**
Stipends								
4 Cohorts over 5 years, MSW - "Aging/Gerontology Focus" Students $24k per student (24K total/12K per year), C1=5;C2=10;C3=10;C4=10 (so total number of students: Y1=5, Y2=15, Y3-Y4=20, Y5=10)		$ 60,000	$ 190,800	$ 268,800	$ 283,200	$ 148,800	**$ 951,600**	**$ 951,600**
4 Cohorts over 5 years, BSW - "Aging/Gerontology Focus" Students $20K per student/$10K per year C1=5;C2=10;C3=10;C4=10 (so total number of students: Y1=5, Y2=15, Y3-Y4=20, Y5=10)		$ 50,000	$ 159,000	$ 224,000	$ 236,000	$ 124,000	**$ 793,000**	**$ 793,000**
Contingency stipend costs		$ 7,188	$ 3,425	$ 2,258	$ 1,892	$ 5,115	**$ 19,878**	**$ 19,878**
b) SubTotal		**$ 117,188**	**$ 353,225**	**$ 495,058**	**$ 521,092**	**$ 277,450**	**$ 1,764,013**	**$ 1,764,013**
Marketing and Outreach								
Faculty and Staff Travel throughout CO to recruit (car and air travel= $3k/yr; hotel= $3k/yr)		$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000	**$ 30,000**	**$ 30,000**
Field Placement Supervisor Honorariums ($30 per hour for 30 hours X .5 number of students in program)		$ 4,500	$ 13,500	$ 18,000	$ 18,000	$ 9,000	**$ 63,000**	**$ 63,000**
Program Evaluation (survey implementation and incentives)		$ 100	$ 300	$ 400	$ 400	$ 200	**$ 1,400**	**$ 1,400**
c) Sub Total		**$ 10,600**	**$ 19,800**	**$ 24,400**	**$ 24,400**	**$ 15,200**	**$ 94,400**	**$ 94,400**
d) Total Stipend and Administrative Costs (a+b+c)		$ 163,125	$ 402,152	$ 551,147	$ 577,755	$ 325,498	$ 2,019,678	$ 2,019,678
e) Indirect Costs @ 10% (d*.10)	**0.100**	$ 16,313	$ 40,215	$ 55,115	$ 57,776	$ 32,550	**$ 201,968**	**$ 201,968**
Total Costs (d+e)		**$ 179,438**	**$ 442,367**	**$ 606,262**	**$ 635,531**	**$ 358,048**	**$ 2,221,646**	**$ 2,221,646**

**Costs based on estimated tuition rates of $12,000/student/year for a BSW and $12,000/student/year for a MSW. Actual tuition rates will be dependent upon the sucessful bidding college/university. As a point of reference, a sampling of local colleges, including Metropolitan State University, Colorado State University, and the University of Denver all have accreditied social work programs. Tuition for these schools range from $10,000 to $26,000 per student, per year for a BSW and from $8,000 to $26,000 per student per year for a MSW.

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-12

Request Titles

R-12 Business Enterprise Program Spending Authority

Dept. Approval By: Melissa Wavelet

OSPB Approval By:

	Supplemental FY 2014-15
x	**Change Request FY 2015-16**
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
Total of All Line Items	**Total**	**$1,203,912**	**$0**	**$1,221,122**	**$300,000**	**$300,000**
	FTE	6.0	-	6.0	-	-
	GF	$0	$0	$0	$0	$0
	CF	$255,662	$0	$259,276	$63,900	$63,900
	RF	$0	$0	$0	$0	$0
	FF	$948,250	$0	$961,846	$236,100	$236,100

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$1,203,912**	**$0**	**$1,221,122**	**$300,000**	**$300,000**
	CF	$255,662	$0	$259,276	$63,900	$63,900
09. Services for People with Disabilities - Business Enterprise Program for People Who Are Blind	FF	$948,250	$0	$961,846	$236,100	$236,100
	FTE	6.0	-	6.0	-	-

Letternote Text Revision Required? Yes ___ No x **If Yes, describe the Letternote Text Revision:**

Cash or Federal Fund Name and CORE Fund Number: Business Enterprise Program Cash Fund 504

Reappropriated Funds Source, by Department and Line Item Name: **N/A**

Approval by OIT? Yes ___ No ___ **Not Required:** X

Schedule 13s from Affected Departments: N/A

Other Information: N/A

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Cost and FTE

- The Department requests an additional $300,000 total spending authority ($63,900 cash funds and $236,100 federal funds) for FY 2015-16, FY 2016-17 and beyond in order to utilize the existing cash fund balance and allow the Department to draw down 78.7% federal matching funds to enhance the Business Enterprise Program. This represents a 25% increase in spending authority in the Business Enterprise Program budget.

Current Program

- The Business Enterprise Program (BEP) exists to facilitate the achievement of a profitable and rewarding profession in food service and vending for blind entrepreneurs.
- BEP trainers recruit and train participants; BEP staff provides administrative and management services support, equipment, initial food inventory, and maintain and repair all equipment.

Problem or Opportunity

- BEP has a cash fund balance that exceeds its cash fund spending authority because cash revenues generated are greater than the BEP's FY 2014-15 Long Bill spending authority.

Consequences of Problem

- Without an increase in spending authority, BEP will maintain an essential level of services, instead of providing new or additional services. This limits not only the number of blind participants BEP may serve, but also the capacity in which they are served.
- Without spending authority, BEP is unable to capture $236,100 in available federal matching funds.
- These consequences impact the Department's goals for its consumers, including restricting the Program's ability to increase successful and sustainable job placements, opportunities, and competitive wages for program participants.

Proposed Solution

- The increase in spending authority would allow BEP to grow the program; develop new locations; update, upgrade, and modernize existing locations; purchase and maintain equipment to support such growth; and train blind individuals to make a prosperous livelihood operating these locations.
- Specifically, the proposed solution will develop 1-2 new locations per year; upgrade or transition 3-4 existing locations per year; and an increase in the licensed operator base by 1-2 individuals per year.

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Department Priority: R-12
Request Detail: Business Enterprise Program Spending Authority

Summary of Incremental Funding Change for FY 2015-16	Total Funds	Cash Funds	Federal Funds
Business Enterprise Program Spending Authority	$300,000	$63,900	$236,100

Problem or Opportunity:

The Business Enterprise Program (BEP) is the State Licensing Agency, under the Department of Human Services, mandated by the Federal Randolph-Sheppard Act of 1936 and subsequent revisions, along with the Colorado "mini" Randolph-Sheppard Act, 26-8.5, C.R.S. (2014). Under these acts, blind entrepreneurs in this program have priority to operate food service locations in Federal and State office buildings and facilities. This includes "dry" stands that sell newspapers, magazines, gum, candy, tobacco products and sundry items, vending machines, food and beverages prepared on and off premises, and the operation of cafeterias.

BEP trains interested and eligible legally blind individuals in business management and food service. By law, it also provides management and administrative services for the participants, as well as facilitating the development, maintenance, and management of the locations. Eligible legally blind individuals must be currently working with a Division of Vocational Rehabilitation (DVR) Counselor, who will refer the participant to the BEP trainer. When the trainee becomes a Licensed Blind Operator, it results in a successful case closure for DVR.

Currently, BEP has more revenue than it can spend due to its current spending authority limitations in the Long Bill. Specifically, BEP's cash revenues (est. $255,600), federal matching funds (est. $944,400) and cash fund balance (est. $296,185) combined as of the end of FY 2013-14 is estimated to be $1,496,185, while spending authority was only $1.2 million. Current spending authority provides the ability to maintain essential functions of the program; however, now that the Program's revenues exceed the spending authority, the Program's ability for growth and development is limited. Additionally, BEP is missing an opportunity to use its full cash-fund revenues to optimize federal matching funds.

The Department has successfully increased revenues over time to support the Program's goals and would benefit from the ability to utilize the growing cash fund balance. Increased spending authority will allow the BEP to use these revenues to draw down federal funds with a 78.7% matching rate. This additional spending authority will be used to develop additional sites, make improvements to licensed blind operators' locations, and maintain the equipment and inventories for such locations, per the Randolph-Sheppard Act and resulting regulations (20 U.S.C. § 107 etc., 34 CFR §395, 26-8.5-100.1, C.R.S. (2014)).

The law gives blind operators priority to operate vending facilities in State and Federal facilities. There are many facilities BEP has not had the resources to develop yet. Some are small vending operations, while others have the potential to be large, lucrative dining halls. There are currently seven locations (four federal and three state), which have already been surveyed and deemed viable to provide the minimum median income acceptable to Colorado, but with the current spending authority, BEP may only have the ability to develop one to three.

Proposed Solution:

The Department requests an increase of $300,000 total spending authority for FY 2015-2016, FY 2016-2017 and beyond to utilize the existing cash fund balance, as well as make use of federal reimbursement funds. This includes $63,900 from cash fund revenues and $236,100 from federal reimbursement funds in the line item for the Business Enterprise Program for People Who Are Blind. The cash funds represent earned revenues, which will enable the Department to draw down federal funding.

The increase in spending authority would allow BEP to grow the program; develop new locations; update, upgrade, and modernize existing locations; purchase and maintain equipment to support such growth; and train blind individuals to make a prosperous livelihood operating these locations.

There are approximately 90 individuals with blindness listed as the primary disability on the DVR order of selection wait list. 37 individuals with blindness were recently removed from the wait list to receive services. The additional spending authority will help ensure BEP will be prepared to serve those who chose BEP as their objective. According to the American Foundation for the Blind, in 2012 there were approximately 47,000 blind or low-vision individuals between the ages of 18 and 64 living in Colorado. This presents an opportunity to grow the Colorado Business Enterprise Program through education and recruitment efforts. The BEP is an important option for blind individuals, who are estimated to otherwise have a national unemployment rate of 62.3%.

The authority to spend the additional $300,000 will specifically allow BEP to serve additional program participants and expand current services by purchasing up to $300,000 in additional kitchen and vending equipment. The equipment purchases may be a combination of vending equipment needed to open new vending routes or additional equipment needed to modernize a cafeteria or snack bar already existing within the Program.

The additional equipment purchases will benefit the Program in the following ways: A) Increase sales by improving the speed and attractiveness of services with state-of-the-art equipment. B) Add additional sites for respective trainees or existing blind vendors. For example, if BEP chooses to open a vending route for a licensed blind vendor, the equipment purchases would be close to $75,000 (15 pieces of equipment at $5,000 each). The specific vending route would average approximately $300 income per machine, per month for a yearly total of $54,000 gross income. After expenses, BEP would receive 13% of the net amount, which will be reinvested in the Program.

Additionally, the increased spending authority will contribute to DVR's C-Stat measures: Case Closure by Type and Competitive Employment Wages by increasing the income of individuals who are originally DVR clients, as each of the blind operators represent a successful "employment" outcome. Additionally, individuals in the DVR program that are using the BEP program services will contribute to the measures related to the competitiveness of wages.

The ability to purchase and modernize equipment will increase revenues for the Program and add additional revenue to the bottom line. BEP revenues are re-invested in the Program to purchase additional new equipment, maintain existing equipment, and draw down the 78.7% federal matching funds.

This increase will negligibly affect the staff workload because processes for the Program are already in place. In the event the proposed solution is not approved, BEP will continue to grow the cash fund balance, resulting in a missed opportunity to draw down additional federal funding and curtailing development efforts and new opportunities for operators to manage their own locations.

Anticipated Outcomes:

BEP has strong systems in place to support the increased spending authority. This includes contracts, procurement, accounts payables, training curriculum, transfer and promotion of participants, equipment maintenance, and staffing necessary to support the needs of resulting additional locations and blind operators.

The outcomes will be measured using the annual Rehabilitation Services Administration reporting tool, RSA-15, in conjunction with current program tracking mechanisms, like the Aware/BEP database. This incorporates an incredible amount of statistical information, including average participant/location profits and income, as well as median income, developed locations, licensed operators, number of trainees, types of locations, and much more.

The Department will know the proposed solution has been successful when the following proposed goals are achieved:

1. New Locations developed: 1-2 per year
2. Existing locations upgraded or transitioned from Vending Contractors: 3-4 per year
3. Licensed Operator base growth (licensed and retained): 2-4 per year

***See breakout of the estimated costs of achieving each of these items in the assumptions and calculations section.*

Assumptions and Calculations:

The BEP anticipates being able to sustain this level of cash fund balance based on these revenues. The table below shows cash fund balance actuals and projections. The table below does not include anticipated expenditures from the requested spending authority.

Fund Balance for BEP Fund 504

	FY 2010-11	**FY 2011-12**	**FY 2012-13**	**FY 2013-14**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**
	Actual	Actual	Actual	Actual	Projected `	Projected `	Projected `	Projected `
Fund Balance at year end - Fund 504	**$815,261**	**$846,244**	**$1,039,374**	**$1,141,911**	**$1,050,268**	**$1,066,022**	**$1,082,012**	**$1,098,242**
Less Committed for Liabilities ^	($153,290)	($160,312)	($273,603)	($292,672)	($192,433)	($195,319)	($198,249)	($201,223)
Uncommitted Fund Balance	$661,971	$685,932	$765,771	$849,238	$857,835	$870,703	$883,763	$897,019
Less Capital & Other Non-Liquid Assets ^^	($416,445)	($448,488)	($460,918)	($553,054)	($535,457)	($543,489)	($551,641)	($559,916)
Cash Fund Adjusted Value at Year End	**$245,526**	**$237,444**	**$304,853**	**$296,185**	**$322,378**	**$327,214**	**$332,122**	**$337,103**

^ Liabilities include Warrants and Vouchers Payables, and Accrued Payroll Payables

^^ Assets include Furniture & Equipment, Initial Inventory, and Prepaid Insurance at BEP locations

` Projections represent an increase from previous fiscal year anticipating that BEP will continue to grow the fund balance because there is excess cash revenue generated to cover that fiscal year's cash match obligations and BEP will only be spending to the current spending authority in place. The increase is estimated at 1.5% annually from FY 2014-15 and beyond.

Long Bill Appropriation and requested funding

Business Enterprise Program for People Who are Blind	Total Funds	Cash Funds	Federal Funds
FY 2014-15 Appropriation	$1,203,912	$255,662	$948,250
Requested Spending Authority	$300,000	$63,900	$236,100*
FY 2015-16 Total Requested Appropriation	$1,503,912	$319,562	$1,184,350

*78.7% federal matching funds.

The following assumptions are being made for expenditures:

The Department typically spends approximately $149,000 from its regular (BEP) budget on site development expansion projects. With an additional $300,000 in spending authority, the new expansion budget could reach $449,000. Table 1 below shows how BEP typically uses its budget to develop new or upgrade existing locations. Table 2 shows the impact of having the additional spending authority.

Table 1: Current Factor (Baseline)

Type of Development	Avg #	Difference From Current	Avg $
New Food Service Location	1	0	$73,000
Upgraded Location	2	0	$76,000
Transitioned Vending	0	0	$0
Total			**$149,000**

Table 2: Estimated Impact of Increased Spending Authority

Type of Development	#	Difference	Amount*	
New Food Service Location	2	1	$146,000	
Upgraded Location	4	2	$152,000	
Transitioned Vending	2	2	$150,000	
Total Impact**			**$448,000**	**5 Sites above current average**

* Using average cost as base per development activity = these costs vary based on need.
**Net difference in growth from current number of locations added as a result of additional spending authority (successful outcomes #1 and #2).

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-13

Request Titles

R-13 Circle Program Business Plan Analysis

Dept. Approval By: Melissa Wavrick

OSPB Approval By:

		Supplemental FY 2014-15
X		**Change Request FY 2015-16**
		Base Reduction FY 2015-16
		Budget Amendment FY 2015-16

Line Item Information		**FY 2014-15**		**FY 2015-16**		**FY 2016-17**
	Fund	**Appropriation**	**Request**	**Base Request**	**FY 2015-16**	**Continuation**
	Total	**$0**	**$0**	**$0**	**$225,000**	**$0**
	FTE	-	-	-	-	-
Total of All Line Items	GF	$0	$0	$0	$225,000	$0
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information		**FY 2014-15**		**FY 2015-16**		**FY 2016-17**
	Fund	**Appropriation**	**Request**	**Base Request**	**FY 2015-16**	**Continuation**
	Total	**$0**	**$0**	**$0**	**$225,000**	**$0**
08. Behavioral Health Services - Circle Program Business Plan Analysis	GF	$0	$0	$0	$225,000	$0

Letternote Text Revision Required? Yes ___ No X ___ **If Yes, describe the Letternote Text Revision:**

Cash or Federal Fund Name and CORE Fund Number: N/A

Reappropriated Funds Source, by Department and Line Item Name: **N/A**

Approval by OIT? **Yes** ___ **No** ___ **Not Required:** **X** ___

Schedule 13s from Affected Departments: N/A

Other Information: N/A

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Cost and FTE

- The Department requests $225,000 General Fund in FY 2015-16, to conduct a business model analysis of the Circle Program. A new budget line is requested to create transparency for the analysis and would be a one-time 0.28% increase in the Colorado Mental Health Institute at Pueblo (CMHIP) budget.

Current Program

- The Circle Program, located at the Colorado Mental Health Institute at Pueblo (CMHIP), is a Joint Commission accredited, Office of Behavioral Health licensed, intensive treatment program that serves adults who suffer from co-occurring disorders (mental illness and substance abuse).
- Circle provides a comprehensive regimen in a 90-day inpatient therapeutic-community (TC) setting that addresses mental illness, chemical dependence, personality disorders and criminal behavior.
- The cost of the program is approximately $2 million annually with General Fund supporting approximately 87% of the costs since FY 2003-04. The balance of the funding is 12% cash funds and 1% reappropraited funds.

Problem or Opportunity

- As a State operated program on the CMHIP campus, the Circle Program is classified as an Institution for Mental Diseases (IMD), which prohibits it from receiving revenue from public (Medicaid) insurance, except in very limited circumstances.
- Additional funding for the program consists of revenues from public and private insurances as well as self-pay clients.

Consequences of Problem

- The Department is interested in determining whether a different business model for the Circle Program would better serve its patients.
- The Department does not currently have the resources or expertise to conduct a business model analysis and business plan development of this magnitude.

Proposed Solution

- A funded analysis/business plan strategy, conducted by an objective third-party will provide information to evaluate and plan for future decisions regarding the operation of the Circle Program.
- The program and individuals served will benefit from the strategic recommendations to maximize revenue for program growth and service enhancements.

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Department Priority: R-13
Request Detail: Circle Business Analysis

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Circle Program Business Plan Analysis	$225,000	225,000

Problem or Opportunity:

The Circle Program (Circle), located at the Colorado Mental Health Institute at Pueblo (CMHIP), is a Joint Commission accredited, Office of Behavioral Health licensed, intensive treatment program that serves adults who suffer from co-occurring disorders (mental illness and substance abuse). The Mental Health Institute at Pueblo has been treating patients with co-occurring disorders since the late 1960's, and archived documents identify the name Circle Program has been used since the late 1990's.

Circle provides a comprehensive regimen in a 90-day inpatient (unlocked) therapeutic-community (TC) setting that addresses mental illness, chemical dependence, personality disorders, and criminal behavior. This adult inpatient program admits men and women ages 18-65 who have been unsuccessful in other inpatient or outpatient substance abuse programs, and who have been unable to maintain sobriety outside a structured environment. Many individuals receive treatment through Circle as a condition of legal charges related to substance abuse (referred by the courts).

The Circle Program contains four main focus components: abstinence (no addictive medications), behavior awareness, tobacco cessation, and psychiatric treatment. The abstinence based focus helps patients learn to manage their anxiety, attention problems, and chronic pain without the use of addictive medications. Patients must not be currently using benzodiazepines, stimulants (Ritalin, etc.) and narcotics for pain management before admission. People on methadone or buprenorphine maintenance prior to admission may continue on this form of treatment if approved by the Circle Program medical director. Behavior awareness requires patients to take responsibility for changing the behaviors that perpetuate chemical dependence and to learn management skills for mental illness. The Circle Program has been tobacco-free since January 2000. Nicotine addiction is treated seriously, in the same fashion as any other drug addiction. Patients are not allowed to use tobacco products during their treatment and are encouraged to remain tobacco free after discharge. Psychiatric treatment includes teaching patients to learn signs and symptoms of their mental illness and or personality disorders and how substance abuse interferes with good mental health and stability. In every aspect of the program, mental illness and substance abuse are fully integrated and addressed. Patients participate as a partner in the decision for medication to encourage understanding of the need for medication compliance.

The investment into the Circle Program from 2004-2014 has been $19,383,332 (approximately 87% General Fund). Additional funding for the program consists of revenue payments from public and private

insurances and self-pay clients. It should be noted, the Program can accept public insurance only in very limited circumstances. Based on Table 1, the FY 2012-13 cost for a patient completing the full program was $26,602 (90 days x $295.58) and it is important to learn if the current program structure is the most efficient and/or effective. Table 1 illustrates the history of the Circle Program's numbers of patients served and costs back to FY 2008-09.

Table 1: Circle Program FY 2008-09 to FY 2012-13

Circle Program	**FY 2008-09**	**FY 2009-10**	**FY 2010-11**	**FY 2011-12**	**FY 2012-13**
Inpatient Average Daily Population	19.0	19.0	16.1	17.3	18.4
Patients Served	110	115	96	93	105
Inpatient Days	6,920	6,952	5,860	6,344	6,728
Annual Expenditure (direct costs)	$1,701,311	$1,870,879	$1,839,550	$1,853,531	$1,988,669
Direct Cost per Patient per Day*	$270.36	$260.31	$313.92	$292.17	$295.58

*Direct Cost per Patient is calculated by dividing the Inpatient Days by the Annual Expenditure

Proposed Solution:

The Department requests $225,000 General Fund in FY 2015-16 to conduct a business model analysis, strategic recommendation report, and business plan development for the independent operation of the Circle Program. The Department does not currently have the resources or expertise to conduct an analysis of this magnitude. A new budget line is requested to create transparency for the study.

The Department requests funding to conduct a business model analysis for the Circle Program in order to identify the opportunities and advantageous strategy for the program to become autonomous from the State and therefore allowing access to revenue from public (Medicaid) and private insurance. The operation of Circle independent from the State will allow for program growth and enhancements that will benefit the ever-changing needs of the patients who suffer from co-occurring mental illness and substance dependence.

Anticipated Outcomes:

The additional one-time resources and new line item for the Circle Program Study will provide the following benefits:

- A Request for Proposal (RFP) will be published through the State Procurement process to solicit experts to conduct the analysis and develop strategic recommendations for independent operation.
- The Department will outline various areas in which the external consultants will be asked to analyze and create solutions, which may include the following:
    - Evaluate the Institutions for Mental Diseases (IMD) exclusion as it pertains to the Circle Program and the financial implications to the program.
    - Evaluate how the Circle Program can be eligible for, and expand reimbursement from multiple payer sources, to include private health insurance, Medicaid, and Medicare.
    - Analyze the opportunities and potential for the Circle Program to be an autonomous program, separate from the Mental Health Institutes and the State.
    - Research and evaluate alternate location options for the Circle Program which would provide the maximum benefit for the population served.

- Identify other treatment services and/or other populations that can be served through the Circle Program or through a modified/expanded Circle Program.
- Identify other business partners to maximize the benefits of the Circle Program.
- Recommend strategies / solutions for the independent operation of the Circle Program.
- Create an operational business plan for the Circle Program as an independent operation, the plan will include at a minimum:
  - Executive Summary
  - Program Summary
  - Services
  - Market Analysis
  - Strategy Implementation
  - Annual Operating Plan
  - Financials

- The request fits within the goals of the Department that every individual deserves the right to live with the fewest possible restrictions and to expand the community supports in mental health and substance abuse.

Upon completion of the analysis and solution development:

- The results will allow the Department to evaluate and plan for future decisions regarding the operation of the Circle Program.
- With a strategic business plan available, the Department will be able to solicit interest from entities to operate the Circle Program.

Assumptions and Calculations:

The one-time funding calculated to conduct an external business model analysis and strategic recommendation report, and business plan development for the independent operation of the Circle Program is based on reasonable cost analysis of the work performed by consultants.

The request amount is calculated as, 750 hours x $300/hour= $225,000. The cost per hour is based on quoted hourly rates for business plan development.

The comparable studies used in calculating the request included the following:

1. Magna Study of regarding the impact of the Affordable Care Act and programs for the non-Medicaid eligible indigent population of Colorado ($98,000).
2. Department of Corrections Study of the Sex Offender Treatment and Monitoring Program ($243,805).

Based on common (general practice) methodology when soliciting for a professional study, the Department estimates the breakdown of costs to be:

- 45% for consultant analysis and reporting
- 20% consultant travel
- 15% consultant software and supplies
- 10% consultant training of team, and Department staff if necessary
- 10% on-going support

The actual cost breakdown per category will be identified upon the selection of the vendor, through the state solicitation process.

Additional Information

	Yes	No	Additional Information
Is the request driven by a new statutory mandate?		X	
Will the request require a statutory change?		X	
Is this a one-time request?	X		
Will this request involve IT components?		X	
If yes, has OIT reviewed the request and submitted a corresponding Schedule 13?			
Does this request impact other state agencies?		X	
If yes, has the other impacted state agencies reviewed the request and submitted a corresponding Schedule 13?			
Is there sufficient revenue to support the requested cash fund expenditures?			
Does the request link to the Department's Performance Plan?	X		

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-14

Request Titles

R-14 Institute Equipment Replacement and Minor Renovations

Dept. Approval By: Melissa Darnell

OSPB Approval By:

	Supplemental FY 2014-15
X	**Change Request FY 2015-16**
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
Total of All Line Items	**Total**	**$6,360,974**	**$0**	**$6,354,418**	**$1,711,403**	**$0**
	FTE	-	-	-	-	-
	GF	$4,870,764	$0	$4,864,208	$1,711,403	$0
	CF	$527,162	$0	$527,162	$0	$0
	RF	$963,048	$0	$963,048	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$1,067,055**	**$0**	**$1,068,005**	**$920,448**	**$0**
	CF	$123,727	$0	$123,727	$0	$0
08. Behavioral Health Services - Operating Expenses	GF	$907,646	$0	$908,596	$920,448	$0
	RF	$35,682	$0	$35,682	$0	$0
	Total	**$5,293,919**	**$0**	**$5,286,413**	**$790,955**	**$0**
	CF	$403,435	$0	$403,435	$0	$0
08. Behavioral Health Services - Operating Expenses	GF	$3,963,118	$0	$3,955,612	$790,955	$0

RF	$927,366	$0	$927,366	$0	$0

Letternote Text Revision Required?	**Yes**	**No**	X	**If Yes, describe the Letternote Text Revision:**
Cash or Federal Fund Name and CORE Fund Number:	N/A			
Reappropriated Funds Source, by Department and Line Item Name:	**N/A**			
Approval by OIT?	**Yes**	**No**	**Not Required:**	X
Schedule 13s from Affected Departments:				
Other Information:	N/A			

Cost and FTE

- The Department requests $1,711,403 in General Fund in FY 2015-16, a 26.0% one-time increase, for equipment replacement and minor renovations at the Mental Health Institutes.

Current Program

- The Colorado Mental Health Institute at Pueblo (CMHIP) operates 451 inpatient psychiatric beds, including 144 beds for civilly committed individuals and 307 beds for individuals involved in the criminal justice system. The Colorado Mental Health Institute at Fort Logan (CMHIFL) operates 94 inpatient psychiatric beds for adults referred from the State's community mental health centers.
- Both Institutes are licensed by the Colorado Department of Public Health and Environment; certified for Medicaid and Medicare participation by the federal Center for Medicare and Medicaid Services; and accredited by the Joint Commission, a recognized nationwide symbol of quality.

Problem or Opportunity

- The Institutes are in critical need of equipment replacements, repairs, and minor renovations.
- The Department previously submitted, and was funded for replacement equipment for the Mental Health Institutes in FY 2005-06. Due to State budgetary constraints, the Department has not submitted subsequent requests for hospital equipment or minor renovations.
- Without funding, the Department has delayed purchasing equipment and relied on repeated repairs to extend the life of the equipment on hand. Capital equipment, furniture and minor renovations are required to meet the needs of both CMHIP and CMHIFL patients and staff.

Consequences of Problem

- Failure to replace outdated equipment impacts efficiency and jeopardizes effective service delivery. Additionally, failure to maintain safe, sanitary furnishings places the Department at risk of citations by various regulatory and credentialing entities.
- Minor renovations are required to maintain proper flooring, provide necessary treatment space for patients, and office space for staff. Failure to make these renovations could result in citations by various regulatory and credentialing entities.

Proposed Solution

- Funding for equipment replacements and minor renovations at the Institutes will allow the Department to operate efficiently and effectively. The items included in this request will improve patient and staff safety, security, and ensure business continues according to standards established by several credentialing and governing entities.
- These projects fall under definition of capital outlay as outlined in OSPB's FY 2015-16 budget instructions.

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Department Priority: R-14
Request Detail: Institute Equipment Replacement and Minor Renovations

Summary of Capital Construction Request for FY 2015-16	Total Funds	General Fund
Institute Equipment Replacement and Minor Renovations	$1,711,403	$1,711,403

Problem or Opportunity:

The Department is in critical need of equipment replacements, repairs, and minor renovations at the Colorado Mental Health Institute at Fort Logan (CMHIFL) and the Colorado Mental Health Institute at Pueblo (CMHIP). Capital equipment, furniture and minor renovations are required to meet the needs of both CMHIP and CMHIFL patients. Failure to replace outdated equipment impacts efficiency and jeopardizes effective service delivery. Additionally, failure to maintain safe, sanitary furnishings places the Department at risk of citations by various regulatory and credentialing entities.

The Department previously submitted, and was funded for replacement equipment for the Mental Health Institutes in FY 2005-06. However, due to state budgetary constraints, the Department has not submitted subsequent requests for hospital equipment or minor renovations. Without funding, Department delayed purchasing equipment and relied on repeated repairs to extend the life of the equipment on hand. In one instance, required parts were fabricated by welding specialists, as the kitchen equipment is so old replacement parts are no longer manufactured. Without equipment repairs and replacements, the hospitals are at risk of not being able to prepare meals for Institute patients or offenders at the Department of Corrections leading to possible citations from the Health Department or Joint Commission. Moreover, if such services are outsourced due to equipment failure, the cost will be much higher. For example, the kitchen at CMHIP bakes loaves of bread for between $0.56 per loaf and $0.62 per loaf depending on the type of bread, and bakes approximately 1,800 loaves per week. The current bid price for a loaf of bread is $1.25 to $2.24 per loaf, depending on the type of bread.

Proposed Solution:

The Department requests $1,711,403 General Fund in FY 2015-16 to replace outdated equipment, repair and replace furnishings, purchase enhanced security equipment, and make minor renovations to work areas within the Institutes. These projects fall under definition of capital outlay as outlined in OSPB's FY 2015-16 budget instructions. Capital outlay projects, which can be funded through the Department's operating budget, include small equipment alterations and replacements, along with routine maintenance, minor construction, and renovation.

The Department is in critical need of equipment replacements, repairs, and minor renovations at the Colorado Mental Health Institute at Fort Logan (CMHIFL) and the Colorado Mental Health Institute at

Pueblo (CMHIP). The capital equipment, furniture, and minor renovations are required to meet the needs of both CMHIP and CMHIFL patients and staff. Failure to replace outdated equipment impacts efficiency and jeopardizes effective service delivery. Additionally, failure to maintain safe and sanitary furnishings places the Department at risk of citations by various regulatory and credentialing entities.

Patient Life Safety $43,048

- Vital Sign Monitors, Crash Carts, and Suction Machines: Estimated cost: $33,048. CMHIFL is in need of replacing emergency equipment. Crash carts are used during emergency situations and are a common piece of equipment at any medical facility. Crash carts are used for storing lifesaving equipment that is easily movable and readily accessible into all sides of the cart for quickly viewing and removing equipment during a crisis situation. Vital sign monitors measure various physiological statistics in order to assess the most basic body functions. There are four vital signs which are standard in most medical settings: body temperature, pulse rate/heart rate, blood pressure and respiratory rate. Vital sign monitors need to be replaced routinely as a false-reading could lead to inappropriate care or transfer to the emergency room, unnecessarily increasing costs to the Institutes. Suction machines, used in emergency situations to clear the patient's airways, are also a component of the emergency equipment on a crash cart. Failure to have fully functioning and operational vital sign monitors, crash carts and suction machines could lead to false readings requiring costly and unnecessary outside medical care, and most seriously, could lead to a patient sentinel event.

- Anesthesia machine: Estimated cost: $10,000. CMHIFL is in need of a replacement anesthesia machine in order to safely monitor patients who are undergoing general anesthesia necessary for Electroconvulsive Therapy treatments (ECT). The existing unit is no longer supported by the manufacture and no replacement parts are available. Failure to have a fully functioning and operational anesthesia machine would require ECT procedures to be conducted by an outside provider, to include costs for transporting the patient (fuel costs and transport FTE costs), and most seriously, could lead to a patient sentinel event.

Patient Care $490,550

- Computed Radiography (CR) readers: Estimated cost: $83,020. The Institutes are in need of new and replacement digital radiography equipment. A CR reader is radiography equipment that works in conjunction with conventional x-ray systems, in which images are digital instead of taken on an imaging plate. A digital image can then be reviewed and enhanced using software that has functions very similar to other conventional digital image-processing software, such as contrast, brightness, filtration, and zoom. The current reader at CMHIP is failing and in need of replacement. Currently images are distorted and lines are seen throughout the image, similar to a scratch. CMHIFL does not currently have a digital radiography system, and it has become increasingly difficult to purchase supplies for the current non-digital system. A modern radiograph machine will also ensure both Institutes have compatibility with the Electronic Health Record system the Department will be implementing within the next few years. Equipment failure would require outsourcing services, to include costs for transporting the patient (fuel costs and transport FTE costs), and could delay direct patient care.

- Patient Transportation Carts: Estimated cost: $45,000. CMHIP is in need of replacement patient transportation units. These units are similar to a golf cart, or skycap wagon at an airport. CMHIP is located on a 300 plus acre campus with numerous buildings and treatment locations. Patients are often unable to walk to treatment meetings, recreational areas, the Chapel, and other areas around

the campus. Patient transportation carts are utilized on a daily basis to transport patients to their required areas. The current carts at CMHIP are failing and require frequent maintenance. Many times, the transportation carts break down while a patient is on-board, creating delays and additional stress to the patient. The carts are not currently able to accommodate wheelchairs, and do not provide protection from weather elements. CMHIP is in need of three replacement transportation carts, one of which can accommodate a wheelchair. Equipment failure would require the use of wheelchairs, or multiple full-size gasoline powered vehicles, which would be more costly.

- Optometry equipment: Estimated cost: $26,000. CMHIFL is in need of replacement optometry equipment. This request includes a new optometry slit lamp, chair, stand, auto cross refractor, phoropter, stool, and digital image projector. The current optometry chair is in such poor condition; the chair often can raise the patient to the required height for an exam, but then does not lower the patient because it becomes stuck. An optometry slit lamp allows the doctor to examine areas at the front of the eye, including the eyelids, conjunctiva, iris, lens, sclera and cornea. The retina and optic nerve can also be seen. The doctor can microscopically examine the eye for any abnormalities or problems. A phoropter is an instrument used to test individual lenses on each eye during the exam. Failure to replace the optometry equipment could lead to a delay in patient care, the outsourcing of optometry services to include transporting the patient (fuel costs and transport FTE costs). An additional risk exists for potential injury to staff or patient should the optometry chair become stuck while in use.

- Limestone Plethysmograph: Estimated cost: $20,490. CMHIP is in need of a replacement plethysmograph (PPG). A PPG is a medical instrument often used in sex-offender treatment. The current PPG is in frequent need of repair, and technical support is difficult, if not impossible to receive in an acceptable time frame. It is rare the vendor can troubleshoot the issues over the phone, which requires the computer and all associated components be sent to Utah for processing/repair, resulting in a minimum a 2-week delay in treatment. Failure to replace the current PPG could result in outsourcing of services; however, previous attempts to outsource sex offense specific treatment and assessments has proven to be difficult, resulting in delays to patient progression.

- Trauma Informed Care: Estimated cost: $21,400. The Mental Health Institutes were funded for a new Trauma Informed Care program as part of the Governor's FY 2013-14 Mental Health Initiatives. The Trauma Informed Care programs have been highly successful, and the patients at the Institutes have enjoyed and benefited from using the new relaxation rooms. The relaxation rooms at the Institutes include a wide variety of relaxation equipment, supplies, and furniture, to include a relaxation chair. Due to the popularity of the relaxation rooms, the relaxation chairs have broken and are in need of replacement. This request also includes adding an additional relaxation room at CMHIP, within the Continuum of Recovery Unit (CORE). CORE is a psych-social unit, with many patients who are chronically mentally ill. CORE patients are not able to access the new relaxations rooms as they are located in the High Security Forensic Institute building and the Adolescent Unit. Funding these items provides for the continuation of the Governor's Mental Health Initiative as well as expands the services to patients on the CMHIP campus who do not currently have access to the relaxation rooms.

- Remodel treatment room: Estimated cost: $42,000. CMHIFL is requesting $30,000 to convert a seclusion room into a family therapy/visitor room. As the Department's treatment philosophy has changed, the use of seclusion as a treatment intervention for patients has greatly diminished. The

Institute has a need for fewer seclusion rooms and more therapy and visitation rooms. Remodeling the seclusion room would allow the hospital staff to meet with patients and their families in a private area to provide patient and family therapy. Additionally, converting the seclusion room into a family therapy and visitation room would address the Colorado Department of Public Health and Environment regulation which requires psychiatric units to have a visitor room *(Regulation (6 CCR 1011-1, chapter 18, part 11.104, 7d).* CMHIP is requesting $12,000 for tables to conduct patient group therapy sessions in the treatment malls. The current tables are worn and torn, and in insufficient quantity to meet need.

- Hi-Lo Mat: Estimated cost: $5,000. CMHIP is in need of a new Hi-Lo mat for the physical therapy department. A Hi-Lo mat (similar to an exam table) is used to assess patient mobility and perform therapeutic exercises. This mat has the ability to raise and lower which is beneficial for the various types of assessments and exercises needed by the patients. Additionally, due to the aging and geriatric patient population at CMHIP, a mat that can be lowered accommodates the physical limitations of the patients. Failure to meet the needs of aging patients due to inadequate physical therapy mats will result in costs to outsource service to include transporting the patient (fuel costs and transport FTE costs).

- Medication cassettes: Estimated cost: $6,000. CMHIFL is in need of new medication cassettes. Medication cassettes are bins that store and hold the weekly medication dosages for each patient. The new medication cassettes will improve workflow and the organization of medications. Many prescriptions require the pharmacy to prepare the dosages within an hour of receiving the order, and the medication cassettes will improve the organization and efficiency processes in order to meet the required distribution time frames. Organization and improved workflow processes also assist in preventing errors.

- Food carts, Refrigerator door, and Ice cream machine: Estimated cost: $44,500. CMHIFL is in need of replacement food carts. Food carts are used in food preparation, storage, and food delivery. Food carts are necessary to ensure food safety such as maintaining proper temperature. The current food carts are very old and heavy. Staff has difficulty steering the carts due to both the weight and the height of the carts, which poses an injury risk to staff. Newer carts are lighter, more ergonomic, and are easier to push. The food carts for the CMHIFL campus included heating and condensing units within them to maintain proper food temperatures, as required by the Health Department. CMHIFL utilizes these more sophisticated units due to the limited equipment and space within the CMHIFL kitchen. The refrigerator door for the walk-in refrigerator is very old, and difficult to open and close. A new door will include a built-in temperature gauge which will allow staff to ensure proper temperature for food safety. An ice cream machine at CMHIFL would allow for the hospital to provide ice cream without concern of storing individual serving size portions, and would also be a tool to incentivize patients. Incentives are a proven method for behavioral modification, and both Institutes have success with incentive programs. Failure to replace the food carts and refrigerator door could compromise food safety, and utilizing heavy, tall, food carts will continue to create safety risks to staff. The ice cream machine will provide an additional incentive to the patients at CMHIFL, which can lead to behavioral modification.

- Bakery equipment: Estimated cost: $93,140. CMHIP is in need of replacement equipment for operations within the bakery. The bakery produces approximately 1,800 loaves of bread each week. In order to maintain this high volume, equipment needs to be replaced routinely. The current commercial mixer is so old, parts can no longer be ordered, and must be made by a welder who can

force the creation of a part that will fit. This solution is temporary at best. A new Magna Horizontal Mixer is estimated to cost $35,000. The Department can no longer delay this replacement, and should the mixer break, the hospital will be required to purchase bread, at a minimum cost increase of 123%. The bakery is also in need of a replacement bread rounder, bread molder, bread racks, cookie machine and smaller mixer, and combo-oven at an estimated cost of $33,640. CMHIP is also in need of replacement food carts, estimated cost of $17,000. The food carts for the CMHIP campus are insulated only, and do not include built in heating or cooling mechanisms. The CMHIP kitchen is larger than CMHIFL and has heating and cooling equipment and space that maintains proper food temperatures. Equipment failure will result in the inability to provide cost effective meals to CMHIP patients and Department of Correction's offenders housed in facilities on the CMHIP campus.

- Mattresses and beds: Estimated cost: $49,000. Routinely replacing mattresses is a common procedure for agencies that provide 24/7 inpatient care. CMHIFL is in need of 50 replacement mattresses for the patient beds. CMHIP is in need of new hospital beds for the geriatric unit. These beds are equipped with alarms which will alert staff as to movement and/or emergencies. Many geriatric patients are at risk of falling due to their illness and lack of strength. The Institutes can receive citations from the Health Departments, the Joint Commission, and Centers for Medicare and Medicaid (CMS) if living conditions are not up to standard.

- Furniture Re-upholstery: Estimated cost: $30,000. The Institutes are required to provide safe and sanitary living conditions for the patients. Worn and torn furniture is not only unsightly, but also a health hazard. The Institutes can receive citations from the Health Departments, the Joint Commission, and Centers for Medicare and Medicaid (CMS) if living conditions are not up to standard.

- Furniture: Estimated cost: $25,000. The Institutes provide treatment to patients in day halls (treatment malls), courtyards, gymnasiums, and various other locations within the hospitals. Rehabilitation can be improved with a variety of surroundings. The Department requests funds to replace old, worn out furnishings in the treatment mall and the courtyards at both hospitals. The Institutes can receive citations from the Health Departments, the Joint Commission, and Centers for Medicare and Medicaid (CMS) if living conditions are not up to standard.

Safety and Security $1,077,051

- Intercom system: Estimated cost: $800,000. The Department requests new intercom systems at both Institutes. An intercom system is a critical component for safety and security. An intercom system is used to announce safety drills, emergency situations on patient units, weather warnings, and a myriad of other communications to ensure patient and staff safety. CMHIFL does not have an intercom system, and there have been several critical situations in which an intercom system would have allowed for improved handling of situations. The intercom system in Building 125 at CMHIP is old and outdated, and repairs are becoming more challenging as parts are being phased out. Without replacement, CMHIP will soon be without an intercom system in Building 125. Failure to have operational intercom systems at the Mental Health Institutes creates serious vulnerabilities for patients and staff.

- Security equipment: Estimated cost: $55,051. CMHIFL is in need of a security camera system for the facility. The current security camera system is old and outdated, and the footage from the film is blurry and unusable should there be a need to review a recording. These additional tools will

provide enhanced security for the building. Additionally, the doors at CMHIFL need to be replaced with security entrance doors to improve security functionality for those entering the hospital. CMHIP requires additional personal duress alarms which allow staff to notify the communication center of an emergency. Failure to have necessary security equipment at the Mental Health Institutes creates serious vulnerabilities for patients and staff.

- Replace flooring: Estimated cost: $222,000. CMHIFL is in need of routine carpet replacement due to normal wear and tear. Carpet is in need of replacement in the dining hall, pharmacy, and library. Failure to replace worn carpet creates potential trip hazards, which can lead to staff injury and increased costs to pay overtime or temporary staff to cover shifts vacated by workers compensation leave; or patient injury which could result in increased outside medical care costs. Failure to replace flooring could also lead to a regulatory citation for failing to provide a safe environment of care.

Office/staff Space $100,754

- Court Services office space: Estimated cost: $65,754. Both Mental Health Institutes have outgrown the current available office space. In order to accommodate the programmatic needs, additional office space is required. The Institutes previously utilized contract court service evaluators. These contracted evaluators worked out of their own private offices. It was determined through further review by the Department, the contract staff should be state FTE in order to be in compliance with State Personnel Rules, Procurement policies, and state statutes. All but one contracted position has been converted to a state FTE. Office space, to include patient interview rooms, is required at both hospitals, and necessary to complete the services provided by Court Services.

- On-Call Doctor office: Estimated cost: $35,000. CMHIFL is in need of renovations to the on-call doctor office. On-call doctors provide coverage at CMHIFL throughout the night and early mornings, and on holidays, generally outside of the normal working hours of the doctors on staff. The current on-call doctor office does not include a private shower, which is problematic as patients or other staff can unintentionally interrupt the medical doctor while in the shower. This also presents a safety and security issue for both the patients and staff. A private, modestly accommodated on-call doctor office is critical for recruitment and retention of on-call doctors, as competing entities offer higher wages and other perks. On-call doctor offices and suites are commonplace at medical hospitals and other medical institutions that require round-the-clock coverage. Should CMHIFL be unable to attract on-call doctors, a high cost contractual agreement would be the only alternative.

Anticipated Outcomes:

Routinely replacing worn, outdated equipment and furnishings allows the Department to operate efficiently and effectively. The items included in this request will improve patient and staff safety, security, and ensure business continues according to standards established by several credentialing and governing entities. Service delivery to patient will continue at the expected high level.

Improving and maintaining the Mental Health Institutes facilitates the second half of Goal Five in the Departments Performance Plan "…expanding community supports in mental health and substance abuse services." It is consistent with the Governor's goal of strengthening Colorado's Mental Health System.

Assumptions and Calculations:

Assumptions and calculations are based on recent quotes from vendors, vendor websites, vendor catalogs, and estimates from the Department's Facility Management Division. Please see Exhibits A, B, C, D and E for further detail. While all requested items are important to the Institutes, they have been categorized into High, Medium and Low priorities.

	CMHIFL	CMHIP	Total
Total – All Priorities	**$920,448**	**$790,955**	**$1,711,403**
Total – High and Medium	$877,948	$725,201	$1,603,149
Total – Only High	$608,548	$672,711	$1,281,259

Additional Information

	Yes	**No**	**Additional Information**
Is the request driven by a new statutory mandate?		X	
Will the request require a statutory change?		X	
Is this a one-time request?	X		
Will this request involve IT components?		X	
If yes, has OIT reviewed the request and submitted a corresponding Schedule 13?			
Does this request impact other state agencies?		X	
If yes, has the other impacted state agencies reviewed the request and submitted a corresponding Schedule 13?			
Is there sufficient revenue to support the requested cash fund expenditures?			
Does the request link to the Department's Performance Plan?		X	

Exhibit A: Institute Equipment Replacement and Minor Renovations Summary

Colorado Mental Health Institute at Fort Logan	
Safety and Security	**$640,000**
Patient Life Safety	**$43,048**
Patient Care	**$202,400**
Office/staff Space	**$35,000**
Total Fort Logan	**$920,448**
Colorado Mental Health Institute at Pueblo	
Safety and Security	**$437,051**
Patient Care	**$288,150**
Office/staff Space	**$65,754**
Total Pueblo	**$790,955**
GRAND TOTALS	
Safety and Security	**$1,077,051**
Patient Life Safety	**$43,048**
Patient Care	**$490,550**
Office/staff Space	**$100,754**
GRAND TOTAL	**$1,711,403**

Exhibit B: Institute Equipment Replacement and Minor Renovations
Colorado Mental Health Institute at Fort Logan

CMHIFL	Impact	Item	QTY	UNIT COST	TOTAL	SOURCE OF ESTIMATE	PRIORITY #
OD Quarters	Office/staff Space	Remodel Suite to add shower	1	$35,000	$35,000	Facilities	21
	Office/staff Space Total				**$35,000**		
Nutritional Services	Patient Care	Food carts	4	$8,000	$32,000	KATOM Restaurant Supply Inc	6
X-Ray	Patient Care	Digital Radiography System	1	$30,500	$30,500	Merry X-Ray	7
Hospital Teams	Patient Care	Mattresses	50	$380	$19,000	Durby Industries	9
Medical Clinic	Patient Care	Optometry Equipment including Slit Lamp	1	$26,000	$26,000	GM Ophtalmic Svcs Arvada, CO	13
Hospital Teams	Patient Care	Patient massage chairs	4	$1,600	$6,400	NurtureCenter	16
Pharmacy	Patient Care	Medication cassettes (storage)	1	$6,000	$6,000	Health Care Logistics Inc	17
Nutritional Services	Patient Care	Replace door to walk in refrigerator	1	$5,000	$5,000	RSD	19
Hospital	Patient Care	Remodel Team 1 seclusion room to a conference room	1	$30,000	$30,000	Facilities	20
Nutritional Services	Patient Care	Ice cream machine	1	$7,500	$7,500	Saniserv.com	22
Various Units	Patient Care	Furniture Re-upholstery	25	$600	$15,000	Estimate based on prior year Cci quote	8
Hospital Teams	Patient Care	Courtyard furniture	33	varies	$25,000	Norix	12
	Patient Care Total				**$202,400**		
Hospital	Patient Life Safety	Suction Machines	10	$995	$9,950	Armstrong Medical	1
Hospital	Patient Life Safety	Crash carts	6	$1,143	$6,858	Harloff Medical	2
Clinical Teams	Patient Life Safety	Vital Sign Monitors for each clinical unit	4	$4,060	$16,240	Boothmed.com	3
Medical Clinic	Patient Life Safety	Anesthesia machine	1	$10,000	$10,000	DRE Medical	4
	Patient Life Safety Total				**$43,048**		10
Hospital	Safety and Security	Intercom system	1	$400,000	$400,000	Siemens	5
Hospital	Safety and Security	Replace outside doors with security entrance doors	5	$2,000	$10,000	Facilities	10
Hospital	Safety and Security	4 Security cameras + DVR + monitor	6	varies	$8,000	Sierra	11
Nutritional Services	Safety and Security	Remove carpet in dining room and install	1	$117,000	$117,000	Facilities	14
Pharmacy	Safety and Security	Remove carpet and install linoleum	1	$63,000	$63,000	Facilities	15
Library	Safety and Security	Recarpet library & office	1	$42,000	$42,000	Facilities	18
	Safety and Security Total				**$640,000**		
	Grand Total				**$920,448**		

Exhibit C: Institute Equipment Replacement and Minor Renovations
Colorado Mental Health Institute at Fort Logan

Priority #	Need Rating	CMHIFL	Impact	Item	QTY	UNIT COST	TOTAL	SOURCE OF ESTIMATE
1	HIGH	Hospital	Patient Life Safety	Suction Machines	10	$995	$9,950	Armstrong Medical
2	HIGH	Hospital	Patient Life Safety	Crash carts	6	$1,143	$6,858	Harloff Medical
3	HIGH	Clinical Teams	Patient Life Safety	Vital Sign Monitors for each clinical unit	4	$4,060	$16,240	Boothmed.com
4	HIGH	Medical Clinic	Patient Life Safety	Anesthesia machine	1	$10,000	$10,000	DRE Medical
5	HIGH	Hospital	Safety and Security	Intercom system	1	$400,000	$400,000	Siemens
6	HIGH	Nutritional Services	Patient Care	Food carts	4	$8,000	$32,000	KATOM Restaurant Supply Inc
7	HIGH	X-Ray	Patient Care	Digital Radiography System	1	$30,500	$30,500	Merry X-Ray
8	HIGH	Various Units	Patient Care	Furniture Re-upholstery	25	$600	$15,000	Estimate based on prior year Cci quote
9	HIGH	Hospital Teams	Patient Care	Mattresses	50	$380	$19,000	Durby Industries
10	HIGH	Hospital	Safety and Security	Replace outside doors with security entrance doors	5	$2,000	$10,000	Facilities
11	HIGH	Hospital	Safety and Security	4 Security cameras + DVR + monitor	6	varies	$8,000	Sierra
12	HIGH	Hospital Teams	Patient Care	Courtyard furniture	33	varies	$25,000	Norix
13	HIGH	Medical Clinic	Patient Care	Optometry Equipment including Slit Lamp	1	$26,000	$26,000	GM Ophtalmic Svcs Arvada, CO
14	MEDIUM	Nutritional Services	Safety and Security	Remove carpet in dining room and install	1	$117,000	$117,000	Facilities
15	MEDIUM	Pharmacy	Safety and Security	Remove carpet and install linoleum	1	$63,000	$63,000	Facilities
16	MEDIUM	Hospital Teams	Patient Care	Patient massage chairs	4	$1,600	$6,400	NurtureCenter
17	MEDIUM	Pharmacy	Patient Care	Medication cassettes (storage)	1	$6,000	$6,000	Health Care Logistics Inc
18	MEDIUM	Library	Safety and Security	Recarpet library & office	1	$42,000	$42,000	Facilities
19	MEDIUM	Nutritional Services	Patient Care	Replace door to walk in refrigerator	1	$5,000	$5,000	RSD
20	MEDIUM	Hospital	Patient Care	Remodel Team 1 seclusion room to a conference room	1	$30,000	$30,000	Facilities
21	LOW	OD Quarters	Office/staff Space	Remodel Suite to add shower	1	$35,000	$35,000	Facilities
22	LOW	Nutritional Services	Patient Care	Ice cream machine	1	$7,500	$7,500	Saniserv.com
			Grand Total				**$920,448**	

Exhibit D: Institute Equipment Replacement and Minor Renovations

Colorado Mental Health Institute at Pueblo

CMHIP	Impact	Item	Quantity	Unit Cost	Total Cost	Source of Estimate	Priority #
Court Services (Bldg 116-RmC303)	Office/staff space	Interview room	1	$13,878	$13,878	Facilities	19
Court Services (Bldg 125-Rm B143)	Office/staff space	Office space	1	$15,876	$15,876	Facilities	20
Court services	Office/staff space	Office space at CMHIFL	1	$36,000	$36,000	Facilities	21
	Office/staff Space Total				**$65,754**		
North Kitchen -Bake Shop	Patient Care	Magna Horizontal Mixer	1	$35,000	$35,000	United Restaurant Supply	2
Various Units	Patient Care	Patient transportation unit	3	$15,000	$45,000	www.motoelectricvehicles.com	3
Geriatrics	Patient Care	Beds	4	$7,500	$30,000	GoBeds	4
Radiology	Patient Care	CR Reader	1	$52,520	$52,520	Quote from Medical Imaging Technologies	5
North Kitchen	Patient Care	GROEN Combi-Oven	2	$2,675	$5,350	Heritage Food Service Equipment, Inc	9
North Kitchen -Bake Shop	Patient Care	Bread Moulder-H511-149	1	$7,500	$7,500	United Restaurant Supply	10
North Kitchen	Patient Care	Cookie Machine-Rhodes,1735	1	$7,500	$7,500	United Restaurant Supply	11
North Kitchen	Patient Care	Hobart Mixer,80 quart	1	$7,500	$7,500	HOBART Corp, Grady's Restaurant Supply	12
North Kitchen	Patient Care	Cart Storage Food Box,CAMBROs	10	$1,700	$17,000	Grainger	13
North Kitchen -Bake Shop	Patient Care	Bread Rounder	1	$7,500	$7,500	United Restaurant Supply	14
North Kitchen -Bake Shop	Patient Care	Bread Rack	6	$965	$5,790	Refrigeration Equipment	15
CORE unit	Patient Care	Relaxation room	1	$15,000	$15,000	Facilities	16
Bldg 131 (Tx mall)	Patient Care	Large Conference room tables	4	$3,000	$12,000	Cci website	17
Physical Therapy	Patient Care	Hilo Mat	1	$5,000	$5,000	www.AliMed.com, Model #FSS71 0506	18
Psychology	Patient Care	Limestone Plethysmograph and guages	1	$20,490	$20,490	Monarch Behavioral Technology	19
Nursing-L1	Patient Care	Re-upholster dayhall furniture and quiet living area	various	$15,000	$15,000	Similar to CMHIFL estimate	15
	Patient Care Total				**$288,150**		
Hospital Ops	Safety and Security	Personal Duress Alarms	79	$469	$37,051	Actall Corp, Denver Co, 1-800-598-1745	1
Hospital	Safety and Security	Intercom system	1	$400,000	$400,000	Similar to CMHIFL estimate	14
	Safety and Security Total				**$437,051**		
	Grand Total				**$790,955**		

Exhibit E: Institute Equipment Replacement and Minor Renovations

Colorado Mental Health Institute at Pueblo

Priority #	Need Rating	CMHIP	Impact	Item	Quantity	Unit Cost	Total Cost	Source of Estimate
1	HIGH	Hospital	Safety and Security	Personal Duress Alarms	79	$469	$37,051	Actall Corp, Denver Co, 1-800-598-1745
2	HIGH	North Kitchen -Bake Shop	Patient Care	Magna Horizontal Mixer	1	$35,000	$35,000	United Restaurant Supply
3	HIGH	Various Units	Patient Care	Patient transportation unit	3	$15,000	$45,000	www.motoelectricvehicles.com
4	HIGH	Geriatrics	Patient Care	Beds	4	$7,500	$30,000	GoBeds
5	HIGH	Radiology	Patient Care	CR Reader	1	$52,520	$52,520	Quote from Medical Imaging Technologies
6	HIGH	North Kitchen	Patient Care	GROEN Combi-Oven	2	$2,675	$5,350	Heritage Food Service Equipment, Inc
7	HIGH	North Kitchen -Bake Shop	Patient Care	Bread Moulder-H511-149	1	$7,500	$7,500	United Restaurant Supply
8	HIGH	North Kitchen	Patient Care	Cookie Machine-Rhodes,1735	1	$7,500	$7,500	United Restaurant Supply
9	HIGH	North Kitchen	Patient Care	Hobart Mixer,80 quart	1	$7,500	$7,500	HOBART Corp, Grady's Restaurant Supply
10	HIGH	North Kitchen	Patient Care	Cart Storage Food Box,CAMBROs	10	$1,700	$17,000	Grainger
11	HIGH	North Kitchen -Bake Shop	Patient Care	Bread Rounder	1	$7,500	$7,500	United Restaurant Supply
12	HIGH	North Kitchen -Bake Shop	Patient Care	Bread Rack	6	$965	$5,790	Refrigeration Equipment
13	HIGH	CORE unit	Patient Care	Relaxation room	1	$15,000	$15,000	Facilities
14	HIGH	Hospital	Safety and Security	Intercom system	1	$400,000	$400,000	Similar to CMHIFL estimate
15	MEDIUM	Nursing-L1	Patient Care	Re-upholster dayhall furniture and quiet living area (vinyl)	various	$15,000	$15,000	Similar to CMHIFL estimate
16	MEDIUM	Bldg 131 (Tx mall)	Patient Care	Large Conference room tables	4	$3,000	$12,000	Cci website
17	MEDIUM	Physical Therapy	Patient Care	Hilo Mat	1	$5,000	$5,000	www.AliMed.com, Model #FSS71 0506
18	MEDIUM	Psychology	Patient Care	Limestone Plethysmograph and guages	1	$20,490	$20,490	Monarch Behavioral Technology
19	LOW	Court Services (Bldg 116-RmC303)	Office/staff Space	Interview room	1	$13,878	$13,878	Facilities
20	LOW	Court Services (Bldg 125-Rm B143)	Office/staff Space	Office space	1	$15,876	$15,876	Facilities
21	LOW	Court services	Office/staff Space	Office space at CMHIFL	1	$36,000	$36,000	Facilities
			Grand Total				**$790,955**	

Schedule 13

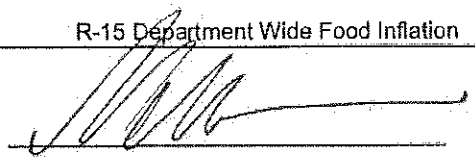
Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-15

Request Titles

R-15 Department Wide Food Inflation

Dept. Approval By: 

OSPB Approval By: 

	Supplemental FY 2014-15
X	Change Request FY 2015-16
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16 FY 2015-16	FY 2016-17 Continuation
Total of All Line Items	**Total**	**$12,380,828**	**$0**	**$12,374,272**	**$91,723**	**$91,723**
	FTE	-	-	-	-	-
	GF	$6,912,210	$0	$6,905,654	$71,268	$71,268
	CF	$527,162	$0	$527,162	$0	$0
	RF	$4,941,240	$0	$4,941,240	$20,455	$20,455
	FF	$216	$0	$216	$0	$0

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16 FY 2015-16	FY 2016-17 Continuation
	Total	**$1,067,055**	**$0**	**$1,068,005**	**$7,285**	**$7,285**
	CF	$123,727	$0	$123,727	$0	$0
08. Behavioral Health Services - Operating Expenses	GF	$907,646	$0	$908,596	$7,285	$7,285
	RF	$35,682	$0	$35,682	$0	$0
	Total	**$5,293,919**	**$0**	**$5,286,413**	**$20,843**	**$20,843**
	CF	$403,435	$0	$403,435	$0	$0

Cost and FTE

- The Department requests one-time $91,723 total funds ($71,268 General Fund and $20,455 reappropriated funds) in FY 2015-16 as a result of raw food inflation. This represents a 3% inflationary food cost increase for meals that are served to clients and residents at the Department's Mental Health Institutes, Division of Youth Corrections, and Regional Centers.

Current Program

- The Department of Human Services is mandated to provide nutritionally adequate meals.
- The Department spent $3,057,407 in food costs during FY 2013-14 to provide 1,539,725 meals to over 1,406 average daily residents at its Mental Health Institutes, Regional Centers and Division of Youth Corrections.
- The cost of raw food continues to rise. The United States Department of Agriculture (USDA) and the Consumer Price Index (CPI) anticipate a 2.5%-3.5% food cost increase in 2014.

Problem or Opportunity

- Prior to the economic downturn, food inflation increases were a component of the Joint Budget Committee's Common Policy.
- Since FY 2008-09, the Department has absorbed the on-going increases in food costs in its operating expenses, which has prevented or delayed the purchase and replacement of necessary operating supplies, medical equipment, and has presented challenges in meeting other operating budget requirements.
- Food costs have increased year-over-year, with an overall compounded annual growth of over 6.0% over the last five years. Without additional operating funds, the Department will need to defer critical equipment replacement and restrict spending in other critical areas of service.

Consequences of Problem

- With insufficient funding, it becomes challenging for the Department to provide adequate and nutritious meals to its residents.
- Inadequate funding reduces operating dollars and prevents the Department from addressing the repair and/or replacement of aging equipment. Deferred replacement of equipment and deferred maintenance may result in higher operating costs in the future.

Proposed Solution

- The Department requests an inflationary increase for raw foods costs of 3%. This will provide adequate resources for continuous nutritional meals and allow the Department to operate and maintain its 24/7 facilities.

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Department Priority: R-15
Request Detail: Department Wide Food Inflation

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund	Reappropriated Funds
Funding for Food Inflation	$91,723	$71,268	$20,455

Problem or Opportunity:

The cost of raw food continues to rise each year, creating food inflation rates that are compounded on an annual basis, which must be absorbed by the programs within the Department of Human Services (Department). The Department is required to provide nutritiously adequate meals to patients housed at all of its facilities. The meals must meet or exceed guidelines set forth by the Centers for Medicare and Medicaid Services (CMS), the Joint Commission (JHACO), National School Lunch Program (NSLP), and Academy of Nutrition and Dietetics Standards. Between the Department's Mental Health Institutes, Division of Youth Corrections, and Regional Centers, 1,539,725 meals a year are provided to an average of 1,406 clients a day.

Currently, due to increased food costs, some programs are looking into decreasing serving sizes for all meals and changing snack menus. For example, the Division of Youth Corrections (DYC) is considering replacing milk with juice for one of its snacks as milk prices are up four cents per half pint as of July 1, 2014. DYC is already very close in approaching the minimum nutrition standards of the National School Lunch Program (NSLP)[1], and the Breakfast and Snack Programs have undergone further cuts to meet budget requirements. These reductions could result in compliance issues for the program.

Table 1 illustrates how the rise in price of just one food product can affect a program:

Table 1

DYC Milk Cost	
Milk price increase	$0.04
Average daily population (DYC)	619
Servings per day	3
Extra cost per week	$520
Extra cost per year	$27,038

[1] *"Nutrition Standards for School Meals"*, U.S. Department of Agriculture, Food and Nutrition Service, http://www.fns.usda.gov/school-meals/nutrition-standards-school-meals

From FY 2005-06 through FY 2007-08, food inflation increases were a component of Joint Budget Committee common policy. Since that time, food costs have increased, with an overall compounded annual growth rate of over 6.0%. In 2014 alone, the Consumer Price Index (CPI) for overall food costs (including meats, fruits, and vegetables) is expected to increase 2.5 to 3.5 percent, according to the USDA Economic Research Service[2] (Exhibit B). With 7 years of compounded annual food inflation, the Department and its sister agency, the Department of Corrections (DOC), have had a difficult time providing adequate meals to their patients given rising prices. This has created pressure on the Departments' operating budgets, leading to challenges in purchasing everyday operational items and conducting critical equipment repair, replacement and maintenance.

The Colorado Mental Health Institute at Fort Logan (CMHIFL) and the Colorado Mental Health Institute at Pueblo (CMHIP) have been faced with this problem for years and can no longer absorb the on-going increases in food costs. In order to accommodate the increasing food costs, program decisions have been delayed equipment and building repairs, postpone equipment replacements, and reduce everyday ongoing expenses. As a result, much of the equipment in need of repair must now be replaced due to the unavailability of crucial parts which are no longer manufactured for equipment that is now outdated. Furthermore, last year, DYC cut planned equipment replacement purchasing by half, and this year the program may need to eliminate equipment replacement altogether. When programs within the Department are required to use all of their resources to absorb increased food costs, they can no longer operate as intended, potentially risking their commitment to provide high quality human and health services for the well-being of the people of Colorado.

In addition to its own programs, the Department partners with the DOC at the Colorado Mental Health Institute at Pueblo, preparing approximately 3,000 additional meals a day to feed DOC offenders on the campus. Though the DOC reimburses the Department for meals through an Inter-agency agreement (IA), the IA does not account for any type of food inflation, further limiting the Department's operating costs within current spending authority. This request does not address the food inflation costs for the DOC meals, as these costs are addressed through a separate funding request submitted by the DOC. As is clearly evident, both Departments can no longer absorb the on-going increases in food costs, and will submit an annual inflationary request to accommodate the costs as necessary.

Proposed Solution:

The Department is requesting one-time funding of $91,723 total funds, including $71,268 General Fund and $20,455 reappropriated funds, in FY 2015-16, to account for inflation on raw food throughout its various programs. This request runs parallel to the Department of Corrections' food inflation request, using the 3% median increase in raw food costs based on the 2013-14 CPI. Raw food cost increases related to meals prepared for the DOC will be submitted by the DOC, and reimbursed to the Department through the Inter-agency agreement. This request does not include the Department's Veteran Community Living Centers, as they are an enterprise and funded by resident payments and federal funds.

Anticipated Outcomes:

The funding request provides the proper level of funding to meet the current actual raw food costs, based on current costs, projected inflationary increases, and population. The proper funding level will allow the Department to operate efficiently by enabling it to provide adequate meals to patients, while simultaneously

[2] "*Changes in Food Price Index, 2012 through 2015*", U.S. Department of Agriculture, Consumer Price Index, http://www.ers.usda.gov/data-products/food-price-outlook.aspx

being able to perform regular repairs and maintenance on equipment, replace inefficient or outdated items, and ensure a high level of patient care. Compounded, increased food costs that have been diluting the Department's operating budget for the past several years will now be accounted for, giving the Department an opportunity to address other crucial areas of need.

Assumptions and Calculations:

Projected funding is based on FY 2013-14 (July 1, 2013 through June 30, 2014) actual raw food expenditures and a 3% raw food inflation increase.

Detailed calculations are included in the following exhibits:

Exhibit A shows the Department's raw food expenditures in FY 2013-14, calculated by facility, and what the 3% inflationary impact would be. The exhibit also outlines the number of yearly meals each facility distributes, on average, how many clients it serves, and the total dollar amounts of raw food expenses.

Exhibit B is from the U.S. Department of Agriculture website, citing statistics from the Consumer Price Index and the Bureau of Labor Statistics. The 2014 forecast indicates a 2.5% - 3.5% food inflation forecast. The 2015 forecast indicates a 2.0% - 3.0% food inflation forecast.

Exhibit A

DHS FY 2013-14 Raw Food Expenditures					
Facility	**# Meals**	**Average Daily Clients**	**Raw Food Expenses**	**% Inflation**	**Total**
IIB- Mental Health Institute Pueblo	438,207	400	$694,764	3.0%	$20,843
IIC- Mental Health Institute Fort Logan	110,850	101	$242,828	3.0%	$7,285
IKA- Division of Youth Corrections	677,662	619	$1,437,991	3.0%	$43,140
Total- General Fund	**1,226,719**	**1,120**	**$2,375,583**	**3.0%**	**$71,268**
IJB- Grand Junction Regional Center	99,141	91	$185,338	3.0%	$5,560
IJC- Wheat Ridge Regional Center	137,466	126	$383,234	3.0%	$11,497
IJD- Pueblo Regional Center	76,398	70	$113,253	3.0%	$3,398
Total- Reappropriated Funds	**313,006**	**286**	**$681,824**	**3.0%**	**$20,455**

General Fund	$71,268
Reappropriated Funds	$20,455
Medicaid Cash Fund	$20,455
Medicaid General Fund	$10,021
Total Funds	$91,723

Exhibit B

Changes in Food Price Indexes, 2012 through 2015

Item	Relative importance[1]	Month-to-Month May 2014 to Jun 2014	Year-over-Year Jun 2013 to Jun 2014	Year-to-Date Dec 2013 to Jun 2014	Annual 2012	Annual 2013	**Forecast 2014**	**Forecast 2015**
Consumer Price Indexes	*Percent*							
All food	100.0	0.0	2.3	1.9	2.6	1.4	2.5 to 3.5	**2.0 to 3.0**
Food away from home	41.1	0.2	2.2	1.3	2.8	2.1	2.5 to 3.5	**2.0 to 3.0**
Food at home	58.9	-0.1	2.4	2.3	2.5	0.9	2.5 to 3.5	**2.0 to 3.0**
Meats, poultry, and fish	12.5	0.5	7.5	6.2	3.6	2.1	3.5 to 4.5	**3.0 to 4.0**
Meats	7.9	0.5	9.4	8.0	3.4	1.2	4.0 to 5.0	**3.0 to 4.0**
Beef and Veal	3.6	0.1	10.4	9.2	6.4	2.0	5.5 to 6.5	**3.0 to 4.0**
Pork	2.5	0.5	12.0	10.1	0.3	0.9	5.5 to 6.5	**3.0 to 4.0**
Other meats	1.8	1.1	3.9	2.9	1.7	-0.1	2.0 to 3.0	**2.5 to 3.5**
Poultry	2.6	0.5	1.7	1.5	5.5	4.7	3.0 to 4.0	**2.5 to 3.5**
Fish and seafood	2.0	0.3	7.2	5.2	2.4	2.5	3.5 to 4.5	**2.5 to 3.5**
Eggs	0.9	-0.3	8.6	-0.4	3.2	3.3	5.0 to 6.0	**1.0 to 2.0**
Dairy products	6.2	-0.4	3.9	2.8	2.1	0.1	3.0 to 4.0	**2.5 to 3.5**
Fats and oils	1.8	0.1	0.0	1.1	6.1	-1.4	1.5 to 2.5	**0.5 to 1.5**
Fruits and vegetables	9.7	-1.2	3.0	2.4	-0.6	2.5	2.5 to 3.5	**2.5 to 3.5**
Fresh fruits & vegetables	7.5	-1.5	4.0	2.4	-2.0	3.3	3.0 to 4.0	**2.5 to 3.5**
Fresh fruits	4.0	-4.1	5.8	3.8	1.0	2.0	5.0 to 6.0	**2.5 to 3.5**
Fresh vegetables	3.5	1.8	2.0	0.8	-5.1	4.7	2.0 to 3.0	**2.0 to 3.0**
Processed fruits & vegetables	2.2	0.0	-0.3	2.4	3.8	0.3	2.5 to 3.5	**2.5 to 3.5**
Sugar and sweets	2.1	0.4	-1.7	0.4	3.3	-1.7	1.0 to 2.0	**1.5 to 2.5**
Cereals and bakery products	8.2	-0.2	-0.3	0.6	2.8	1.0	1.5 to 2.5	**0.5 to 1.5**
Nonalcoholic beverages	6.9	0.0	-1.0	-0.6	1.1	-1.0	1.5 to 2.5	**2.0 to 3.0**
Other foods	10.7	0.0	0.4	1.3	3.5	0.5	2.0 to 3.0	**1.5 to 2.5**

[1]BLS estimated expenditure shares, December 2013. Food prices represent approximately 14 percent of the total CPI.

[2]The most recent forecast was published on July 25th, 2014 and is usually updated by the 25th of each month.

Source: Bureau of Labor Statistics. Forecasts by Economic Research Service.

[Contact: Annemarie Kuhns 202-694-5351, amkuhns@ers.usda.gov]

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-16

Request Titles

R-16 Regional Center Depreciation Spending Authority

Dept. Approval By: Melissa Wavelet

OSPB Approval By:

	Supplemental FY 2014-15
x	Change Request FY 2015-16
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$0**	**$0**	**$0**	**$932,429**	**$932,429**
	FTE	-	-	-	-	-
Total of All Line Items	GF	$0	$0	$0	$0	$0
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$932,429	$932,429
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$0**	**$0**	**$0**	**$932,429**	**$932,429**
09. Services for People with Disabilities - Regional Center Depreciation and Maintenance	RF	$0	$0	$0	$932,429	$932,429

Letternote Text Revision Required?	**Yes**	**No** x	**If Yes, describe the Letternote Text Revision:**	
Cash or Federal Fund Name and CORE Fund Number:	**N/A**			
Reappropriated Funds Source, by Department and Line Item Name:			**Department of Health Care Policy and Financing**	
Approval by OIT?	**Yes**	**No**	**Not Required:** x	
Schedule 13s from Affected Departments:	**Yes**			
Other Information:	**N/A**			

Cost and FTE

- The Department requests $932,429 in reappropriated funds spending authority (new line item) transferred from the Department of Health Care Policy and Financing (HCPF) in FY 2015-16, FY 2016-17 and beyond to allow the Regional Centers to spend reimbursed depreciation costs for maintenance and repairs to its facilities and group homes. The funding consists of earned depreciation revenues; no new funding is requested.

Current Program

- The Regional Centers serve persons with developmental disabilities who have the most intensive service needs based on complex diagnosis. Services include 24-hour supervision, residential services, day programming, habilitation, medical, training and behavioral interventions.

Problem or Opportunity

- Depreciation is included in the rates paid to the Regional Centers by HCPF.
- Depreciation is the cost of ongoing use of the RC facilities and is calculated and reported as a cost in the State's financial statements. Depreciation, an allowable cost under federal regulations, is included in the daily reimbursable rate and the waiver fees paid by Medicaid for services provided.
- The Regional Center Depreciation and Annual Adjustments line item is reflected in HCPF's budget to account for depreciation payments; however, the Regional Centers do not have an associated depreciation expenditure or line item with spending authority for the depreciation reimbursements.

Consequences of Problem

- If spending authority is not approved, the Regional Centers will not be able to use depreciation reimbursements to quickly respond to maintenance issues.
- Deterioration of Regional Center group homes will continue, creating increased long term costs.
- Because some of the assets are specific to assisting clients living at the RCs, the potential for resident and staff injuries will increase if maintenance needs are not addressed.

Proposed Solution

- The request for spending authority to purchase, maintain or repair existing assets will reduce the need for controlled maintenance or capital purchases at the Regional Centers.
- Regional Center residents will benefit from a safer and improved living environment as the Department will have spending authority to address facility and equipment needs quickly.

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Department Priority: R-16
Request Detail: Regional Center Depreciation Spending Authority

Summary of Incremental Funding Change for FY 2015-16	Total Funds	Reappropriated Funds	Medicaid Cash Funds	Medicaid General Fund	Net General Fund
Regional Center Depreciation and Maintenance (New line)	$932,429	$932,429	$932,429	$456,797	$456,797

Problem or Opportunity:

The Department of Human Services' Regional Centers (RCs) serve persons with developmental disabilities who have the most intensive service needs based on complex diagnosis. RCs serve adults both in group homes and in some locations, on-campus. Services include 24-hour supervision, residential services, day programming, habilitation, medical, training and behavioral interventions. The RCs are located in Wheat Ridge, Grand Junction and Pueblo.

Originating with HB 04-1320, the Department of Health Care Policy and Financing (HCPF) reimburses the Regional Centers for depreciation costs. Depreciation is an allowable cost under federal regulations, and by including it in the rate, the State is able to recoup costs using Title XIX (Medicaid) funding for the use of the facilities. Currently, the Regional Center Depreciation and Annual Adjustments line item is reflected in HCPF's budget as it must account for its depreciation payments to the Department of Human Services (DHS); however, the Regional Centers do not have an associated depreciation expenditure or line item with spending authority. Therefore, the depreciation reimbursement has historically been returned to the General Fund.

The Department is not able to use the reimbursements for depreciation for needed repair and maintenance at the Regional Centers as it does not have spending authority for the reimbursed depreciation costs. The Division of Facilities Management (DFM) has worked extensively with the Regional Centers to develop lists of maintenance/repair projects to facilities. The depreciation would be used on an annual basis to keep the buildings maintained and in a good state of repair. Attachment A has a list of prioritized capital outlay needs for WRRC, PRC, and the Grand Junction Regional Center (GJRC) that the depreciation spending authority can fund over the next several years. Footnote 33a of the Supplemental Appropriations in HB 14-1238 authorized the Department to transfer $420,000 between the Regional Centers in FY 2013-14, with roll-forward authority for this amount for expenditure in FY 2014-15, for improvements to homes at the WRRC. It is important to note that none of the capital outlay items included in Attachment A for this depreciation decision item were included in the $420,000 improvements previously authorized.

Proposed Solution:

The Department of Human Services requests $932,429 reappropriated funds spending authority for FY 2015-16, FY 2016-17 and beyond to spend its depreciation reimbursements for maintenance and facility repair of the Regional Centers. A new Regional Center Depreciation and Maintenance line item is requested. Reappropriated funds transferred from HCPF include $456,797 Medicaid General Fund and $475,632 matching federal Medicaid funds. The Medicaid funding split was determined based on a current enhanced 51.01% federal share, however, the Department is aware there may be a reduction in this rate. When the new rate is released in the Federal Register in December 2014, the Department will re-estimate this request and submit appropriate budget action. The reappropriated funds represent earned revenues, and no new funding is needed. A statutory change is not required.

Providing the Regional Centers with the spending authority to use the revenues earned from reimbursement of depreciation expenses will create an improved living environment for those served. Timely response to maintenance at the Regional Centers is important to quality of care for residents to avoid injury from failing equipment, frayed carpeting and other items in need of maintenance, replacement or repair due to age and wear and tear. Spending authority will improve response time to address issues as they occur. The ability to address items in need of maintenance and repair more quickly may result in preserving the longevity of the assets and the avoidance of larger replacement costs later on.

This spending authority will not eliminate the need for funding for controlled maintenance in these facilities. It will address day-to-day maintenance and repair needs, but may not cover all critical system upgrades such as fire alarm/suppression systems, HVAC, roofs, and renovations to program space.

The request will impact HCPF's existing line item for Regional Center Depreciation and Annual Adjustments because the Department's request amount is based on actual depreciation costs in FY 2013-14. While HCPF already has spending authority, it will require an adjustment to the amount in the Depreciation and Annual Adjustments line item to reflect the most up-to-date estimated depreciation costs of $932,429 in FY 2015-16 and beyond. There are no other impacts to HCPF's budget.

Alternative:

The alternative is to continue to receive federal reimbursements for depreciation without spending authority at DHS. Under this alternative depreciation reimbursements would continue to revert to the General Fund. While this still allows the Department to recoup federal match for depreciation, it does not allow the Regional Centers, the entity that incurs the depreciation, to use the funding to maintain its facilities, and it does not benefit the residents at the Regional Center facilities.

Anticipated Outcomes:

The addition of spending authority for Regional Center depreciation will provide expenditure transparency for Regional Center depreciation reimbursements and allow the Department to plan for and address maintenance and repair concerns at the Regional Center facilities.

The outcome is in alignment with the Department's mission and values of "accountability and transparency." It also aligns with the Department's mission to "make decisions with and act in the best interests of the people we serve." With spending authority to use the depreciation amount for maintenance and repairs, the Department will have timely access to the funding needed to maintain facilities at a more optimal level, providing a safer environment for residents and staff, thereby improving day-to-day well-

being. This indirectly impacts all current C-Stat measures for the Regional Centers as quality of care of residents is improved as a by-product of maintaining facilities and equipment at their peak performance.

Assumptions and Calculations:

The Department estimates the amount of depreciation for the Regional Centers at Wheat Ridge, Grand Junction and Pueblo will be $932,429 for FY 2015-16 and beyond. The calculations and assumptions used are detailed on Table A below.

Table A - Depreciation Costs	**FISCAL YEARS**					
	FY 2008-09 (Actual)	FY 2009-10 (Actual)	FY 2010-11 (Actual)	FY 2011-12 (Actual)	FY 2012-13 (Actual)	FY 2013-14 (Actual)
Grand Junction	$599,753	$610,772	$638,047	$620,269	$536,349	$422,727
Wheat Ridge	$358,010	$358,318	$298,592	$137,906	$143,164	$152,058
Pueblo	$238,040	$268,406	$291,551	$317,420	$338,551	$357,644
GRAND TOTAL	**$1,195,803**	**$1,237,496**	**$1,228,190**	**$1,075,595**	**$1,018,064**	**$932,429**

Subsequent year depreciation amounts will be adjusted with a budget action if needed based on depreciation costs and projections.

Attachment A shows a summary of the maintenance and repair projects, by Regional Center campus, that will be completed with the requested spending authority. The estimated project costs are less than the requested spending authority amounts to allow for contingency and unforeseen repair and maintenance.

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Attachment A - Regional Center Depreciation Spending Authority

Summary of Maintenance and Repair Projects by Regional Center

	FY 2015-16	FY 2016-17	FY 2017-18
Wheat Ridge	$ 153,086	$ 145,305	$ 146,461
Pueblo	$ 345,276	$ 347,318	$ 353,083
Grand Junction	$ 324,464	$ 429,835	$ 410,839
Total	$ 822,826	$ 922,458	$ 910,383
Requested Spending Authority	$ 932,429	$ 932,429	$ 932,429
Balance	$ (109,603)	$ (9,971)	$ (22,046)

Attachment A - Regional Center Depreciation Spending Authority
Pueblo Regional Center Group Homes
DESCRIPTION OF REQUEST

ESTIMATED DEPRECIATION REVENUES AVAILABLE **$358,000**
ESTIMATES OF COSTS:

ITEM	HOMES	UNIT PRICE	TOTAL	CAP OUTLAY	CAPITAL OUTLAY PROJECT	Scheduled for FY 2015-16 Depreciation Use	Scheduled for FY 2016-17 Depreciation Use	Scheduled for FY 2017-18 Depreciation Use
Closet fire protection systems	4	$ 6,000	$ 24,000		$ 24,000		X (4 homes)	
Eliminate island & reconfigure front area	10	$ 35,000	$ 350,000		$ 350,000	X (3 homes)	X (2 homes)	
Replace windows mitigate elopements	10	$ 41,428	$ 414,284		$ 414,284		X (3 houses)	X (4 houses)
Window escape systems for elopements	10	$ 5,800	$ 58,000		$ 58,000			X (4 homes)
Enclosed outdoor patio - Patient Programs	10	$ 33,000	$ 330,000		$ 330,000	X (2 homes)		X (1 homes)
Backyard Program Areas	10	$ 23,000	$ 230,000		$ 230,000	X (2 homes)		
SUBTOTAL			**$ 1,406,284**	**$ -**	**$ 1,406,284**	**$ 217,000**	**$ 218,285**	**$ 221,914**

	TOTAL		FY 2015-16	FY 2016-17	FY 2017-18
Estimated Cost	**$ 657,199**		**$ 217,000**	**$ 218,285**	**$ 221,914**
General Contractor's Overhead & Profit - 25%	$ 164,300		$ 54,250	$ 54,571	$ 55,478
General Contractor Bond	$ 16,430		$ 5,425	$ 5,457	$ 5,548
SUBTOTAL GENERAL CONTRACTOR	**$ 837,929**		**$ 276,675**	**$ 278,314**	**$ 282,940**
Architect/Engineer Fees (12%)	$ 100,551		$ 33,201	$ 33,398	$ 33,953
Code Review	$ 3,756		$ 1,245	$ 1,249	$ 1,262
Inspections	$ 8,379		$ 2,767	$ 2,783	$ 2,829
Contingency	$ 95,062	$ -	$ 31,389	$ 31,574	$ 32,098
TOTAL ESTIMATE	**$ 1,045,677**		**$ 345,276**	**$ 347,318**	**$ 353,083**

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Attachment A - Regional Center Depreciation Spending Authority

Wheat Ridge Regional Center Group Homes

DESCRIPTION OF REQUEST

ESTIMATED DEPRECIATION REVENUES AVAILABLE **$148,000**

ESTIMATES OF COSTS:

ITEM	HOMES	UNIT PRICE	TOTAL	CAP OUTLAY	CAPITAL OUTLAY PROJECT	Scheduled for FY 2015-16 Depreciation Use	Scheduled for FY 2016-17 Depreciation Use	Scheduled for FY 2017-18 Depreciation Use
Replace floors in day rooms	12	$ 3,000	$ 36,000	$ -	$ 36,000	12 houses		
Replace floors front bathroom	12	$ 2,000	$ 24,000	$ -	$ 24,000	12 houses		
Replace floors shower room	2	$ 3,025	$ 6,050	$ -	$ 6,050	2 houses		
Install patio awnings	11	$ 3,000	$ 33,000	$ -	$ 33,000	11 houses		
Remodel shower room for privacy (KV)	5	$ 6,000	$ 30,000	$ -	$ 30,000		5 houses	
Split large bedroom into two rooms	6	$ 8,500	$ 51,000	$ -	$ 51,000		6 houses	
Install hardwired door security system	6	$ 10,000	$ 60,000	$ -	$ 60,000			6 houses
Build wall in converted garage	1	$ 3,000	$ 3,000	$ -	$ 3,000		1 house	
Install basketball court in back yard-KV (30x30 pad)	1	$ 10,000	$ 10,000	$ -	$ 10,000			1 house
Install new floor in Arjo room	1	$ 5,000	$ 5,000	$ -	$ 5,000		1 house	
Install new windows throughout house (33)	1	$ 24,750	$ 24,750	$ -	$ 24,750			1 house
Bathroom vanity and counter tops	1	$ 5,000	$ 5,000	$ -	$ 5,000		1 house	
SUBTOTAL						**$ 99,050**	**$ 94,000**	**$ 94,750**

	TOTAL	FY 2015-16	FY 2016-17	FY 2017-18
Estimated Cost	**$ 287,800**	**$ 99,050**	**$ 94,000**	**$ 94,750**
General Contractor's Overhead & Profit - 25%	**$ 71,950**	$ 24,763	$ 23,500	$ 23,688
General Contractor Bond	**$ 7,195**	$ 2,476	$ 2,350	$ 2,369
SUBTOTAL GENERAL CONTRACTOR	**$ 366,945**	**$ 126,289**	**$ 119,850**	**$ 120,806**
Architect/Engineer Fees (12%)	$ 44,033	$ 15,155	$ 14,382	$ 14,497
Code Review	$ 2,216	$ 747	$ 733	$ 735
Inspections	$ 2,878	$ 991	$ 940	$ 948
Contingency	$ 28,780	$ 9,905	$ 9,400	$ 9,475
TOTAL ESTIMATE	**$ 444,852**	**$ 153,086**	**$ 145,305**	**$ 146,461**

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Attachment A - Regional Center Depreciation Spending Authority

Grand Junction Regional Center Group Homes

DESCRIPTION OF REQUEST

ESTIMATED DEPRECIATION REVENUES AVAILABLE **$421,000**

ESTIMATE OF COSTS:

ITEM	HOMES	UNIT PRICE	TOTAL	CAP OUTLAY	CAPITAL OUTLAY PROJECT	Scheduled for FY 2015-16 Depreciation Use	Scheduled for FY 2016-17 Depreciation Use	Scheduled for FY 2017-18 Depreciation Use
29 ROAD ELIMINATE ISLAND & RECONGFIGURE FRONT AREA	1	$ 35,000	$ 35,000		$ 35,000	1 House		
29 ROAD MED ROOM RECONFIGURATION	1	$ 6,804	$ 6,804		$ 6,804	1 House		
29 ROAD LIVING ROOM PROGRAM SPACE IMPROVE	1	$ 35,000	$ 35,000		$ 35,000	1 House		
29 ROAD REPLACE WINDOWS TO MITIGATE ELOPEMENTS	1	$ 41,428	$ 41,428		$ 41,428	1 House		
29 ROAD WINDOW ESCAPE SYSTEMS FOR ELOPEMENTS	1	$ 5,800	$ 5,800		$ 5,800	1 House		
29 ROAD AIR CONDITIONING HOMES	1	$ 44,440	$ 44,440		$ 44,440	1 House		
B ROAD ELIMINATE ISLAND & RECONGFIGURE FRONT AREA	1	$ 35,000	$ 35,000		$ 35,000	1 House		
B ROAD MED ROOM RECONFIGURATION	1	$ 6,804	$ 6,804		$ 6,804	1 House		
B ROAD LIVING ROOM PROGRAM SPACE IMPROVE	1	$ 35,000	$ 35,000		$ 35,000		1 House	
B ROAD REPLACE WINDOWS TO MITIGATE ELOPEMENTS	1	$ 41,428	$ 41,428		$ 41,428		1 House	
B ROAD WINDOW ESCAPE SYSTEMS FOR ELOPEMENTS	1	$ 5,800	$ 5,800		$ 5,800		1 House	
B ROAD AIR CONDITIONING HOMES	1	$ 44,440	$ 44,440		$ 44,440		1 House	
308 CEDAR ELIMINATE ISLAND & RECONGFIGURE FRONT AREA	1	$ 35,000	$ 35,000		$ 35,000		1 House	
308 CEDAR MED ROOM RECONFIGURATION	1	$ 6,804	$ 6,804		$ 6,804			1 House
308 CEDAR LIVING ROOM PROGRAM SPACE IMPROVE	1	$ 35,000	$ 35,000		$ 35,000			1 House
308 CEDAR REPLACE WINDOWS TO MITIGATE ELOPEMENTS	1	$ 41,428	$ 41,428		$ 41,428			1 House
308 CEDAR WINDOW ESCAPE SYSTEMS FOR ELOPEMENTS	1	$ 5,800	$ 5,800		$ 5,800			1 House
308 CEDAR AIR CONDITIONING HOMES	1	$ 44,440	$ 44,440		$ 44,440			1 House
REMAINING MED ROOM RECONFIGURATION	5	$ 6,804	$ 34,020		$ 34,020			5 houses
REMAINING REPLACE WINDOWS TO MITIGATE ELOPEMENTS	7	$ 41,428	$ 289,999		$ 289,999		2 houses	1 house
FRONT DRIVEWAYS FOR IMPROVED ACCESS	4	$ 19,138	$ 76,552		$ 76,552		1 house	3 houses
OUTDOOR PATIO	3	$ 5,000	$ 15,000		$ 15,000		3 houses	
SUBTOTAL			**$ 920,989**		**$ 920,989**	**$ 210,277**	**$ 278,664**	**$ 266,335**

	TOTAL	FY 2015-16	FY 2016-17	FY 2017-18
Estimated Cost	$ 755,276	$ 210,277	$ 278,664	$ 266,335
General Contractor's Overhead & Profit - 25%	$ 188,819	$ 52,569	$ 69,666	$ 66,584
General Contractor Bond	$ 18,882	$ 5,257	$ 6,967	$ 6,658
SUBTOTAL GENERAL CONTRACTOR	$ 962,976	**$ 268,103**	**$ 355,296**	**$ 339,577**
Architect/Engineer Fees (12%)	$ 115,557	$ 32,172	$ 42,636	$ 40,749
Code Review	$ 3,525	$ 1,059	$ 1,250	$ 1,216
Inspections	$ 7,553	$ 2,103	$ 2,787	$ 2,663
Contingency	$ 75,528	$ 21,028	$ 27,866	$ 26,634
TOTAL ESTIMATE	**$ 1,165,139**	**$ 324,464**	**$ 429,835**	**$ 410,839**

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Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-17

Request Titles

R-17 Provider Rate Spending Authority

Dept. Approval By:		Supplemental FY 2014-15 ___
	X	Change Request FY 2015-16
		Base Reduction FY 2015-16 ___
OSPB Approval By:		Budget Amendment FY 2015-16 ___

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$6,775,055**	**$0**	**$6,954,265**	**$228,794**	**$228,794**
	FTE	52.0	-	52.0	-	-
Total of All Line Items	GF	$2,381,549	$0	$2,450,786	$0	$0
	CF	$838,250	$0	$849,004	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$3,555,256	$0	$3,654,475	$228,794	$228,794

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$6,775,055**	**$0**	**$6,954,265**	**$228,794**	**$228,794**
	CF	$838,250	$0	$849,004	$0	$0
	FF	$3,555,256	$0	$3,654,475	$228,794	$228,794
06. Division of Early Childhood - Child Care Licensing and Administration	FTE	52.0	-	52.0	-	-
	GF	$2,381,549	$0	$2,450,786	$0	$0

Letternote Text Revision Required? Yes X No ___ **If Yes, describe the Letternote Text Revision:**

(6)(A)d Of this amount, ~~$3,414,537~~ $3,643,331 shall be from Child Care Development Funds

Cash or Federal Fund Name and CORE Fund Number:

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes ___ No ___ **Not Required:** ___

Schedule 13s from Affected Departments:

Other Information:

Cost and FTE

- The Department requests $228,794 in federal funds, a 6.8% increase in FY 2015-16 (Child Care Licensing and Administration Operating line) in order to reimburse contracted child care licensing inspectors for actual costs. The Department requests federal funds from the Child Care Development Fund Block Grant (CCDBG) allocation.

Current Program

- The Division of Early Care and Learning is responsible for inspecting, licensing, and monitoring child care facilities statewide. Licensing specialists review staffing ratios, health and safety risks, and background check compliance, and provide technical assistance and coaching to child care providers.
- This work is accomplished through a combination of State and contract staff.
- Workload is measured by average weighted caseload, which accounts for travel distance and the complexity of the inspection.

Problem or Opportunity

- The Department conducted a Lean process analysis in preparation for implementing a FY 2014-15 budget request to increase the frequency of licensing inspections in an effort to improve safety.
- Existing vendors provided detailed analysis of their costs as background information for the Request for Proposal to increase contract licensing staff which showed that the current reimbursement rates do not cover the actual vendor costs.
- By common policy, the Legislature provides periodic rate increases to vendors that provide services on the behalf of the State; however, contracted child care licensing inspectors are not included in this annual adjustment.

Consequences of Problem

- The Department relies on network contracted business partners to conduct licensing inspections of child care facilities.
- Providers have not received contract adjustments since the initial contracts were awarded in FY 1999-00.
- Current reimbursement rates do not cover the cost of the services provided.

Proposed Solution

- The Department is requesting spending authority from federal CCDBG funds to "true up" contracts with existing contracted licensing providers, and to include licensing contract vendors in the provider rate increase calculation in years when the General Assembly chooses to fund such adjustments.
- The Department and contractors will benefit from an equitable, transparent and open reimbursement system.

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Department Priority: R-17
Request Detail: Provider Rate Spending Authority

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund	Federal Funds
Child Care Licensing Administration	$228,794	$0	$228,794

Problem or Opportunity:

The Office of Early Childhood, Division of Early Care and Learning is responsible for inspecting, licensing, and monitoring child care facilities as well as providing technical assistance and coaching throughout the State. These facilities include child care homes and centers, preschool and school-age child care programs, day camps, residential summer camps, and day treatment centers.

Prior to FY 2014-15 Colorado had over 5,700 licensed facilities inspected by 43 licensing specialists, which resulted in a caseload of over 140 facilities per specialist at an average rate of one inspection every two years. This is the 8th highest caseload in the United States, and Colorado is one of only 17 states with caseloads exceeding 100 facilities. The Department submitted a budget request for FY 2014-15 to increase the number of licensing staff. The General Assembly approved the budget request and funded the Department for 17 new contract licensing staff, as well as 3.0 FTE for State supervision. As a result of funding from the FY 2014-15 request Colorado's average caseload fell to approximately 100 facilities per inspector.

In preparation for implementation of the staffing increase, the Department conducted a series of Lean exercises to examine the service delivery process. That analysis identified opportunities for the Department to improve the efficiency of deploying staff.

The Department enlists a wide variety of public and private partnerships to deliver services. These entities act as agents of the State to meet the program demands for a wide variety of clients. Historically, the General Assembly has made efforts to offset inflationary increases, wage increases, and general increases in business costs through periodic funding increases to these business partners in the form of Provider Rate Increases. The increases have been subject to fiscal constraints, and are typically implemented as a specified across-the-board percent increase. For example, developmental disability community providers, mental health community providers, the Child Protection Ombudsman, co-occurring behavioral health service providers, substance abuse prevention and treatment providers, youth correction community-based program providers, child welfare service providers, early intervention service providers, and county administration all receive a provider rate increase in years that the General Assembly provides funding. Contract licensing inspectors have not historically received the annual provider rate increase.

Similarly, contract licensing inspectors provide a valuable service for the benefit of the Department. They incur wage increases and general cost-of-business increases as do other service providers. Also, they are primarily non-profit or governmental entities that do not generate revenue or profit on their contracts. To continue to leverage a diverse network of licensing inspectors, it is critical that the Department provide reimbursement sufficient to cover actual business costs.

Proposed Solution:

The Department is requesting additional federal funds spending authority from the Child Care Development Fund Block Grant (CCDBG) to "true-up" contracts with existing providers, and to maintain equity with other vendors providing services to the Department. Based on information from the Lean analysis and fiscal analysis, the Department is able to establish reasonable cost ranges for contract services. These factors include direct cost for inspections, supervisory cost, leased space, mileage, and materials and supplies. This information is used to ensure the contract cost is fair and reasonable.

The Department is also requesting that the contracts for licensing inspectors be included in the annual provider rate increase calculations in years when the General Assembly chooses to appropriate funding. Similar to other service providers, contract staff received salary increases, cost of living adjustments, and general inflation. By ensuring providers have some reasonable expectation that their ongoing costs will be adjusted appropriately, the Department will be more successful in attracting and retaining vendors.

The goal of increased licensing staff is ultimately to improve the safety of children in licensed child care facilities. This request will help to stabilize the network of licensing inspectors by ensuring adequate reimbursement rates. Children and families using the services are the beneficiary of this initiative. This initiative also supports the Division's C-Stat measures related to timely licensing inspections and response to complaints.

The Department's existing rate has led to difficulty in retaining vendors. The system works most efficiently with a broad network of vendors. Services are delivered throughout the State, and partnerships with counties, government entities and nonprofits provide an efficient way to ensure broad geographic coverage. It is also an efficient model as these entities typically have infrastructure and supervision already in place, thus minimizing the overhead burden. Without this stable network the Department cannot maintain the consistent coverage and caseload ratios desired.

Anticipated Outcomes:

The Department closely monitors the functions performed by licensing inspectors. Timely and thorough licensing inspections help reduce hazards, increase compliance, and results in safer facilities for children. Similarly, prompt investigations of complaints and allegations ensure the immediate safety of children in licensed child care facilities. The Department tracks these measures through its C-Stat performance management initiative. This request enhances these metrics. Granting a provider rate increase to contract licensing specialists creates an equitable environment across various programs and State agencies.

Assumptions and Calculations:

The cumulative provider rate for the time period (1999-2015) is approximately 24%. However, The Department calculated the adjustment based on actual increases and decrease that were applied to maintain parity with what other providers received.

Table 1: Provider/Operating Rate Adjustment	
Original Contract Amount	$ 955,300
Total	$ 955,300
Cumulative Provider Rate Increases	23.95%
Requested Adjustment	**$ 228,794**

Table 2: Historical Provider Rate Increases		
Year	**Appropriated Provider Rate Increase**	**Cumulative Provider Rate Increase**
1999	3.00%	3.00%
2000	2.00%	5.06%
2001	2.00%	7.16%
2002	2.50%	9.84%
2003	0.00%	9.84%
2004	-1.00%	8.74%
2005	-1.50%	7.11%
2006	2.00%	9.25%
2007	3.25%	12.80%
2008	1.50%	14.50%
2009	1.50%	16.21%
2010	1.50%	17.96%
2011	1.50%	19.73%
2012	0.00%	19.73%
2013	0.00%	19.73%
2014	2.00%	22.12%
2015	1.50%	23.95%

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-18

Request Titles

R-18 State Funding for Senior Services

Dept. Approval By: Melissa Wavelet

OSPB Approval By:

	Supplemental FY 2014-15
X	**Change Request FY 2015-16**
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	**Fund**	**FY 2014-15 Appropriation**	**FY 2014-15 Request**	**FY 2015-16 Base Request**	**FY 2015-16**	**FY 2016-17 Continuation**
	Total	**$17,311,622**	**$0**	**$17,311,622**	**$4,000,000**	**$4,000,000**
	FTE	-	-	-	-	-
Total of All Line Items	GF	$7,303,870	$0	$7,303,870	$4,000,000	$4,000,000
	CF	$10,007,752	$0	$10,007,752	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	**Fund**	**FY 2014-15 Appropriation**	**FY 2014-15 Request**	**FY 2015-16 Base Request**	**FY 2015-16**	**FY 2016-17 Continuation**
	Total	**$17,311,622**	**$0**	**$17,311,622**	**$4,000,000**	**$4,000,000**
	CF	$10,007,752	$0	$10,007,752	$0	$0
10. Adult Assistance Programs - State Funding for Senior Services	GF	$7,303,870	$0	$7,303,870	$4,000,000	$4,000,000

Letternote Text Revision Required?	**Yes**		**No**	**X**
If Yes, describe the Letternote Text Revision:				
Cash or Federal Fund Name and CORE Fund Number:	**Older Coloradans Cash Fund 14F**			
Reappropriated Funds Source, by Department and Line Item Name:	**N/A**			
Approval by OIT?	**Yes**		**No**	**Not Required: X**
Schedule 13s from Affected Departments:	**N/A**			
Other Information:	**N/A**			

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Cost and FTE

- The Department requests $4,000,000 General Fund for the State Funding for Senior Services (SFSS) line item in FY 2015-16 and beyond to provide services for elderly adults in need and enable seniors to live independently in the community.
- This represents an increase of 23% from current funding ($17,311,622 total funding in FY 2014-15).

Current Program

- The State Funding for Senior Services line item was created to provide Older Americans Act services above and beyond the required state match.
- Funding is distributed to Area Agencies on Aging (AAAs) in 16 geographic regions of Colorado. Services include but are not limited to transportation, personal care, congregate meals, home-delivered meals, homemaker services, adult day care and legal assistance.
- These services support seniors to live independently in the community and often provide services that support families struggling to care for elderly relatives in the home.

Problem or Opportunity

- The population of older adults in Colorado continues to rise. From 2000 to 2010, the population over age 65 increased 32% contrasted with a 17% increase in the total Colorado population (U.S. Census Bureau 2014).
- The emphasis and desire to age-in-place and participate in community life continues to grow.

Consequences of Problem

- As the eligible population continues to grow, wait lists for services could become more prevalent and services may not be available in all areas of need.

Proposed Solution

- The additional funding for SFSS will be passed on to the AAAs to administer services to needy seniors across the State. These services will help seniors to age-in-place and postpone or avoid placements such as assisted living facilities or nursing homes.
- Section 26-11-205.5 (2), C.R.S. (2014) requires monies appropriated through the Older Coloradans program be distributed to AAAs to provide grants to community based services to individuals 60 years and older for services enabling individuals to remain in their own homes and communities. No statutory change is required.

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Department Priority: R-18
Request Detail: State Funding for Senior Services

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
State Funding for Senior Services	$4,000,000	$4,000,000

Problem or Opportunity:

The Department requests $4,000,000 General Fund for the State Funding for Senior Services (SFSS) line item in FY 2015-16 and beyond to provide services for elderly adults in need and enable seniors to live independently in the community.

The State Funding for Senior Services line item was created to provide Older Americans Act services above and beyond the required state match. Through this program, the State helps to provide programs for seniors throughout Colorado. Funding is distributed to Area Agencies on Aging (AAAs) in 16 geographic regions of Colorado. Services include but are not limited to transportation, personal care, congregate meals, home-delivered meals, homemaker services, adult day care and legal assistance. These services support seniors to live independently in the community and often provide services that support families struggling to care for elderly relatives in the home. Services are generally contracted by AAAs with local profit, nonprofit or public providers; however, in limited cases may be provided directly by the AAAs.

The following table shows the projected rapid growth of the population over 65 years of age in proportion to the population under 65 in Colorado through calendar year 2040. As shown, growth in the population age 65 and over is estimated to significantly outpace overall population growth.

	(Colorado Resident Population and Projections by Age)						
Age	2012 Actual	2014 Projected	2016 Projected	2020 Projected	2030 Projected	2040 Projected	% change 2012 to 2040
Under 18	1,240,948	1,272,434	1,309,803	1,383,862	1,605,533	1,813,991	46%
18-64	3,331,732	3,407,734	3,489,891	3,658,181	4,053,834	4,491,208	35%
65-79	461,783	520,926	580,756	707,555	925,771	957,517	107%
80-89	127,717	133,435	140,283	159,675	289,690	414,723	225%
90+	26,503	29,160	31,793	36,855	51,321	95,027	259%
Total	5,188,683	5,363,689	5,552,526	5,946,128	6,926,149	7,772,466	50%

Data is from the website of the Colorado Department of Local Affairs, State Demography Office, July 2014

Proposed Solution:

The Department requests $4,000,000 General Fund to expand community-based services to Colorado seniors. General Fund from this line item is appropriated statewide to the 16 Area Agencies on Aging (AAA) meeting statutory and state requirements. The additional funding for State Funding for Senior Services will be passed on to the AAAs to administer services to needy seniors across the State. These services will help seniors to age-in-place and postpone or avoid more costly placements such as assisted living facilities or nursing homes.

Over the past several years, the Medicaid Nursing Home Census has been relatively flat; however, the number of older adults has increased significantly. This indicates that individuals are able to remain in the community longer with services such as those provided by State Funding for Senior Services. An increase in funds could expand the ability to maintain increasingly older and frailer seniors in the community. The request aligns with the Department's strategic initiative to prepare Colorado to meet the needs of more seniors who choose to live and thrive in their homes and communities.

With the increasing number of older adults, expansion of the network of service providers will be necessary in many areas of the State, especially rural areas with hard to reach older adults. To expand this network, many one-time costs may be incurred. These costs include setting up meal sites, kitchens, transportation vehicles, staffing, and recruitment of new providers.

Anticipated Outcomes:

The anticipated outcome is that more needy seniors in Colorado will receive services, such as personal care, assisted transportation, congregate meals, home-delivered meals, homemaker services, adult day care, transportation, and legal assistance.

If this request is approved, the Area Agencies on Aging (AAA) could provide additional services to older adults in need. Based upon FY 2012-13 service delivery, a $4 million increase in SFSS could result in an additional:

- 176,606 home delivered meals
- 104,036 congregate meals
- 29,278 transportations
- 3,248 homemaker services
- Various other services in the areas of personal care, chores, case management, assisted transportation, nutrition education, outreach, counseling, education, material aid, reassurance and screening.

Assumptions and Calculations:

The calculations above are based upon services provided through State Funding for Senior Services and Older Americans Act in federal FY 2012-13.

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-19

Request Titles

R-19 Title IV-E Technical Correction

Dept. Approval By: Melissa Wavelet

OSPB Approval By:

	Supplemental FY 2014-15
X	**Change Request FY 2015-16**
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
Total of All Line Items	**Total**	**$40,716,319**	**$0**	**$40,933,357**	**$0**	**$0**
	FTE	97.8	-	97.8	-	-
	GF	$37,348,362	$0	$37,561,196	$0	$0
	CF	$50,833	$0	$50,833	$0	$0
	RF	$1,521,702	$0	$1,525,906	$0	$0
	FF	$1,795,422	$0	$1,795,422	$0	$0

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$6,932,896**	**$0**	**$7,149,938**	**$400,000**	**$400,000**
	CF	$50,833	$0	$50,833	$0	$0
	FF	$260,774	$0	$260,774	$400,000	$400,000
11. Division of Youth Corrections - Personal Services	FTE	97.8	-	97.8	-	-
	GF	$6,571,112	$0	$6,783,946	$0	$0
	RF	$50,177	$0	$54,385	$0	$0
	Total	**$28,976,795**	**$0**	**$28,976,791**	**$527,661**	**$527,661**
	FF	$606,987	$0	$606,987	$527,661	$527,661

11. Division of Youth Corrections - Purchase of Contract Placements	GF	$26,898,283	$0	$26,898,283	$0	$0
	RF	$1,471,525	$0	$1,471,521	$0	$0
	Total	**$4,806,628**	**$0**	**$4,806,628**	**($927,661)**	**($927,661)**
	FF	$927,661	$0	$927,661	($927,661)	($927,661)
11. Division of Youth Corrections - Parole Program Services	GF	$3,878,967	$0	$3,878,967	$0	$0

Letternote Text Revision Required?	Yes X	No	**If Yes, describe the Letternote Text Revision:**

c These amounts shall be from Title IV-E of the Social Security Act. Although these federal funds amounts are not appropriated, they were assumed in developing the appropriated fund source amounts in these line items. Further, they are reflected pursuant to Section 26-1-111 (2) (d) (II) (B), C.R.S., and shall be used in determining the amount to be deposited to the Excess Federal Title IV-E Reimbursements Cash Fund pursuant to Section 26-1-111 (2) (d) (II) (C), C.R.S.

Cash or Federal Fund Name and CORE Fund Number: N/A

Reappropriated Funds Source, by Department and Line Item Name: **N/A**

Approval by OIT? Yes No **Not Required X**

Schedule 13s from Affected Departments: N/A

Other Information: N/A

Cost and FTE

- The Department requests a technical correction within the Long Bill line items for the Division of Youth Corrections relating to Title IV-E appropriations and where revenue is earned. This is a zero cost proposal.

Current Program

- The Division of Youth Corrections provides a continuum of residential services that encompass juvenile detention, commitment and parole. The Division is the agency statutorily mandated to provide for the care and supervision of youth committed by the court to the custody of the Department of Human Services.
- The Division contracts with community partners who provide residential placements for appropriate youth. The Division earns Federal IV-E Funds for youth who are eligible in these placements.

Problem or Opportunity

- The Long Bill for the Division of Youth Corrections has Federal Title IV-E Funding in three Community Services line items: 1) Personal Services; 2) Purchase of Contract Placements and 3) Parole Program Services.
- The Division does not incur any expenses which are Title IV-E eligible in the Parole Program Services line item.
- The Department requests a technical correction to the line items to accurately reflect where IV-E revenue is earned.

Consequences of Problem

- The Division will continue to earn Title IV-E funds, but the revenue will continue to be reflected incorrectly in regard to matching with the expenses incurred to generate the revenue.

Proposed Solution

- The Department requests a change to have all the direct maintenance IV-E revenue funded in the line item for Purchase of Contract Placements, which is where all expenses required to generate this revenue are recorded.
- The result would be the elimination of IV-E (Federal Funds) in the line item for Parole Program Services.
- No bottom line change would be experienced for total funds, General Fund or federal funds.

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Department Priority: R-19
Request Detail: Title IV-E Technical Correction

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Title IV-E Technical Correction	$0	$0

Problem or Opportunity:

The Department of Human Services (Department) requests a technical correction within Long Bill line items for the Division of Youth Corrections relating to Title IV-E appropriations and where revenue is earned. This is a zero cost proposal.

The Department's Long Bill for the Division of Youth Corrections (Division) has Federal Title IV-E Funding in three Community Programs line items: 1) Personal Services; 2) Purchase of Contract Placements; and, 3) Parole Program Services. The Division does not incur any expenses which are Title IV-E eligible in the Parole Program Services line item. The Department requests a technical correction to the line items in the Long Bill to appropriately reflect IV-E revenue in only the Purchase of Contract Placements and Community Programs, Personal Services line items. This is a technical request and does not impact nor relate to the Title IV-E Child Welfare Waiver. There is no dollar impact in total to either General Fund or federal funds.

The Division earns Title IV-E revenue from reimbursements for direct maintenance costs. Direct maintenance costs occur when the Division places an eligible youth in a IV-E eligible facility. A percentage of the daily rate paid to the residential provider is claimed for federal funding. The Division incurs all expenditures for this type of placement in the Purchase of Contract Placements line item. Currently the revenue earned is recorded in this line item *as well* as in Parole Program Services line item. There are no expenses which occur in the Parole Program Services line item; thus the Title IV-E appropriation in this line is technically incorrect. This request is to align the revenue and expense.

The Division also earns Title IV-E Revenue for administrative costs. This is a partial reimbursement for the personnel, direct expenses such as Random Moment Time Sampling, and other infrastructure including management and overhead. The Long Bill historically recognizes a portion of this revenue in the Personal Services line. This amount should also be amended for better alignment.

While the Division's overall Title IV-E revenues will meet or exceed the totals that are reflected in the Long Bill, the line items in which the Department earns Title IV-E revenues are not aligned with where

they are appropriated. No bottom line change would be experienced for total funds, General Fund or federal funds. The request is only to adjust between appropriations.

Proposed Solution:

The Department requests a change to have all the direct maintenance IV-E revenue funded in the line item for Purchase of Contract Placements, which is where all expenses required to generate this revenue are recorded. The result would be the elimination of IV-E funding in the line for Parole Program Services. The Department requests a rebalancing between the Purchase of Contract Placements line item and the Community Programs Personal Services to better align true revenue. Both line items would be in the federal funds category only.

Anticipated Outcomes:

This technical correction will align expenditures when revenue is earned.

Assumptions and Calculations:

This request uses the amounts appropriated in these line items for FY 2014-15 and an estimate of the IV-E Administrative revenue for the current fiscal year of FY 2013-14.

Line items in FY 2014-15 (HB14-1336):

11) C) Community Programs, Parole Program Services	$927,661
Adjustment to reduce to zero federal funds	($927,661)
Resulting federal funds	$0

Line items in FY 2014-15 (HB14-1336):

11) C) Community Programs, Personal Services	$260,774
Adjustment to reflect total administrative revenue	$400,000
Resulting federal funds	$660,774

Line items in FY 2014-15 (HB14-1336):

11) C) Community Programs, Purchase of Contract Placements	$606,987
Adjustment to lines for above	$527,661
Resulting federal funds	$1,134,648

Amount of federal funds prior to change	$1,795,422
Amount of federal funds after changes	$1,795,422

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Human Services

PB Request Number R-20

Request Titles

R-20 Provider Rate Increase

Dept. Approval By:

OSPB Approval By:

	Supplemental FY 2014-15
X	Change Request FY 2015-16
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
Total of All Line Items	**Total**	**$913,896,387**	**$0**	**$911,779,553**	**$7,206,903**	**$7,206,903**
	FTE	2,049.2	-	2,052.4	-	-
	GF	$550,787,899	$0	$553,449,917	$4,198,450	$4,198,450
	CF	$115,987,725	$0	$112,098,479	$964,565	$964,565
	RF	$34,044,014	$0	$34,055,189	$234,013	$234,013
	FF	$213,076,749	$0	$212,175,968	$1,809,875	$1,809,875

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
01. Executive Director's Office - Child Protection Ombudsman	**Total**	**$504,250**	**$0**	**$504,250**	**$5,043**	**$5,043**
	GF	$504,250	$0	$504,250	$5,043	$5,043
	Total	**$1,145,625**	**$0**	**$1,158,066**	**$5,688**	**$5,688**
	FTE	6.3	-	6.3	-	-
01. Executive Director's Office - Colorado Commission for the Deaf and Hard of Hearing	GF	$132,807	$0	$134,069	$1,183	$1,183
	RF	$1,012,818	$0	$1,023,997	$4,505	$4,505
	Total	**$57,441,793**	**$0**	**$55,441,793**	**$554,418**	**$554,418**

	GF	$2,381,549	$0	$2,450,786	$0	$0
	Total	**$88,337,634**	**$0**	**$87,603,028**	**$773,333**	**$773,333**
	CF	$9,599,282	$0	$9,599,282	$95,993	$95,993
	FF	$53,784,568	$0	$53,784,568	$537,846	$537,846
06. Division of Early Childhood - Child Care Assistance Program	FTE	1.0	-	1.0	-	-
	GF	$23,753,784	$0	$23,019,178	$139,494	$139,494
	RF	$1,200,000	$0	$1,200,000	$0	$0
	Total	**$1,220,906**	**$0**	**$1,220,906**	**$11,965**	**$11,965**
06. Division of Early Childhood - Early Childhood Mental Health Services	FTE	0.2	-	0.2	-	-
	GF	$1,220,906	$0	$1,220,906	$11,965	$11,965
	Total	**$36,495,892**	**$0**	**$36,495,892**	**$225,721**	**$225,721**
	CF	$10,895,900	$0	$10,895,900	$35,045	$35,045
	FF	$8,041,400	$0	$8,041,400	$59,548	$59,548
06. Division of Early Childhood - Early Intervention Services	FTE	6.5	-	6.5	-	-
	GF	$17,558,592	$0	$17,558,592	$131,128	$131,128
	Total	**$8,113,972**	**$0**	**$8,113,972**	**$74,891**	**$74,891**

08. Behavioral Health Services - Mental Health Treatment Services for Youth	GF	$644,270	$0	$644,270	$6,443	$6,443
	RF	$121,558	$0	$121,558	$1,216	$1,216
	Total	**$25,126,051**	**$0**	**$23,626,051**	**$118,535**	**$118,535**
	CF	$1,859,905	$0	$359,905	$0	$0
	FF	$10,347,947	$0	$10,347,947	$0	$0
08. Behavioral Health Services - Treatment and Detoxification Contracts	GF	$11,853,511	$0	$11,853,511	$118,535	$118,535
	RF	$1,064,688	$0	$1,064,688	$0	$0
	Total	**$369,421**	**$0**	**$369,421**	**$25**	**$25**
	FF	$366,883	$0	$366,883	$0	$0
08. Behavioral Health Services - Case Management for Chronic Detoxification Clients	GF	$2,538	$0	$2,538	$25	$25
	Total	**$3,521,839**	**$0**	**$3,521,839**	**$30,939**	**$30,939**
	GF	$3,093,893	$0	$3,093,893	$30,939	$30,939
08. Behavioral Health Services - Short-term Intensive Residential Remediation and Treatment	RF	$427,946	$0	$427,946	$0	$0
	Total	**$1,464,861**	**$0**	**$1,464,861**	**$14,649**	**$14,649**

	CF	$1,949,875	$0	$1,949,875	$0	$0
08. Behavioral Health Services - Personal Services	FTE	217.5	-	218.5	-	-
	GF	$16,061,862	$0	$16,614,178	$1,228	$1,228
	RF	$31,755	$0	$31,755	$0	$0
	Total	**$65,849,334**	**$0**	**$67,768,250**	**$2,456**	**$2,456**
	CF	$4,640,594	$0	$4,640,594	$0	$0
08. Behavioral Health Services - Personal Services	FTE	959.9	-	962.1	-	-
	GF	$54,716,215	$0	$56,635,131	$2,456	$2,456
	RF	$6,492,525	$0	$6,492,525	$0	$0
	Total	**$2,505,495**	**$0**	**$2,505,495**	**$24,394**	**$24,394**
08. Behavioral Health Services - Jail-based Competency Restoration Program	FTE	1.0	-	1.0	-	-
	GF	$2,505,495	$0	$2,505,495	$24,394	$24,394
	Total	**$3,110,434**	**$0**	**$3,110,434**	**$31,104**	**$31,104**
09. Services for People with Disabilities - Independent Living Centers / State Independent Living Cncl	CF	$29,621	$0	$29,621	$0	$0
	FF	$296,206	$0	$296,206	$0	$0
	GF	$2,784,607	$0	$2,784,607	$31,104	$31,104

	Total	**$14,578,962**	**$0**	**$12,578,962**	**$125,790**	**$125,790**
	CF	$2,000,000	$0	$0	$0	$0
11. Division of Youth Corrections - S.B. 91-94 Juvenile Services	GF	$12,578,962	$0	$12,578,962	$125,790	$125,790
	Total	**$4,806,628**	**$0**	**$4,806,628**	**$48,067**	**$48,067**
	FF	$927,661	$0	$927,661	$9,277	$9,277
11. Division of Youth Corrections - Parole Program Services	GF	$3,878,967	$0	$3,878,967	$38,790	$38,790

Letternote Text Revision Required? Yes X No ___ **If Yes, describe the Letternote Text Revision:**

Cash or Federal Fund Name and CORE Fund Number:

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes ___ No ___ **Not Required:** X

Schedule 13s from Affected Departments:

Other Information:

Cost and FTE

- The Department requests $7,206,903 total funds in FY 2015-16 and beyond for a 1% rate increase for contracted community provider services.

Current Program

- Numerous agencies in the State of Colorado contract with community providers to provide services to eligible clients. The General Assembly has generally provided annual inflationary increases, also known as cost of living adjustments (COLAs), for community provider programs to ensure that contractual arrangements are viable over the long term.
- The programs in the Department of Human Services that typically receive community provider rate adjustments include County Administration, Child Welfare, Child Care, Mental Health Community Programs, Vocational Rehabilitation, and community programs in Youth Corrections.

Problem or Opportunity

- Community providers are facing increased labor and supplies costs.
- Provider rate increases apply to community programs and services provided by contracted providers.

Consequences of Problem

- Providers will have less purchasing power to provide needed contractual services and will continue to manage community programs and services within existing appropriations.

Proposed Solution

- An across the board provider rate increase would be equitable since the community programs and services that are provided by contracted providers face similar inflationary issues. The 1% provider rate increase would enable the providers to address the rising costs for labor and supplies.

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Department Priority: R-20
Request Detail: 1% Provider Rate Increase

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund	Cash Fund	Reappropriated Funds	Federal Funds
Community Provider Rate Increase (various line items)	$7,206,903	$4,198,450	$964,565	$234,013	$1,809,875

Request Summary:

The Department requests $7,206,903 total funds, including $4,198,450 General Fund, $964,565 cash funds, $ 234,013 reappropriated funds, and $1,809,875 federal funds in FY 2015-16 and beyond for a 1.0% rate increase for contracted community providers.

Problem or Opportunity:

Provider rate increases apply to community programs and services provided by contracted providers or county staff. Client service providers are facing increased labor and supplies costs as a result of salary increases, cost of living adjustments and general inflation. For example, the Denver-Boulder-Greeley Consumer Price Index (CPI) increased 2.8% in 2013 and is expected to increase 2.8% in 2014 and 2.6% in 2015 based on the September OSPB Economic Revenue Forecast. As a result, providers have less purchasing power to provide needed contractual services.

Proposed Solution:

An across-the-board provider rate increase would be equitable since all of the community programs and services that are provided by contracted providers or county staff face similar inflationary issues. The 1.0% provider rate increase would enable the providers to address the rising costs for labor and supplies.

Anticipated Outcomes:

Contracted providers and county staff will be in a better position to manage increased labor and supplies costs in order to provide needed contractual services.

Assumptions and Calculations:

Calculations are included in Attachment A- 1.0% Community Provider Rate Increase by Long Bill Line Item. Please see the Department of Health Care Policy and Financing budget request (NPR-05) for the related Medicaid impacts of this request.

Attachment A: R-20 Community Provider Rate Increase

Community Provider Rate Increase Calculation for OSPB

Department: Human Services
Budget Contact: Jeremiah Johnson x6063
Amount of Provider Rate Increase 1.00%

List Request Items that would be impacted by a provider rate increase

Fund Type	Long Bill Group	SubDivision (All)	Line Item Appropriation	Explanation of Providers impacted	FY 2015-16 Estimated Base*	Provider Rate Calculation	Request Item Number & Name	Request Amount	Provider Rate Calculation	Total
TF	(1) Executive Director's Office	(B) Special Purpose	Child Protection Ombudsman	Ombudsman	**$504,250**	**$5,043**		**$0**	**$0**	**$5,043**
GF					$504,250	$5,043		$0	$0	$5,043
TF	(1) Executive Director's Office	(B) Special Purpose	Colorado Commission for the Deaf and Hard of Hearing	Legal Auxiliary Services Program	**$568,841**	**$5,688**		**$0**	**$0**	**$5,688**
GF					$118,319	$1,183		$0	$0	$1,183
RF					$450,522	$4,505		$0	$0	$4,505
TF	(4) County Administration	N/A	County Administration	Counties	**$55,441,793**	**$554,418**		**$0**	**$0**	**$554,418**
GF					$19,338,121	$193,381		$0	$0	$193,381
CF					$10,262,504	$102,625		$0	$0	$102,625
FF					$25,841,168	$258,412		$0	$0	$258,412
TF	(5) Division of Child Welfare	N/A	Child Welfare Services	Community Child Welfare Providers	**$347,861,307**	**$3,478,613**		**$0**	**$0**	**$3,478,613**
GF					$177,361,069	$1,773,611		$0	$0	$1,773,611
CF					$66,864,034	$668,640		$0	$0	$668,640
FF					$88,692,589	$886,926		$0	$0	$886,926
MCF					*$7,471,807*	*$74,718*		$0	$0	$74,718
MGF					*$7,471,808*	*$74,718*		$0	$0	$74,718
TF	(5) Division of Child Welfare	N/A	Family and Children's Programs	Community Programs for child and family at risk	**$53,100,326**	**$531,003**		**$0**	**$0**	**$531,004**
GF					$44,477,865	$444,779		$0	$0	$444,779
CF					$5,551,568	$55,516		$0	$0	$55,516
FF					$3,070,893	$30,709		$0	$0	$30,709
TF	(6) Office of Early Childhood	(A) Division of Early Care and Learning	Child Care Licensing and Administration	Day Care Providers	**$1,879,931**	**$18,799**	R-17 Provider Rate Spending Authority Adjustment	**$228,794**	**$2,288**	**$21,087**
FF					$1,879,931	$18,799		$228,794	$2,288	$21,087
TF	(6) Office of Early Childhood	(A) Division of Early Care and Learning	Child Care Assistance Program	Child Care Providers	**$77,333,278**	**$773,333**		**$0**	**$0**	**$773,333**
GF					$13,949,428	$139,494		$0	$0	$139,494
CF					$9,599,282	$95,993		$0	$0	$95,993
FF					$53,784,568	$537,846		$0	$0	$537,846
TF	(6) Office of Early Childhood	(B) Division of Community and Family Support	Early Childhood Mental Health Services	Mental Health Providers	**$1,196,459**	**$11,965**		**$0**	**$0**	**$11,965**
GF					$1,196,459	$11,965		$0	$0	$11,965
TF	(6) Office of Early Childhood	(B) Division of Community and Family Support	Early Intervention Services	Community Long-term Services and Support Providers	**$20,569,279**	**$205,693**	R-2 EI Caseload Growth	**$2,002,826**	**$20,028**	**$225,721**
GF					$12,171,510	$121,715		$941,328	$9,413	$131,128
CF					$2,823,519	$28,235		$680,961	$6,810	$35,045
FF					$5,574,250	$55,743		$380,537	$3,805	$59,548
TF	(6) Office of Early Childhood	(B) Division of Community and Family Support	Early Intervention Services Case Management	Community Long-term Services and Support Providers	**$6,895,358**	**$68,954**	R-2 EI Caseload Growth	**$593,794**	**$5,938**	**$74,891**
GF					$2,416,794	$24,168		$157,632	$1,576	$25,744
MGF					*$2,239,282*	*$22,393*		*$292,746*	$2,927	$25,320
MGF					*$2,239,282*	*$22,393*		*$143,416*	$1,434	$23,827

Fund Type	Long Bill Group	SubDivision (All)	Line Item Appropriation	Explanation of Providers impacted	FY 2015-16 Estimated Base*	Provider Rate Calculation	Request Item Number & Name	Request Amount	Provider Rate Calculation	Total
TF	(8) Behavioral Health Services	(B) Mental Health Community Programs	Services for Indigent Mentally Ill Clients	Community Mental Health Providers	**$30,520,602**	**$305,206**		**$0**	**$0**	**$305,206**
GF					$30,520,602	$305,206		$0	$0	$305,206
TF	(8) Behavioral Health Services	(B) Mental Health Community Programs	Medications for Indigent Mentally Ill Clients	Community Mental Health Providers	**$1,528,453**	**$15,285**		**$0**	**$0**	**$15,285**
GF					$1,528,453	$15,285		$0	$0	$15,285
TF	(8) Behavioral Health Services	(B) Mental Health Community Programs	Assertive Community Treatment Programs	Community Mental Health Providers	**$1,349,114**	**$13,491**		**$0**	**$0**	**$13,492**
GF					$674,557	$6,746		$0	$0	$6,746
CF					$674,557	$6,746		$0	$0	$6,746
TF	(8) Behavioral Health Services	(B) Mental Health Community Programs	Alternatives to Inpatient Hospitalization at a MH Institutes	Community Mental Health Providers	**$3,281,698**	**$32,817**		**$0**	**$0**	**$32,817**
GF					$3,281,698	$32,817		$0	$0	$32,817
TF	(8) Behavioral Health Services	(B) Mental Health Community Programs	Mental Health Treatment Services for Youth (H.B. 99-1116)	Community Mental Health Providers	**$765,828**	**$7,658**		**$0**	**$0**	**$7,659**
GF					$644,270	$6,443		$0	$0	$6,443
MGF					*$59,551*	*$596*		$0	$0	$596
MCF					*$62,007*	*$620*		$0	$0	$620
TF	(8) Behavioral Health Services	(C) (1) Substance Use Treatment and Prevention	Treatment and Detoxification Contracts	Community Substance Abuse Providers	**$11,853,511**	**$118,535**		**$0**	**$0**	**$118,535**
GF					$11,853,511	$118,535		$0	$0	$118,535
TF	(8) Behavioral Health Services	(C) (1) Substance Use Treatment and Prevention	Case Management for Chronic Detox Clients	Community Substance Abuse Providers	**$2,538**	**$25**		**$0**	**$0**	**$25**
GF					$2,538	$25		$0	$0	$25
TF	(8) Behavioral Health Services	(C) (1) Substance Use Treatment and Prevention	Short-term Intensive Residential Remediation and Treatment	Community Substance Abuse Providers	**$3,093,893**	**$30,939**		**$0**	**$0**	**$30,939**
GF					$3,093,893	$30,939		$0	$0	$30,939
TF	(8) Behavioral Health Services	(C) (1) Substance Use Treatment and Prevention	High-Risk Pregnant Women Program	Community Substance Abuse Providers	**$1,464,861**	**$14,649**		**$0**	**$0**	**$14,649**
MGF					*$717,635*	*$7,176*		$0	$0	$7,176
MCF					*$747,226*	*$7,473*		$0	$0	$7,473
TF	(8) Behavioral Health Services	(C) (2) Substance Use Treatment and Prevention	Prevention Contracts	Community Substance Abuse Providers	**$34,490**	**$345**		**$0**	**$0**	**$345**
GF					$34,490	$345		$0	$0	$345
TF	(8) Behavioral Health Services	(C) (3) Substance Use Treatment and Prevention	Balance of Substance Abuse Block Grant Programs	Community Substance Abuse Providers	**$194,430**	**$1,944**		**$0**	**$0**	**$1,944**
GF					$194,430	$1,944		$0	$0	$1,944
TF	(8) Behavioral Health Services	(D) Integrated Behavioral Health Services	Community Transition Services	Community Substance Abuse and Mental Health Providers	**$9,110,561**	**$91,106**		**$0**	**$0**	**$91,106**
GF					$9,110,561	$91,106		$0	$0	$91,106
TF	(8) Behavioral Health Services	(D) Integrated Behavioral Health Services	Crisis Response System - Walk-in, Stabilization, Mobile, Residential, and Respite Services	Community Substance Abuse and Mental Health Providers	**$22,568,741**	**$225,687**		**$0**	**$0**	**$225,687**
GF					$22,568,741	$225,687		$0	$0	$225,687
TF	(8) Behavioral Health Services	(D) Integrated Behavioral Health Services	Crisis Response System - Telephone Hotline	Community Substance Abuse and Mental Health Providers	**$2,355,865**	**$23,559**		**$0**	**$0**	**$23,559**
GF					$2,355,865	$23,559		$0	$0	$23,559
TF	(8) Behavioral Health Services	(D) Integrated Behavioral Health Services	Rural Co-occurring Disorder Services	Community Long-term Services and Support Providers	**$512,500**	**$5,125**		**$0**	**$0**	**$5,125**
GF					$512,500	$5,125		$0	$0	$5,125

Fund Type	Long Bill Group	SubDivision (All)	Line Item Appropriation	Explanation of Providers impacted	FY 2015-16 Estimated Base*	Provider Rate Calculation	Request Item Number & Name	Request Amount	Provider Rate Calculation	Total
TF	(8) Behavioral Health Services	(E) (1) Mental Health Institutes	Mental Health Institute - Ft. Logan Personal Services	Community Mental Health Providers	**$122,809**	**$1,228**		**$0**	**$0**	**$1,228**
GF					$122,809	$1,228		$0	$0	$1,228
TF	(8) Behavioral Health Services	(E) (2) Mental Health Institutes	Mental Health Institute - Pueblo Personal Services	Community Mental Health Providers	**$245,619**	**$2,456**		**$0**	**$0**	**$2,456**
GF					$245,619	$2,456		$0	$0	$2,456
TF	(8) Behavioral Health Services	(E) (2) Mental Health Institutes	Jail-based Restoration Services	Community Mental Health Providers	**$2,439,373**	**$24,394**		**$0**	**$0**	**$24,394**
GF					$2,439,373	$24,394		$0	$0	$24,394
TF	(9) Services For People With Disabilities	(C) Division of Vocational Rehabilitation	Independent Living Centers and State Independent Living Council	Transition Service Providers	**$3,110,434**	**$31,104**		**$0**	**$0**	**$31,104**
GF					$3,110,434	$31,104		$0	$0	$31,104
TF	(11) Division of Youth Corrections	(B) Institutional Programs	Personal Services	Personal Services Contracts	**$740,151**	**$7,402**	R-4 DYC Staffing Enhancements	**$861,000**	**$8,610**	**$16,012**
GF					$740,151	$7,402		$861,000	$8,610	$16,012
TF	(11) Division of Youth Corrections	(B) Institutional Programs	Medical Services	Medical Contracts	**$3,216,347**	**$32,163**	R-4 DYC Staffing Enhancements	**$861,000**	**$8,610**	**$40,773**
GF					$3,216,347	$32,163		$861,000	$8,610	$40,773
TF	(11) Division of Youth Corrections	(B) Institutional Programs	Educational Services	Educational Contacts	**$3,625,993**	**$36,260**	R-4 DYC Staffing Enhancements	**$861,000**	**$8,610**	**$44,870**
GF					$3,625,993	$36,260		$861,000	$8,610	$44,870
TF	(11) Division of Youth Corrections	(C) Community Programs	Purchase of Contract Placements	Youth Correctional Community Providers	**$28,976,795**	**$289,768**		**$0**	**$0**	**$289,769**
GF					$26,898,283	$268,983		$0	$0	$268,983
FF					$606,987	$6,070		$0	$0	$6,070
MCF					*$735,762*	*$7,358*		$0	$0	$7,358
MGF					*$735,763*	*$7,358*		$0	$0	$7,358
TF	(11) Division of Youth Corrections	(C) Community Programs	Managed Care Pilot Project	Youth Correctional Community Providers	**$1,430,307**	**$14,303**		**$0**	**$0**	**$14,304**
GF					$1,395,984	$13,960		$0	$0	$13,960
MCF					*$17,161*	*$172*		$0	$0	$172
MGF					*$17,162*	*$172*		$0	$0	$172
TF	(11) Division of Youth Corrections	(C) Community Programs	S.B. 91-94 Programs	Youth Correctional Community Providers	**$12,578,962**	**$125,790**		**$0**	**$0**	**$125,790**
GF					$12,578,962	$125,790		$0	$0	$125,790
TF	(11) Division of Youth Corrections	(C) Community Programs	Parole Program Services	Youth Correctional Community Providers	**$4,806,628**	**$48,066**		**$0**	**$0**	**$48,067**
GF					$3,878,967	$38,790		$0	$0	$38,790
FF					$927,661	$9,277		$0	$0	$9,277
TF					**$715,281,325**	**$7,152,814**		**$5,408,414**	**$54,084**	**$7,206,903**
GF					$416,162,846	$4,161,628		$3,681,960	$36,820	$4,198,448
CF					$95,775,464	$957,755		$680,961	$6,810	$964,564
RF					$450,522	$4,505		$0	$0	$4,505
FF					$180,378,047	$1,803,780		$609,331	$6,093	$1,809,874
										$0
MCF					*$9,033,962*	*$90,340*		*$0*	*$0*	*$90,340*
MGF					*$13,480,484*	*$134,805*		*$436,162*	*$4,362*	*$139,166*
Net GF					***$429,643,330***	***$4,296,433***		***$4,118,122***	***$41,181***	***$4,337,615***

Schedule 13

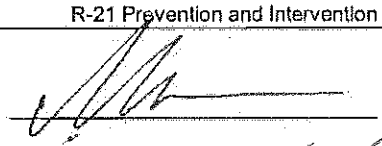
Funding Request for the FY 2015-16 Budget Cycle

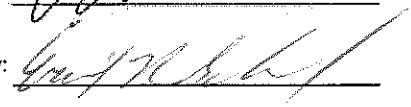
Department of Human Services

PB Request Number: R-21

Request Titles

R-21 Prevention and Intervention Services for At-Risk Youth

Dept. Approval By: 

OSPB Approval By: 

	Supplemental FY 2014-15
X	Change Request FY 2015-16
	Base Reduction FY 2015-16
	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$0**	**$0**	**$0**	**$1,651,107**	**$2,956,761**
	FTE	-	-	-	-	-
Total of All Line Items	GF	$0	$0	$0	$1,651,107	$2,956,761
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2014-15 Appropriation	FY 2014-15 Request	FY 2015-16 Base Request	FY 2015-16	FY 2016-17 Continuation
	Total	**$0**	**$0**	**$0**	**$1,651,107**	**$2,956,761**
05. Division of Child Welfare - Prevention and Early-Intervention for at Risk Youth	GF	$0	$0	$0	$1,651,107	$2,956,761

Letternote Text Revision Required? Yes ___ No X ___ **If Yes, describe the Letternote Text Revision:**

Cash or Federal Fund Name and CORE Fund Number: N/A

Reappropriated Funds Source, by Department and Line Item Name: N/A

Approval by OIT? Yes ___ No ___ Not Required X ___

Schedule 13s from Affected Departments: N/A

N/A

Cost and FTE

- The Department of Human Services is requesting $1,651,107 General Fund in FY 2015-16, $2,956,761 General Fund in FY 2016-17 and FY 2017-18, and $165,000 General Fund in FY 2018-19. This request will fund a pilot program that will target two evidence-based programs, Functional Family Therapy and Multi-Systemic Therapy, towards at-risk youth.
- The goal of this request is to target evidence-based programs towards at-risk youth early, and to avoid further involvement with the child welfare and/or juvenile justice systems.

Current Program

- Multi-systemic Therapy and Functional Family Therapy are two nationally recognized, research-based programs that deliver therapeutic services to at-risk youth and their families with the aim of keeping kids in their homes, promoting positive family relationships and reducing the likelihood for delinquency and criminal behavior.
- There are currently ten counties in the State using Multi-Systemic Therapy and eight counties using Functional Family Therapy. The requested expansion of the program differs from current programs in that it is aimed towards at-risk youth that have not yet significantly penetrated the juvenile justice system, rather than youth that have deeper involvement with the juvenile justice system.

Problem or Opportunity

- There is a high correlation between childhood abuse and maltreatment and the likelihood for involvement in the juvenile and adult justice systems later in life. According to the U.S. Department of Justice, being abused or neglected as a child increases the likelihood of arrest as a juvenile by 59 percent and as an adult by 28 percent. In Colorado, the Department estimates that at least 70% of the youth currently in the youth corrections system had prior involvement in the child welfare system.

Consequences of Problem

- When a youth is placed in a congregate care setting either in the child welfare or juvenile justice system, the disruption to their daily life and disconnect from their family and supports has been shown to lead to long-term negative outcomes. This not only has negative implications for the youth, it also leads to more costly outcomes for the State due to further state system involvement.

Proposed Solution

- This request will create a pool of funding that counties can apply for to implement these two evidence-based programs. Counties must target these programs towards at-risk youth who have not yet had significant involvement with the juvenile justice system.
- The request will also fund Colorado-specific research on the impact of this promising practice and participation and expansion of the pilot program will be based on the results of the evaluation.

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Department Priority: R-21
Request Detail: Prevention and Early Intervention Services for At-Risk Youth

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Prevention and Early Intervention Services for At-Risk Youth	$1,651,107	$1,651,107

Problem or Opportunity:

The Department of Human Services is requesting $1,651,107 General Fund in FY 2015-16 and $2,956,761 General Fund in FY 2016-17 and FY 2017-18 and $165,000 in FY 2018-19 to fund a pilot program that will target two evidence-based programs, Functional Family Therapy and Multi-Systemic Therapy, towards at-risk youth. In addition, the request will fund a rigorous evaluation of the pilot program.

The goal of these services is to target evidence-based programs to youth earlier, to reduce the likelihood that at-risk youth (e.g. runaway youth, youth with identified behavioral/substance abuse issues, youth in child welfare with behavioral problems, etc.) will be placed in congregate care settings or be involved in the juvenile justice system.

Specifically, this request will create a pool of funding in FY 2015-16, FY 2016-17 and FY 2017-18 for counties to implement Multi-Systemic Therapy and/or Functional Family Therapy programs. Counties may apply for funding and must target these programs towards at-risk youth identified as having a high likelihood of entering the child welfare system, congregate care placement through the child welfare system and/or the juvenile justice system. The purpose of this request is to provide preventative services to youth prior to having significant involvement with the juvenile justice system, so that they do not further penetrate into these systems.

Research shows that youth who stay in the home with families and avoid significant involvement with the juvenile justice system have better long-term outcomes. This not only creates long-term benefits for youth and their families, it also reduces long-term costs for state and public systems. There is a high correlation between childhood abuse and maltreatment and the likelihood for involvement in the justice system later in life. According to the U.S. Department of Justice, National Institute of Justice, being abused or neglected as a child increases the likelihood of arrest as a juvenile by 59 percent, as an adult by 28 percent, and for a violent crime by 30 percent. In Colorado, the Department of Human Services estimates that at least 70% of the youth currently in the youth corrections system had a prior involvement with the child welfare system.

Further, when a youth is placed in a congregate care setting either in the child welfare or juvenile justice system, the disruption to their daily life and disconnecting from their family and support has been shown to lead to negative outcomes, such as delinquency, behavioral problems, decreased educational attainment and

substance abuse issues. In addition, there is a higher likelihood for future victimization for these youth. The correlation between abuse and maltreatment and significant behavioral issues, not only produces long-term negative outcomes for youth and their families; it also produces long-term costs to the State through increased dependency on the human services and justice systems.

Over the past decade, the State has made a shift to reduce the use of congregate care and promote family re-unification as this creates better long-term outcomes for youth and their families. Multi-Systemic Therapy and Functional Family Therapy are two nationally recognized, evidence-based programs that deliver therapeutic services to youth and their families with the aim of keeping kids in their home, promoting positive family relationships and reducing the likelihood for delinquency and criminal behavior.

Multi-Systemic Therapy

Multi-Systemic Therapy (MST) provides intensive family therapy to families with the goal of improving the youth and family's lives by changing their environment. Services are provided in natural settings, such as in the home, and focus on building positive, pro-social peer groups and connecting families with neighborhood resources. In general, MST is more focused on seriously dysfunctional families and may include youth with substance abuse and mental health diagnoses. This request will fund at least three sites in the State, with approximately 48 at-risk youth per site being served.

Functional Family Therapy

Functional Family Therapy (FFT) is a family therapy intervention designed to assess family behaviors that contribute to delinquent behavior, in an effort to improve family communication, train family members to negotiate effectively, and set clear rules about privileges and responsibilities. Target populations range from at-risk pre-adolescents to youth with very serious problems such as conduct disorder, violent acting-out, and substance abuse issues. This intervention focuses more on family issues than on substance abuse and mental health problems. This request will fund 3-6 sites, serving approximately 120 at-risk youth per site.

There are ten counties in the State currently using Multi-Systemic Therapy and eight counties using Functional Family Therapy. The expansion of the program differs from most current programs in the State in that it will be aimed specifically towards at-risk youth that have been identified as being a likely candidate for services when they have early contact with public systems, rather than when they are heavily involved in the juvenile justice system. Youth may be identified through the child welfare system, diversion programs, truancy programs, the recently implemented Community-Based Child Abuse Prevention Services, or through another type of referral from the county department. Counties applying for funds must have a demonstrated multidisciplinary and community based approach to providing services to these children and youth which ensures a coordinated, multi-agency plan in place for the youth referral process. An example of such a collaborative effort is the Collaborative Management Program.

Proposed Solution:

The Department of Human Services is requesting $1,651,107 General Fund in FY 2015-16 and $2,956,761 General Fund in FY 2016-17 and FY 2017-18 and $165,000 in FY 2018-19 to fund a pilot program that will target Multi-Systemic Therapy and Functional Family Therapy towards at-risk youth and evaluate the effectiveness of this approach in preventing congregate care placements and involvement in the juvenile justice system.

Pilot Program Criteria

As previously mentioned, these services will be targeted toward at-risk youth that have been identified as appropriate candidates for services prior to having significant involvement with the juvenile justice system. In order to effectively target these youth, the Department will select counties that have a demonstrated multidisciplinary and community based approach to providing services to these children and youth which ensures a coordinated, multi-agency plan in place for the youth referral process. Partnerships include, but are not limited to schools, behavioral health systems, child welfare systems, the juvenile justice system and other partners that work with youth. In addition, the use of a violence screening and assessment tool could be used to ensure participating youth are matched to the appropriate level and type of service.

Youth that may be eligible for these services if they have been identified as having:

- a behavioral health diagnosis,
- violent/acting out behaviors,
- anti-social behaviors, and/or,
- delinquent behaviors.

In addition, they may be involved with the human or social services system, juvenile diversion programs, delinquency programs or deferred adjudication programs, but may not have more significant involvement with the juvenile justice system than this.

Pilot Program Implementation

Funding for the pilot program will span four fiscal years, with services being provided for two and a half years and evaluation being conducted throughout the pilot. Beginning in FY 2015-16, this request will fund a half year of services due to the lead time necessary to select counties, establish the research design and begin the pilot program. A full year of services will be delivered in FY 2015-16 and FY 2016-17 and FY 2018-19 includes funding for a follow-up evaluation.

Counties will have flexibility in choosing which program(s) to apply for based on their individualized needs and capacity. Counties with existing capacity to implement these programs are preferred for the pilot, as there is significant lead time necessary to implement these programs. For research purposes, there must be at least three sites for each program in the State, for a total of six sites, to ensure a large enough population to research.

Pilot Program Oversight

This request will also fund two temporary FTE in the Division of Child Welfare to oversee the pilot program. These positions will be funded for three years and will not continue in the final year of the pilot.

- A Prevention Program Coordinator position will be responsible for providing oversight specifically to these two programs. This position is responsible for reviewing applications from counties, selecting sites for participation in the pilot, partnering with the research organization to establish the research design, providing technical assistance, and overseeing the distribution of funding to counties.

- In addition, a program assistant position will also be hired to support the Prevention Program Coordinator as necessary in the programmatic and fiscal aspects of the pilot.

Pilot Program Evaluation

The request will also fund Colorado-specific research on the impact of targeting Functional Family Therapy and Multi-Systemic Therapy towards at-risk youth before they have significant involvement with the juvenile justice system. The State will fund a rigorous evaluation of this approach to understand the effect of this approach on problem behaviors, family relations, and recidivism.

The research component of this request will be awarded through a competitive bidding process. Participating counties must agree to partner closely with the State and researchers to appropriately select youth for the study and monitor their outcomes throughout the pilot program. The State staff and the research organization will be responsible for providing technical assistance and guidance to the counties on how to properly implement this approach.

While Functional Family Therapy and Multi-Systemic Therapy are research-based and supported by several national organizations as noted above, most evidence-based research focuses on the delivery of these services through the juvenile justice system. The Colorado specific research in this request will not only inform the State on the effectiveness of providing these services to at-risk youth, but will also contribute to the nationwide body of research on this approach. If this approach is deemed effective, the State may consider expanding this approach statewide and targeting resources towards research-based prevention and early intervention services for at-risk youth.

Anticipated Outcomes:

Multi-Systemic Therapy and Functional Family Therapy have been thoroughly evaluated nationwide and research shows strong support for the effectiveness of these programs in the juvenile justice system. The programs were selected for this pilot program for at-risk youth given their strong effectiveness for juvenile delinquents and high return on investment. According to the Blueprints for Healthy Youth Development program, FFT is supported by 38 years of investigation that has demonstrated improvements with difficult to treat adolescents and their families in a range of settings and delivery sites. FFT has been evaluated in multiple studies in samples across the United States, and in Sweden.

- Outcomes have shown a reduction in recidivism and drug use, as well as improvements in family, school and vocational relationships.

In addition, 23 evaluations of MST have been published, and 21 of these used randomized designs. The majority of these studies were conducted with serious juvenile offenders and juvenile offenders, including violent offenders, substance abusing offenders, and juvenile sex offenders.

- Outcomes have shown improvements related to delinquency and criminal behavior, illicit drug use, relationships with parents and a reduction in violent behavior and recidivism.

The approach of targeting these services to at-risk youth is considered an emerging or promising practice that is worthy of further evaluation. The California Evidence-Based Clearinghouse for Child Welfare identifies both Multi-Systemic Therapy and Functional Family Therapy as research-based programs that are effective at improving general behavioral issues, substance abuse issues and Disruptive Behavioral Disorder for youth in child welfare system. In addition, variations of Multi-Systemic Therapy targeted towards juveniles with substance abuse issues or children that are victims of abuse and neglect are also considered to be approaches that are supported by research. It is anticipated that youth participating in these programs will show positive outcomes, including reduced recidivism, increased family unification and reduced behavioral problems.

The Department has done a break-even analysis, rather than a cost-benefit analysis, to estimate the number of children and youth that would need to remain out of a congregate care placement in order for the request to fund itself. In addition, the request includes an analysis of youth likely to avoid Division of Youth Corrections (DYC) placement. The results are below:

Multi-Systemic Therapy

	Totals	**Calculations**
Total Program Cost	$ 1,188,000	= 3 sites @ $396,000 per site
Child Welfare Placements		
Average cost per youth in a congregate care placement (for targeted population)	$47,597	= $178/per day for congregate care * 267.4 days
Number of youth needed to avoid congregate care to break even	25	= Total Program Cost/Average Cost Per Youth
Number of youth also to avoid congregate care placement	32	= 48 youth served at 3 sites * 22% anticipated success rate
Number of youth beyond break even point	7	= 32-25 youth
Division of Youth Corrections		
Number of youth also to avoid DYC placement	4	=32 youth anticipated to avoid Child Welfare Congregate Care placement * 13.9% (Percent of youth in a Therapeutic Residential Child Care Facility, TRCCF, anticipated to go on to DYC within 1 year)

Functional Family Therapy

	Totals	**Calculations**
Total Program Cost	$1,440,000	= 3 sites @ 480,000 per site
Child Welfare Placements		
Average cost per pouth in a congregate care placement (for targeted population)	$47,597	= $178/per day for congregate care * 267.4 days
Number of youth needed to avoid congregate care to break even	30	= Total Program Cost/Average Cost Per Youth
Number of youth estimated to potentially to avoid a congregate care placement	54	= 120 youth served at 3 sites * 15% anticipated success rate
Number of youth beyond break even point	24	= 54-30 youth
Division of Youth Corrections		
Number of youth also to avoid DYC placement	8	=54 youth anticipated to avoid CW OOH placement * 13.9% (Percent of youth in TRCCFs anticipated to go on to DYC within 1 year)

The outcome of this request is that the pilot program and corresponding research will provide the State with Colorado-specific data on whether targeting these two evidence-based programs towards at-risk youth is an effective preventative approach. It aligns with the Department's C-Stat measures of reducing the number of youth in congregate care in child welfare and maintaining children safely in their home. If this approach is effective, there is the potential to improve the lives of youth on a long-term basis and save the State money in the long run by reduced congregate care placements and public system involvement.

Assumptions and Calculations:

The Department is offering a pool of flexible funding for counties to apply for, but actual costs to implement these programs will vary based on the county. At least three Functional Family Therapy and three Multi-Systemic Therapy sites are necessary for research purposes though, so the total cost of services is estimated based on the typical cost to implement these programs. The request assumes counties will have some infrastructure in place to implement these programs. The estimated program costs are listed below:

Multi-Systemic Therapy Site Costs

- There will be approximately 48 youth served per site
- Services cost $1,650 per youth per month (Based on Trails data)
- 4-5 months of service are required on average per participating youth
- Site costs of $396,000 per site (=48 youth * $1,650 youth*5 months of services)
- Total cost of $1,188,000 for three sites ($396,000*3)

Functional Family Therapy Site Costs

- There will be approximately 120 youth served per site
- National costs for FFT range from $700-$2,000 per youth per month. These costs are consistent with State level provider data from Trails
- 3-4 months of service are provided on average per participating youth
- Site costs of $480,000 per site (=120 youth*$1,000/youth*4 months of service)
- Total cost of $1,440,000 for three sites ($480,000*3)

Implementation of three Functional Family Therapy and three Multi-Systemic Therapy sites totals $2,628,000. The Department requests roll-forward authority should these funds not all be spent by the end of the year so that they can continue awarding funding to counties. The Department will provide an update on the status of the implementation of these programs by November 1st of each year.

Temporary FTE

The Department is requesting two temporary FTE in the Division of Child Welfare to oversee the implementation of the pilot program. For the Prevention Program Coordinator position, the salary and benefits were based off of a General Profession V position. For the support staff position, the salary and benefits were based off of a Program Assistant III position. The Department is not requesting permanent FTE and therefore does not show FTE in this request. The FTE template was used as a guideline though and is included for informational purposes to show how these costs were calculated.

Evaluation Costs

The request will also fund Colorado-specific research on the impact of targeting Functional Family Therapy and Multi-Systemic Therapy towards at-risk youth before they enter the juvenile justice system or have extensive involvement in the Child Welfare system. The Department will issue an RFP for these services and an independent evaluator will evaluate the effectiveness of these services; $165,000 is included annually for evaluation. This amount is based on a review of current evaluation contracts. In addition, two research organizations that conduct similar types of analyses provided general estimates for this type of work.

Total Cost Summary

Program Costs	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19***
Pooled Funding for Site Costs	$1,314,000*	$2,628,000**	$2,628,000	$0
Temporary FTE	$172,107	$163,761	$163,761	$0
Research	$165,000	$165,000	$165,000	$165,000
Total	**$1,651,107**	**$2,956,761**	**$2,956,761**	**$165,000**

*This total represents 6 months of service in the first year to allow for a ramp-up year.
**This total is based on the above cost estimates to implement three MST and three FFT sites throughout the pilot. The total amount per site will vary based on county capacity and need.
***Fiscal Year 2018-19 represents the final year of the pilot. If the program is proven to be effective, it will be expanded after this point.