Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

NP-01 COE Program Financial Restructure

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:01:27 -06'00'

OSPB Approval By: Ashley Clark

		Supplemental FY 2020-21
		Budget Amendment FY 2021-22
	X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$59,306,945**	**$0**	**$65,113,434**	**$119,462**	**$119,462**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$46,458	$45,458
	CF	$8,654,962	$0	$9,417,750	$5,328	$5,328
	RF	$17,424,245	$0	$19,489,890	$47,228	$47,228
	FF	$33,227,738	$0	$36,205,794	$20,448	$20,448

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
01. Executive Director's Office, (C) Indirect Costs, (1) Indirect Costs - Indirect Cost Assessment	**Total**	**$824,208**	**$0**	**$1,088,692**	**$508**	**$508**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$673,369	$0	$732,723	$415	$415
	RF	$130,510	$0	$332,959	$81	$81
	FF	$20,329	$0	$23,010	$12	$12
02. Office of Information Technology Services, (A) Information Technology, (1) Information Technology - Statewide Training	**Total**	**$0**	**$0**	**$0**	**$82,960**	**$82,960**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$46,458	$46,458
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$36,502	$36,502
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
03. Office of Operations, (C) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessments	Total	$259,514	$0	$321,837	$160	$160
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$231,550	$0	$251,962	$143	$143
	RF	$27,964	$0	$69,875	$17	$17
	FF	$0	$0	$0	$0	$0
05. Division of Child Welfare, (A) Division of Child Welfare, (1) Division of Child Welfare - Indirect Cost Assessment	Total	$11,186,150	$0	$12,189,174	$6,885	$6,885
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$95,632	$0	$104,068	$59	$59
	RF	$58,780	$0	$65,022	$36	$36
	FF	$11,031,738	$0	$12,020,084	$6,790	$6,790
06. Division of Early Childhood, (C) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	Total	$3,610,347	$0	$3,933,566	$2,222	$2,222
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$182,130	$0	$198,189	$112	$112
	RF	$0	$0	$0	$0	$0
	FF	$3,428,217	$0	$3,735,377	$2,110	$2,110
07. Office of Self Sufficiency, (F) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	Total	$22,723,856	$0	$24,847,286	$13,984	$13,984
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$111,901	$0	$121,754	$69	$69
	RF	$5,497,159	$0	$6,077,161	$3,384	$3,384
	FF	$17,114,796	$0	$18,648,371	$10,531	$10,531
08. Behavioral Health Services, (F) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	Total	$6,350,432	$0	$6,936,950	$3,909	$3,909
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$3,451,101	$0	$3,755,240	$2,124	$2,124
	RF	$1,428,686	$0	$1,579,281	$880	$880
	FF	$1,470,645	$0	$1,602,429	$905	$905

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
09. Services for People with Disabilities, (E) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	Total	$14,078,431	$0	$15,497,562	$8,666	$8,666
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$3,790,116	$0	$4,124,151	$2,333	$2,333
	RF	$10,281,146	$0	$11,365,592	$6,328	$6,328
	FF	$7,169	$0	$7,819	$5	$5
10. Adult Assistance Programs, (F) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	Total	$154,899	$0	$168,761	$95	$95
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$55	$0	$57	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$154,844	$0	$168,704	$95	$95
11. Division of Youth Services, (D) Indirect Costs, (1) Indirect Costs - Indirect Costs	Total	$119,108	$0	$129,606	$73	$73
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$119,108	$0	$129,606	$73	$73
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Non-Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Impacts DPA

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

NP-02 Annual Fleet Vehicle Request

Dept. Approval By: Clint Woodruff

OSPB Approval By: Ashley Clark

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
x	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	Total	$60,352,161	$0	$66,158,650	$192,507	$192,507
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$527,799	$0	$527,799	$65,027	$65,027
	CF	$8,654,962	$0	$9,417,750	$9,303	$9,303
	RF	$17,941,662	$0	$20,007,307	$82,469	$82,469
	FF	$33,227,738	$0	$36,205,794	$35,708	$35,708

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
01. Executive Director's Office, (C) Indirect Costs, (1) Indirect Costs - Indirect Cost Assessment	Total	$824,208	$0	$1,088,692	$887	$887
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$673,369	$0	$732,723	$724	$724
	RF	$130,510	$0	$332,959	$141	$141
	FF	$20,329	$0	$23,010	$22	$22
03. Office of Operations, (A) Administration, (1) Administration - Vehicle Lease Payments	Total	$1,045,216	$0	$1,045,216	$128,767	$128,767
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$527,799	$0	$527,799	$65,027	$65,027
	CF	$0	$0	$0	$0	$0
	RF	$517,417	$0	$517,417	$63,740	$63,740
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
03. Office of Operations, (C) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessments	Total	$259,514	$0	$321,837	$279	$279
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$231,550	$0	$251,962	$249	$249
	RF	$27,964	$0	$69,875	$30	$30
	FF	$0	$0	$0	$0	$0
05. Division of Child Welfare, (A) Division of Child Welfare, (1) Division of Child Welfare - Indirect Cost Assessment	Total	$11,186,150	$0	$12,189,174	$12,020	$12,020
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$95,632	$0	$104,068	$103	$103
	RF	$58,780	$0	$65,022	$64	$64
	FF	$11,031,738	$0	$12,020,084	$11,853	$11,853
06. Division of Early Childhood, (C) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	Total	$3,610,347	$0	$3,933,566	$3,880	$3,880
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$182,130	$0	$198,189	$196	$196
	RF	$0	$0	$0	$0	$0
	FF	$3,428,217	$0	$3,735,377	$3,684	$3,684
07. Office of Self Sufficiency, (F) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	Total	$22,723,856	$0	$24,847,286	$24,422	$24,422
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$111,901	$0	$121,754	$120	$120
	RF	$5,497,159	$0	$6,077,161	$5,908	$5,908
	FF	$17,114,796	$0	$18,648,371	$18,394	$18,394
08. Behavioral Health Services, (F) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	Total	$6,350,432	$0	$6,936,950	$6,826	$6,826
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$3,451,101	$0	$3,755,240	$3,709	$3,709
	RF	$1,428,686	$0	$1,579,281	$1,536	$1,536
	FF	$1,470,645	$0	$1,602,429	$1,581	$1,581

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
09. Services for People with Disabilities, (E) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	Total	$14,078,431	$0	$15,497,562	$15,132	$15,132
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$3,790,116	$0	$4,124,151	$4,074	$4,074
	RF	$10,281,146	$0	$11,365,592	$11,050	$11,050
	FF	$7,169	$0	$7,819	$8	$8
10. Adult Assistance Programs, (F) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	Total	$154,899	$0	$168,761	$166	$166
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$55	$0	$57	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$154,844	$0	$168,704	$166	$166
11. Division of Youth Services, (D) Indirect Costs, (1) Indirect Costs - Indirect Costs	Total	$119,108	$0	$129,606	$128	$128
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$119,108	$0	$129,606	$128	$128
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Non-Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Impacts DPA

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

NP-03 Extend Pause Annual Depreciation Lease Payment

Dept. Approval By:	Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 10:24:55 -06'00'		**Supplemental FY 2020-21**
OSPB Approval By:	Ashley Clark		**Budget Amendment FY 2021-22**
		X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$0**	**$0**	**$1,561,967**	**($1,561,967)**	**$0**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$1,561,967	($1,561,967)	$0
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
03. Office of Operations, (A) Administration, (1) Administration - Annual Depreciation-Lease Equivalent Payment	**Total**	**$0**	**$0**	**$1,561,967**	**($1,561,967)**	**$0**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$1,561,967	($1,561,967)	$0
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Non-Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Impacts DPA

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

NP-04 OIT FY22 Budget Request Package

Dept. Approval By:	Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:24:31 -06'00'		Supplemental FY 2020-21
OSPB Approval By:	Ashley Clark		Budget Amendment FY 2021-22
		x	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	Total	$96,731,488	$0	$106,654,008	($5,347,369)	($5,347,369)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$14,497,246	$0	$16,090,150	($1,282,971)	($1,282,971)
	CF	$8,654,962	$0	$9,417,750	($296,569)	($296,569)
	RF	$40,351,542	$0	$44,940,314	($2,629,255)	($2,629,255)
	FF	$33,227,738	$0	$36,205,794	($1,138,574)	($1,138,574)

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
01. Executive Director's Office, (C) Indirect Costs, (1) Indirect Costs - Indirect Cost Assessment	Total	$824,208	$0	$1,088,692	($28,242)	($28,242)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$673,369	$0	$732,723	($23,074)	($23,074)
	RF	$130,510	$0	$332,959	($4,472)	($4,472)
	FF	$20,329	$0	$23,010	($696)	($696)
02. Office of Information Technology Services, (A) Information Technology, (1) Information Technology - Payments to OIT	Total	$37,424,543	$0	$41,540,574	($3,315,170)	($3,315,170)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$14,497,246	$0	$16,090,150	($1,282,971)	($1,282,971)
	CF	$0	$0	$0	$0	$0
	RF	$22,927,297	$0	$25,450,424	($2,032,199)	($2,032,199)
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
03. Office of Operations, (C) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessments	**Total**	**$259,514**	**$0**	**$321,837**	**($8,892)**	**($8,892)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$231,550	$0	$251,962	($7,934)	($7,934)
	RF	$27,964	$0	$69,875	($958)	($958)
	FF	$0	$0	$0	$0	$0
05. Division of Child Welfare, (A) Division of Child Welfare, (1) Division of Child Welfare - Indirect Cost Assessment	**Total**	**$11,186,150**	**$0**	**$12,189,174**	**($383,303)**	**($383,303)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$95,632	$0	$104,068	($3,277)	($3,277)
	RF	$58,780	$0	$65,022	($2,014)	($2,014)
	FF	$11,031,738	$0	$12,020,084	($378,012)	($378,012)
06. Division of Early Childhood, (C) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	**Total**	**$3,610,347**	**$0**	**$3,933,566**	**($123,711)**	**($123,711)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$182,130	$0	$198,189	($6,241)	($6,241)
	RF	$0	$0	$0	$0	$0
	FF	$3,428,217	$0	$3,735,377	($117,470)	($117,470)
07. Office of Self Sufficiency, (F) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	**Total**	**$22,723,856**	**$0**	**$24,847,286**	**($778,650)**	**($778,650)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$111,901	$0	$121,754	($3,835)	($3,835)
	RF	$5,497,159	$0	$6,077,161	($188,364)	($188,364)
	FF	$17,114,796	$0	$18,648,371	($586,451)	($586,451)
08. Behavioral Health Services, (F) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	**Total**	**$6,350,432**	**$0**	**$6,936,950**	**($217,603)**	**($217,603)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$3,451,101	$0	$3,755,240	($118,254)	($118,254)
	RF	$1,428,686	$0	$1,579,281	($48,956)	($48,956)
	FF	$1,470,645	$0	$1,602,429	($50,393)	($50,393)

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
09. Services for People with Disabilities, (E) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	Total	$14,078,431	$0	$15,497,562	($482,409)	($482,409)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$3,790,116	$0	$4,124,151	($129,871)	($129,871)
	RF	$10,281,146	$0	$11,365,592	($352,292)	($352,292)
	FF	$7,169	$0	$7,819	($246)	($246)
10. Adult Assistance Programs, (F) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	Total	$154,899	$0	$168,761	($5,308)	($5,308)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$55	$0	$57	($2)	($2)
	RF	$0	$0	$0	$0	$0
	FF	$154,844	$0	$168,704	($5,306)	($5,306)
11. Division of Youth Services, (D) Indirect Costs, (1) Indirect Costs - Indirect Costs	Total	$119,108	$0	$129,606	($4,081)	($4,081)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$119,108	$0	$129,606	($4,081)	($4,081)
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Non-Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

NP-05 OIT_FY22 Budget Request Package

Dept. Approval By: Clint Woodruff

OSPB Approval By: Ashley Clark

___	**Supplemental FY 2020-21**
___	**Budget Amendment FY 2021-22**
X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	Total	$8,241,254	$0	$7,999,004	($659,385)	($659,385)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$4,321,948	$0	$4,164,485	($342,880)	($342,880)
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$3,919,306	$0	$3,834,519	($316,505)	($316,505)

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
02. Office of Information Technology Services, (A) Information Technology, (1) Information Technology - Colorado Trails	Total	$8,241,254	$0	$7,999,004	($659,385)	($659,385)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$4,321,948	$0	$4,164,485	($342,880)	($342,880)
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$3,919,306	$0	$3,834,519	($316,505)	($316,505)

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Non-Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Requires OIT Approval

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-01 Behavioral Health Services for Children in Crisis

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:23:46 -06'00'

OSPB Approval By: Ashley Carter

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$27,798,476**	**$0**	**$28,079,269**	**$910,000**	**$530,000**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$23,841,062	$0	$24,081,881	$910,000	$530,000
	CF	$3,957,414	$0	$3,997,388	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
08. Behavioral Health Services, (D) Integrated Behavioral Health Services, (1) Integrated Behavioral Health Services - Crisis Response System Services	**Total**	**$27,798,476**	**$0**	**$28,079,269**	**$910,000**	**$530,000**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$23,841,062	$0	$24,081,881	$910,000	$530,000
	CF	$3,957,414	$0	$3,997,388	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department of Human Services

FY 2021-22 Funding Request

November 1, 2020

Jared Polis
Governor

Michelle Barnes
Executive Director

Department Priority: R-01
Request Detail: Behavioral Health Services for Children in Crisis

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$27,798,476*	*$28,079,269*	*$910,000*	*$530,000*
FTE	0.0	0.0	0.0	0.0
General Fund	$23,841,062	$24,081,881	$910,000	$530,000
Cash Funds	$3,957,414	$3,997,388	$0	$0
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$0	$0	$0	$0

Summary of Request

The Department requests $910,000 total funds/General Fund for FY 2021-22, and $530,000 for FY 2022-23 and beyond for improved crisis services for children and youth in Colorado who need access to immediate, effective, and comprehensive crisis interventions. This request represents a 2.87% increase to the Behavioral Health Crisis FY 2020-21 appropriation.

Current Program:

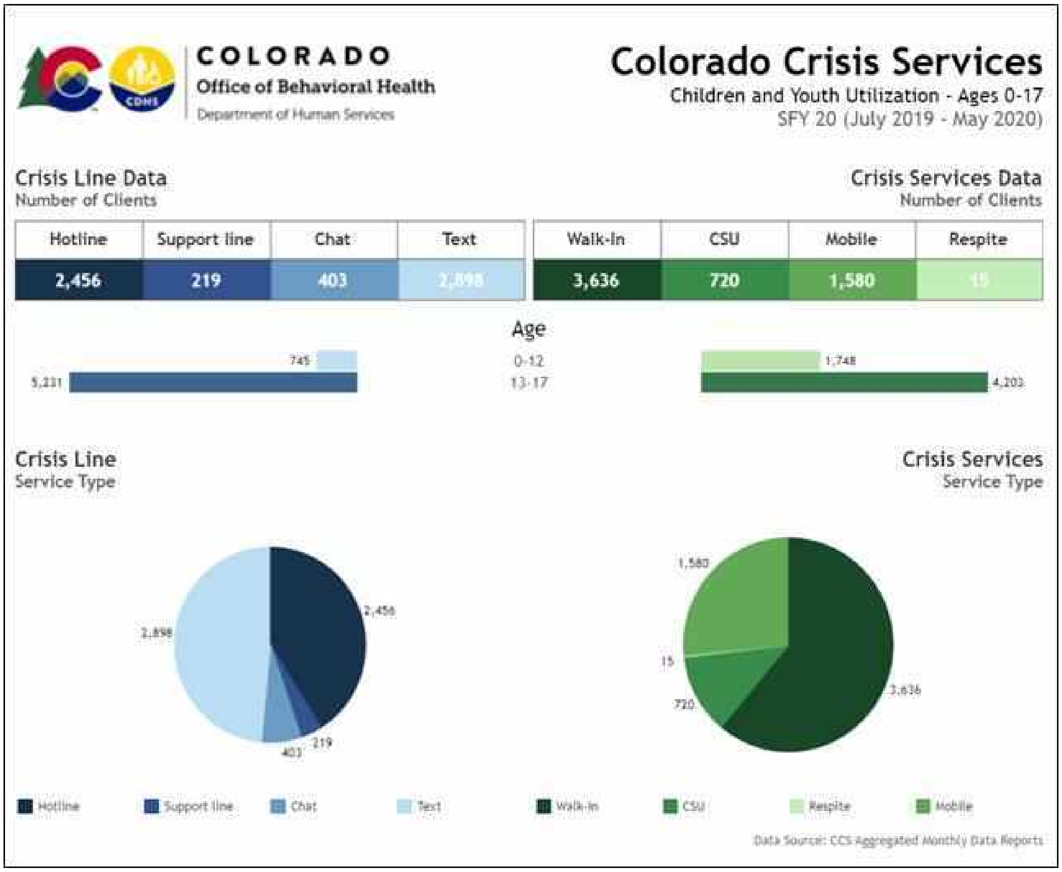
Currently, the Department's Behavioral Crisis system consists of five major components that are managed through contracts.

The first component is the Crisis Line services which provide twenty-four hour access to hotline, and textline behavioral health services. Trained counselors or peers are available to provide emergency crisis counseling and referral to crisis services or other ancillary services.

The other four major components are managed by Administrative Services Organizations (ASOs). The four major components include walk-in, stabilization, mobile, and respite services. Much of the crisis system focuses services on adult consumers which results in children and families experiencing inequities in receiving help. Currently, Colorado Crisis Services provides limited child and family-specific support and interventions.

- Walk-in crisis services are open 24/7 and offer confidential, in-person crisis support in an outpatient setting. This service is short-term in nature and connects individuals to longer-term care and support. There are nine Walk-in Centers (WICs) throughout the State, at least one per region.
- Mobile crisis services are available 24 hours per day 7 days per week on a statewide basis. Mobile crisis services are dispatched to the location where the behavioral health crisis is experienced by the individual or has been requested by others that may include family, law enforcement, or other first responders.
- Respite services are provided throughout the State on a limited basis. Options may include home-based or in a residential setting. Currently, there are limited respite resources for children and youth.
- Crisis stabilization units are licensed either as a Community Clinic or Acute Treatment Unit (ATU) and available throughout the state. Individuals can stay 1- 5 days either on a voluntary or involuntary basis. Resources for children and youth are limited, and ATUs cannot accept individuals under age 18. Currently, Colorado has only one Crisis Stabilization Unit for children.

Of the approximately 10,000 children and youth in Colorado with high-behavioral health needs an estimated 1,000 children, youth and families will need immediate crisis intervention and stabilization services each year. Current utilization of crisis services for Walk-In, Crisis Stabilization Units, and Mobile response is as follows:



Problem or Opportunity:

Of the roughly one million children and youth in Colorado, approximately twenty percent (200,000) have unmet behavioral health needs. Of those 200,000 children and youth, five percent (approximately 10,000) have high behavioral health needs. At times, these needs escalate to crisis conditions, with children/youth at high-risk and families struggling to find help. The current crisis system is designed for adult consumers which results in children, youth, and families experiencing inequities in receiving help. Currently, Colorado Crisis Services provides limited child and family-specific support and interventions and clinical staff responding to emergencies frequently do not have developmentally responsive teams to support children, youth and their caregivers in managing a behavioral health crisis.

Additionally, our child serving systems are fragmented resulting in unnecessary hardship for families. A wide variety of services for children with high behavioral health needs makes it difficult for parents to determine programming that is most appropriate for their child. Programs include:

- Child and Youth Mental Health Treatment Act for commercially covered youth
- Systems of Care for children who are referred to the program due to involvement in multiple systems including Child Welfare and Youth Services
- Momentum for children with multiple behavioral health hospitalizations and multiple system involvement
- Medicaid for Creative Solutions and ways to leverage resources for complex behavioral health needs
- Child Welfare for families and youth with complex behavioral health needs.

All of these disparate programs and services impact families trying to identify the right services for their children and youth and delay care and needed interventions.

Proposed Solution:

This request is the first step in enhancing the current crisis services system by tailoring and aligning services for Colorado children, youth and their families. While there is a need to make ongoing systemic improvements to acute and crisis services for children and youth, the first step needs to be in providing training that improves the workforce competency of the crisis hotline, walk-in clinic and mobile response professionals to appropriately address the needs of children and youth. The following recommendations will be implemented if this request is approved:

1. ***Child, youth, and family-specific training on developmentally appropriate interventions and training on standardized assessments by mobile and walk-in crisis response teams.***
   In the event of a behavioral health crisis involving children and youth, mobile response units within the Crisis Response System and Walk-In crisis clinicians will be equipped and trained to intervene with children, youth and families. Responding to families in a developmentally appropriate manner allows crisis providers to resolve an ongoing crisis and ensure the family has been connected

with appropriate services. For families exhibiting higher needs or risk factors, the team may administer a single standardized assessment tool being utilized in other child and adolescent programs (Child and Adolescent Needs and Strengths (CANS) Comprehensive Assessment) to facilitate the identification of behavioral health issues and family supports as well as provide immediate care coordination and interventions that address the whole family.

2. ***Child, youth, and family-specific disability competency training of mobile response teams to respond to children and youth with disabilities.***
   In the event of a behavioral health crisis involving children and youth, mobile response units within the Crisis Response System will be equipped and trained to intervene with children, youth and families who have a disability, including intellectual and developmental disabilities. Responding to families in crisis who have children or youth with disabilities requires a specific response as to de-escalate the crisis and ensure the family has been connected with appropriate services

3. ***Enhance hotline services and follow-up for children, youth and families.***
   In an effort to support hotline staff in responding to children and adolescent callers and support parents/caregivers calling with concerns about a child this funding will leverage the training programming aforementioned to support training for hotline staff in children and adolescent interventions, parenting supports, and supports for children and adolescents with disabilities. Additionally, the hotline transition team will be enhanced with funding to support hiring of additional staff with expertise in care management and transitions of care for children and adolescents so that the appropriate follow-up can occur with families who encountered the crisis system.

Evidence Continuum Step:
Step 2 - collect data on program activities

Why this Step?
The Colorado Crisis System currently has a relatively rich data set available for evaluation (see Table 1). OBH uses these data to monitor utilization numbers and trends. Although there are some limitations, OBH generally is able to provide the number of services and types of services provided to clients age 0-26. Further, service utilization by age and can be broken down into other categories.

In order to continue to build evidence to advance the evidence-based performance management of Colorado Crisis Services, OBH will conduct a program planning phase to clearly define the training objectives and outcomes of interest. Next, we will determine what existing data may help us understand workshop impact, as well as any new strategies needed to assess the target outcomes. These efforts will advance the program from the second to third step of the evidence-based continuum.

Table 1: Colorado Crisis Service Data for Evaluation (current)	
Crisis Services (in-person) - Walk-in, Mobile CSU, Respite	
• ASO Region • Agency • Service volume • Gender • Age	• IDD • New Client • Outcome • ED Referral
Crisis Line (calls or text messages) - Hotline, Support line, Chat, or Text	
• Service Volume • Gender* • Age*	• Presenting problem • Outcome • Client County of Residence*

* Clients that contact the Crisis Line can do so anonymously. Data points are available for clients who chose to share their information with the Colorado Crisis Line.

Anticipated Outcomes:

Currently, the child and adolescent behavioral health system is fragmented and does not have a central point of entry for high need children and youth experiencing a behavioral health crisis. Expanding the crisis system networks to ensure adequately trained child and adolescent clinicians to respond to families in crisis will support the following outcomes:

- Complete standardized behavioral health assessments to develop treatment plans that match the family's needs and coordinate the various state programs to ensure funding for the services leveraging the hotline follow-up staff.
- Behavioral Health Stabilization for children and youth receiving crisis intervention services.
- Reduced repeated acute mental health crises by ensuring appropriate follow up and coordination for the youth and family.
- Early intervention for families to reduce the need for higher-cost interventions by leveraging the standardized assessment tool and connecting families to appropriate resources.

The program outcome data will be tracked through the Office of Behavioral Health's data management system and is a 4 on the evidence continuum.

Assumptions and Calculations:

This section's assumptions and calculations follow the order of the "Proposed Solution".

1. ***Child, youth and family-specific training of crisis system staff (including hotline, Walk-In Crisis Staff and Mobile Crisis Clinicians).***

   Child and family-specific training for crisis teams $250,000 this includes:

- Onetime expense for the development of a Colorado specific web-based curriculum that assumes 2 modules at a cost of $50,000 per module for a total of $100,000.
- First year training development and implementation for live training seminars cost assumes that training will be offered to crisis service providers and hotline staff: 800 hours X $125/hour = $100,000. After the first year, it assumes a 50% rate for ongoing education and new staff training.
- Child and Adolescent Needs and Strengths (CANS) Comprehensive Assessment Training module development: 400 hours X $125.00/hour = $ 50,000

2. ***Additional training in specific interventions for mobile, and walk-in providers in interventions for children and youth with disabilities.***

   Child and family-specific training for children and youth with a disability $200,000 this includes:
   - Onetime expenses for the development of a disability competency specific web-based curriculum for new modules at a total cost of $100,000.
   - First year training development and implementation for live training seminars cost assumes that training will be offered to crisis service providers and hotline staff. (800 hours X $125/hour = $100,000). After the first year, it assumes a 50% rate for ongoing education and new staff training.

3. ***Reimbursement for Crisis hotline staff and clinical providers to attend above trainings.***

   $20,000 per ASO region for 7 regions + $20,000 for hotline staff = $160,000
   - Regional payment to ASO to support time off for staff to attend training which may include mileage reimbursement and hotel accommodations to encourage participation.
   - Reimbursement to crisis hotline to offset costs of training for staff development.
   - After the first year, it assumes a 50% rate for ongoing education and new staff training.

4. ***Increase hotline follow-up capacity for children, youth and families***
   - Three addition FTE with the hotline vendor to provide additional follow-up services: 3 FTE x $100,000 each for salary and benefits = $300,000

Total Estimated Costs for FY 2021-22: $910,000.00
Total Estimated Costs for FY 2022-23 and ongoing: $530,000

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-02 Family First Prevention and Services Act

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:50:14 -06'00'

OSPB Approval By: Ashley Carter

____	**Supplemental FY 2020-21**
____	**Budget Amendment FY 2021-22**
X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$36,339,899**	**$0**	**$37,670,457**	**$1,791,157**	**$1,867,409**
	FTE	144.0	0.0	148.5	3.6	4.0
	GF	$18,447,660	$0	$19,707,032	$1,656,730	$1,731,056
	CF	$789,147	$0	$958,139	$0	$0
	RF	$8,473,631	$0	$8,545,399	$0	$0
	FF	$8,629,461	$0	$8,459,887	$134,427	$136,353

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
02. Office of Information Technology Services, (A) Information Technology, (1) Information Technology - Colorado Trails	**Total**	**$8,241,254**	**$0**	**$7,756,754**	**$250,000**	**$250,000**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$4,321,948	$0	$4,007,022	$162,500	$162,500
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$3,919,306	$0	$3,749,732	$87,500	$87,500
05. Division of Child Welfare, (A) Division of Child Welfare, (1) Division of Child Welfare - Administration	**Total**	**$6,776,580**	**$0**	**$7,049,130**	**$806,040**	**$787,370**
	FTE	64.2	0.0	65.4	2.7	3.0
	GF	$5,719,001	$0	$5,991,551	$759,113	$738,517
	CF	$0	$0	$0	$0	$0
	RF	$65,019	$0	$65,019	$0	$0
	FF	$992,560	$0	$992,560	$46,927	$48,853

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	**$7,764,345**	**$0**	**$8,072,559**	**$98,155**	**$107,945**
08. Behavioral Health Services, (A) Community Behavioral Health Administration, (1) Administration - Personal Services	FTE	79.8	0.0	83.1	0.9	1.0
	GF	$2,247,890	$0	$2,403,786	$98,155	$107,945
	CF	$730,253	$0	$882,571	$0	$0
	RF	$1,287,268	$0	$1,287,268	$0	$0
	FF	$3,498,934	$0	$3,498,934	$0	$0
	Total	**$325,525**	**$0**	**$337,781**	**$5,653**	**$950**
08. Behavioral Health Services, (A) Community Behavioral Health Administration, (1) Administration - Operating Expenses	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$31,704	$0	$27,286	$5,653	$950
	CF	$58,894	$0	$75,568	$0	$0
	RF	$16,266	$0	$16,266	$0	$0
	FF	$218,661	$0	$218,661	$0	$0
	Total	**$13,232,195**	**$0**	**$14,454,233**	**$631,309**	**$721,144**
08. Behavioral Health Services, (D) Integrated Behavioral Health Services, (1) Integrated Behavioral Health Services - Jail-based Behavioral Health Services	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$6,127,117	$0	$7,277,387	$631,309	$721,144
	CF	$0	$0	$0	$0	$0
	RF	$7,105,078	$0	$7,176,846	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Impacts Other Agency

Department Priority: R-02
Request Detail: Family First Prevention and Services Act

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$36,339,899*	*$37,670,457*	*$1,791,157*	*$1,867,409*
FTE	144.0	148.5	3.6	4.0
General Fund	$18,447,660	$19,707,032	$1,656,730	$1,731,056
Cash Funds	$789,147	$958,139	$0	$0
Reappropriated Funds	$8,473,631	$8,545,399	$0	$0
Federal Funds	$8,629,461	$8,459,887	$134,427	$136,353

Summary of Request

The Department of Human Services requests $1,791,157 total funds, including $1,656,730 General Fund, $134,427 federal funds and 3.6 FTE for FY 2021-22, and $1,867,409 total funds, including $1,731,056 General Fund, $136,353 federal funds and 4.0 FTE in FY 2022-23 and ongoing in order to implement aspects of the federal Family First Prevention Services Act (Family First). The source of federal funds is Title IV-E of the Social Security Act. Family First emphasizes the importance of the children growing up in families and helps ensure children are placed in the least restrictive, most family-like setting. This request provides funding for required provider evaluations and independent assessments, Trails enhancements to maximize IV-E reimbursement, as well as FTE for monitoring specialists and a procurement strategist.

Current Program:

The CDHS Division of Child Welfare (DCW), through county departments of human or social services, provides services to protect children from harm and assists families in caring for and protecting their children. DCW's programs comprise Colorado's efforts to meet the needs of children who must be placed, or are at risk of placement outside of their homes for reasons of protection or community safety.

Colorado's Child Welfare Comprehensive Information System (CCWIS), Trails, is Colorado's statewide child welfare case management system and is used by the State, counties, and other state agencies to meet the needs of children who must be placed, or are at risk of placement outside of their homes for reasons of protection or community safety.

Problem or Opportunity:

Family First Prevention Services Act

On February 9, 2018, the federal Family First Prevention Services Act was signed into law. Family First emphasizes the importance of children and youth growing up in families and reforms the way child welfare is practiced so that even more of Colorado's children and youth can safely stay with their families and avoid the traumatic experience of entering foster care and being separated from their families. In cases where foster care is needed, Family First helps ensure that children and youth are placed in the least restrictive, most family-like setting appropriate to their specific needs.

Family First creates a new entitlement in the form of a 50% reimbursement stream using federal funds to provide services to keep children and youth safely with their families and out of foster care (without regard to income). When foster care is needed, Family First allows federal reimbursement for care in family-based settings and certain residential treatment programs for children and youth with emotional and behavioral disturbances requiring special treatment.

In partnership with a broad coalition of stakeholders, the Department has diligently worked to implement Family First through a variety of collaborative task forces and workgroups. Since March 2018, the Department has assisted in the creation of a "roadmap" to implementation, applied for federal funds for evidence-based Kinship Navigator programs, and recruited a diverse group of stakeholders to analyze Family First requirements covering fiscal, policy, and program/services perspectives. Where possible, the Department has absorbed implementation responsibilities within existing resources and has reallocated vacancy savings to hire critical project management, training, and data and reporting staff. However, these trade-offs have meant that the Department has been unable to yet fulfill certain implementation requirements, particularly around independent assessments and program evaluations (discussed in further detail in the Evaluations section). With a mandatory federal "opt in" date of October 2021, the Department now requires additional resources to ensure that it is positioned to fully shift practice changes in a way that both maximizes drawdown of funds under the new federal reimbursement structure and supports the county agencies' abilities to fully respond to the needs of children and families.

Evaluations

Family First focuses funding on prevention services in order to prevent children and youth from being removed from their homes. Using Title IV-E funds, federal reimbursement will be allowed for evidence-based mental health and substance abuse services, and in-home, skills-based services for parents. The services may be provided for up to 12 months, with a possibility to extend services if necessary, for children who are at imminent risk of entering foster care, for their parents and relatives to assist children, youth, and for pregnant or parenting teens.

Prevention services must be trauma-informed, evidence-based, subject to a well-designed and rigorous evaluation, and listed on the Family First Prevention Services Clearinghouse (Clearinghouse). At last review, 10 of the 12 rated Clearinghouse services are being implemented in Colorado. Seven of these services were rated "well-supported" by the Clearinghouse, and therefore, Colorado is able to request an evaluation waiver. For other services, in order to draw down federal funds, Colorado must demonstrate ongoing rigorous evaluation. In addition, Colorado is initiating independent systematic reviews of prevention services currently being used in Colorado but not yet on the Clearinghouse. The results of these reviews can be used to access transitional federal funding until the Clearinghouse conducts an official review. Funding is necessary to support the development of evaluation plans, to conduct independent reviews, and to conduct rigorous ongoing evaluations.

Because carefully and strategically building evidence to demonstrate program effectiveness is such an important piece of the Family First Act, evaluating our Family First implementation in Colorado at this point is creating the environment for further study. As such, the Step 1 on the evidence continuum with efforts to move to Step 2 is likely the most appropriate stage to characterize this work. OCYF is in the process of implementing the Family First policy changes to Colorado's child welfare system. Family First reforms are moving the system towards 1) increased evaluation of programs and practices, and 2) implementation and expansion of evidence-based practices. Enhancements to our child welfare programs with Family First build on existing evidence around outcomes for children in family-like homes versus congregate care.

Statewide Behavioral Health Assessments provided through the Office of Behavioral Health

Under Family First, federal funding is also available for children and youth in family foster homes, Qualified Residential Treatment Programs (QRTP) and special treatment settings for pregnant or parenting teens, youth 18 and over preparing to transition from foster care to adulthood, and youth who have been found to be – or are at risk of becoming – sex trafficking victims.

The Family First Prevention Services Act and SB 20-162 requires an independent assessment from a qualified individual within 30 days for any child placed in a QRTP. 19-1-103 (87.7) C.R.S. defines a qualified individual as: a trained professional or licensed clinician, as defined in the federal "Family First Prevention Services Act". "Qualified individual" must be approved to serve as a qualified individual according to the state plan. "Qualified individual" must not be an interested party or participant in the juvenile court proceeding and must be free of any personal or business relationship that would cause a conflict of interest in evaluating the child, juvenile, or youth and making recommendations concerning the child's, juvenile's, or youth's placement and therapeutic needs according to the federal title IV-E state plan or any waiver in accordance with 42 U.S.C. sec. 675a.

The Department's Office of Behavioral Health (OBH) has received federal approval to procure and oversee the assessment process for the Office of Children, Youth, and Families as it relates to assessment requirements pursuant to the Family First. To meet federal mandates, a state-wide network of qualified individuals must be developed and maintained who are able to complete all assessments within 14 days of a referral, which will include a face-to-face meeting with the child or youth, obtaining information from the family, school(s), child welfare agencies, Division of Youth Services, guardian ad litem, as well as other important people in the child's life, and meet with key stakeholders to develop consensus on level of need. The qualified individual will then complete a report and send it to OBH for final quality assurance review. Once this is completed, the qualified individual will submit the report to the court official who makes the final determination of QRTP placement.

This request considers cost offsets from funds provided by SB 20-162 for similar services provided by OBH.

Monitoring

Family First established QRTPs as a new, federally-reimbursable placement type, requiring that existing providers adopt new standards and models to be eligible for this drawdown. Accordingly, DCW's Provider Services Unit will need to create guidelines for Family First QRTP designation standards, monitor to the fidelity of these standards, support in technical assistance as facilities move forward in practice, and investigate complaints from the OBH when QRTPs are non-compliant in the fidelity of their trauma informed care models. The designation standards will be separate from and over and above the current licensing standards. Monitoring to these standards will be a specialized skill and will not be conducted by current licensing staff.

Trails

Colorado's Child Welfare Comprehensive Information System, Trails, is used by Child Welfare, Youth Services, Early Childhood, Administrative Review, the Office of Child Protection Ombudsman, certain contracted providers, and sixty-four county Departments of Human and/or Social Services. An independent analysis of Trails in FY

2013-14 resulted in a recommendation to modernize the Trails system through technology upgrades. Trails Modernization is a current capital project.

As Colorado continues to refine its child welfare practices and build off the tenets of Family First, CDHS expects there to be an ongoing need for iterative technology enhancements to Trails. It is critical that the Trails team be agile enough to respond to any new and emerging technology needs, especially as Colorado builds its continuum of prevention services and shifts towards a more needs-driven approach to placement. The following are some examples of possible future Trails enhancements to better position Colorado to track and provide evidence-based services:

- Initial Trails functionality was based on anticipated needs. However, once Colorado begins implementing Family First, it is expected that some revisions will need to be made to Trails, such as the candidacy determination form, QRTPs, evidence-based services and capturing prevention plans for and candidacy determination that are provided outside of open child welfare involvement.
- Coordination of data systems to continually expand Family First claiming, including interfaces with Trails and/or new Trails functionality.

Proposed Solution:

Colorado has enacted legislation which begins to prepare the State for Family First implementation; SB 18-254, HB 19-1308, and SB 20-162. Colorado's Family First Implementation Team for the Family First Act and has created five values that help serve as the vision in the implementation of Family First. They include:

- Colorado children, youth and families are at the center of a dramatically transformed system that maximizes the potential of Family First. The result is an improved collaborative network of partnerships, programs, policies, and practices.
- Colorado children, youth, and families have access to the right service, at the right place and time. These services are part of an evidence-based and outcome-focused continuum that is enhanced by maximizing opportunities to develop and fund placement prevention services.
- Colorado has a well-equipped continuum of placement resources to support children and youth who cannot be served in their own or family homes. This continuum is enhanced by meeting all expectations of QRTP implementation.
- Colorado children, youth, and families receive the most effective interventions, family-based care and services possible through partnering with the judicial system to achieve Family First implementation.
- The Colorado Family First Implementation Plan represents input from children, youth, family and key stakeholders to integrate and communicate about the collective Family First work and activity across service and system continuum.

In support of these goals, the Department requests funding for four primary items to fully implement Family First efficiently and effectively by the mandatory deadline of October 2021:

- *Evaluation Support:* The Department requests $530,000 in FY 2021-2022 and $500,000 annually thereafter for evaluations required by Family First for programs or services that Colorado would determine to meet requirements to earn Title IV-E reimbursement. This amount fully funds five four-year program evaluations, after which the funds will be used to continue new program evaluations on an ongoing basis. For FY 2021-2022, an additional $30,000 is requested to conduct three independent systematic reviews that are Colorado-specific and outside of the national review process. These reviews help us establish transitional services and invest federal funding for proven effective services that are important to Colorado's practice.
- *Independent Assessments:* The Department requests $98,155 and 1 FTE to ensure network adequacy, contract development, contract compliance, complete statewide training, assist counties, data analysis, and conduct continuous quality improvement.
- *Monitoring Specialists:* The Department requests $146,345 and 2 FTE in order to create and oversee standards for the new QRTP placement type.
- *Trails Enhancements and Procurement Support*: The Department requests $250,000 annually for Trails enhancements and $136,000 and 1 FTE for a Procurements and Contracting Strategist (Contracts Administrator V). The funds would be utilized to support development of new Trails functionality and/or modifying existing functionality to maximize IV-E reimbursement.

<u>Evaluation Support</u>

In order to meet the diverse needs of Colorado's children, youth and families, and maximize federal drawdown, DCW's vision is to build a comprehensive array of prevention-focused, evidence-based services that align with Family First requirements. If Colorado wants to expand the number of services eligible for federal reimbursement beyond those rated as well-supported by the Clearinghouse, Colorado must strategically invest in ongoing rigorous evaluation.

In order to fully align with Family First evaluation requirements, it is anticipated that research designs will be multi-year quasi-experimental designs or randomized controlled trials. DCW will engage stakeholders in prioritizing process and outcome questions so that evaluation findings are tailored to Colorado's learning and decision-making goals.

DCW has identified the need for five such rigorous evaluations, spanning four years each, during the initial years of Family First implementation. For the state to continue building evidence and expanding its service array over time, this will be an ongoing funding need.

Independent Assessments

The Office of Behavioral Health (OBH) will develop a network of providers who will ensure state-wide coverage of qualified individuals who can complete the independent assessments for QRTP referrals. The qualified individuals will comply with 19-1-103 (87.7) C.R.S. and OBH will oversee each completed assessment for quality assurance. The independent assessment and quality assurance process will ensure that only children and youth who clinically require QRTP placement through child welfare or youth services, are placed in a QRTP. The process will also utilize data collection tools that will enable counties, providers, and the State to identify positive and negative patterns and outcomes which will allow for greater use and targeting of highest needs communities. To ensure network adequacy, contract development, contract compliance, complete statewide training, assist counties, data analysis, and conduct continuous quality improvement, the OBH requires 1 FTE.

Monitoring Specialists

The DCW's Provider Services Unit will need to create guidelines for Family First QRTP designation standards, monitor to the fidelity of these standards, and investigate complaints from the OBH when QRTPs are non-compliant in the fidelity of their trauma-informed care models. This is a new and ongoing requirement of Family First. Two Social Services Specialist IVs FTE will be required to perform this additional workload.

Trails Enhancements and Procurement Support

As previously noted, the Department is required to continually upgrade the Trails database in order to account for ongoing policy and practice changes under Family First implementation. Historically, CDHS has been required to submit several large capital requests for upgrades related to both policy and modernization, creating an intermittent budgetary strain in certain years while having little to no resources to make improvements in other years. Rather than continuing to budget for large, resource-intensive upgrades using outdated waterfall approaches, CDHS seeks ongoing resources to respond to and address technical fixes, enhancements, and other upgrades on an ongoing basis using an agile methodology. Doing so will both reduce the need for future large capital requests while ensuring the system can be nimble enough to respond to the constantly-evolving policies and practices associated with a large shift in the child welfare system.

Further, CDHS is committed to continually improving its approach to information technology, beginning with procurement. In a June report reviewing Trails modernization, the Colorado Digital Service notes that its more significant recommendations "are largely focused on the finding that there is a lack of appropriate expertise and strategic leadership to support the procurement and contract functions. Although there are specific items that could be highlighted (and are to a limited degree in this report), it would be a fundamental disservice to the Trails team and their executive sponsors to not clearly articulate that these single, one-off recommendations will do little to remedy the overall, consistent lack of procurement strategy and ability on this Trails team." In recognition of this gap in expertise and the resulting, ongoing challenges associated with an outdated approach to IT procurement, CDHS requests a dedicated strategic procurement/contracts FTE (Contract Administrator V).

The procurement strategist would primarily be responsible for aligning policy and program goals with procurement strategies and ongoing contract administration. Of note, this is not a typical contracting position, but rather an FTE with the ability to advocate for the agency and liaise with vendors in a way that promotes the best interests of the Department and supports appropriate stewardship of taxpayer dollars. With the assistance of this staff, the Department seeks to transition from an output-based purchasing strategy to a performance-based procurement approach with dynamic vendor criteria and a focus on best value. Further, the strategist will be uniquely positioned to support outcomes-based and active contract management. In lieu of continuing to focus on contracts from the perspective of transactional workflows and legal compliance, this position will allow the Department to have greater control over deliverables and be better positioned to ensure high-quality results. By centering this expertise in CDHS and focusing on one of the Department's top-priority systems, this FTE can help ensure that ongoing enhancements related to Family First are undertaken in a way that maximizes value to clients, customers, and taxpayers.

Anticipated Outcomes:

The Department's request will allow Colorado to comprehensively implement Family First and be in compliance with federal law. By serving children and youth who are at risk of being removed from their families with evidence based preventative services, fewer children, youth, and families will experience the trauma of being moved from their homes. Preventative programs/models will be monitored for degrees of evidence-based compliance with the goal of meeting federal composition requirements, resulting in more children and youth remaining in their homes and when out-of-home placement is necessary, experiencing less restrictive settings in more family-like environments.

Rigorous evaluation of prevention services is required by Family First in order to draw down 50% federal reimbursement for services rated by the Clearinghouse as promising or supported. In addition, strategic investment in program evaluation will help build a pipeline to future federal funding. Currently, in Colorado the majority of prevention services provided by counties and/or community-based organizations are either not included in the Clearinghouse or do not yet meet the level of evidence necessary for federal reimbursement. In the absence of this funding, Colorado is unlikely to continue building evidence in the prevention space and will ultimately be limited in the amount of federal funding it is able to draw down for prevention services. It is also important to note that Family First allows states to access 50% reimbursement for evaluation activities.

With regards to its technology systems, the Department does not receive Trails funding that supports agile development. The goal of agile development is to address system updates/changes as quickly as possible to maximize value for end users. In Trails, this means adding functionality that ensures we are providing the right services to the right families at the right time, while also maximizing federal reimbursement. Without a consistent budget to support enhancements, the department must wait 1-2 years from the identification of a need to the implementation of a system enhancement. With a set annual budget for technology enhancements, CDHS will be able to more quickly add or adjust system functionality as it is needed, providing for increased responsiveness to policy and practice changes. For example, if the Department identifies a new provider of an evidence-based service, it can use the Trails funds to design and implement a new interface in 1-3 months, and begin drawing down additional IV-E reimbursement. Without this ongoing capability, the Department is unlikely to fully leverage federal prevention draw down in a timely manner.

The Strategic Procurement and Contracting FTE is further likely to yield a high degree of downstream savings. As a higher-level, more strategy-focused role than a typical contract manager, procurement strategists have the expertise to restructure contracts and manage vendor relationships in a way that supports greater efficiency and reduces total vendor costs. The federal office 18F has written extensively on how rethinking government IT procurement can result in higher-quality, lower-cost products, particularly with child welfare systems. Further, moving this type of review in-house presents substantial financial benefits as opposed to outsourcing an intermittent strategic review. Using sample bid data, internal return on investment (ROI) estimates reflect that an in-house procurement strategist would result in short-term cost avoidance of over $300,000 as opposed to using a private vendor.

This budget request includes a request to evaluate five prevention services for $530,000, consisting of $100,000 per prevention service evaluation and $10,000 for each of three evaluations for services likely to qualify for transitional payments ($30,000 total).

Tables 1 and 2 represent the costs and assumptions associated with the Office of Children, Youth and Families, Division of Child Welfare, including the cost for a Procurement Strategist. Tables 3 and 4 illustrate FTE costs using the Office of State Planning and Budgeting FTE cost calculator.

Table 1: Office of Children, Youth and Families FY 2021-22 Requested Funding				
	FTE	**Total Funds**	**General Fund**	**Federal Funds**
Contract Administrator V	0.9	$103,808	$86,161	$17,647
Social Services Specialist IV	1.8	$172,234	$142,954	$29,280
Evaluations	0.0	$530,000	$530,000	$0
Trails Enhancements	0.0	$250,000	$162,500	$87,500
Total	2.7	$1,056,042	$921,615	$134,427

Table 2: Office of Children, Youth and Families FY 2022-23 Requested Funding				
	FTE	**Total Funds**	**General Fund**	**Federal Funds**
Contract Administrator V	1.0	$108,895	$90,383	$18,512
Social Services Specialist IV	2.0	$178,475	$148,134	$30,341
Evaluations	0.0	$500,000	$500,000	$0
Trails Enhancements	0.0	$250,000	$162,500	$87,500
Total	3.0	$1,037,370	$901,017	$136,353

Table 3: Contractor FTE Cost

FTE 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 -- Beginning July 1, 2019, new employees will be paid on a bi-weekly pay schedule; therefore new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE to account for the pay-date shift (25/26 weeks of pay). This applies to personal services costs only; operating costs are not subject to the pay-date shift.

Expenditure Detail			FY 2021-22		FY 2022-23
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
ONTRACT ADMINISTRATOR	$3,073	0.9	$71,917	1.0	$79,908
PERA			$7,839		$8,710
AED			$3,596		$3,995
SAED			$3,596		$3,995
Medicare			$1,043		$1,159
STD			$122		$136
Health-Life-Dental			$10,042		$10,042
Subtotal Position 1, #.# FTE		0.9	$98,155	1.0	$107,945
Classification Title	Biweekly Salary	FTE		FTE	
			$0		$0
PERA					
AED					
SAED					
Medicare					
STD					
Health-Life-Dental			$0		$0
Subtotal Position 1, #.# FTE		-	$0	-	$0
Subtotal Personal Services		0.9	$98,155	1.0	$107,945
Operating Expenses:					
		FTE		FTE	
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	-	$0
Office Furniture, One-Time	$3,473	1.0	$3,473	-	$0
Other					
Other					
Other					
Other					
Subtotal Operating Expenses			$5,653		$950
TOTAL REQUEST		0.9	**$103,808**	1.0	**$108,895**
	General Fund:		*$86,161*		*$90,383*
	Cash funds:		*$0*		*$0*
	Reappropriated Funds:		*$0*		*$0*
	Federal Funds:		*$17,647*		*$18,512*

Table 4: Monitor FTE Cost

FTE 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 -- Beginning July 1, 2019, new employees will be paid on a bi-weekly pay schedule; therefore **new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE** to account for the pay-date shift (25/26 weeks of pay). **This applies to personal services costs only; operating costs are not subject to the pay-date shift.**

Expenditure Detail		FY 2021-22		FY 2022-23	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
SOC SERVICES SPEC IV	$2,456	1.8	$114,955	2.0	$127,728
PERA			$12,530		$13,922
AED			$5,748		$6,386
SAED			$5,748		$6,386
Medicare			$1,667		$1,852
STD			$195		$217
Health-Life-Dental			$20,084		$20,084
Subtotal Position 1, #.# FTE		**1.8**	**$160,927**	**2.0**	**$176,575**
Subtotal Personal Services		1.8	**$160,927**	2.0	**$176,575**
Operating Expenses:					
		FTE		FTE	
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	-	$0
Office Furniture, One-Time	$3,473	2.0	$6,946	-	$0
Other					
Other					
Other					
Other					
Subtotal Operating Expenses			**$11,306**		**$1,900**
TOTAL REQUEST		1.8	**$172,233**	2.0	**$178,475**
	General Fund:		*$142,954*		*$148,134*
	Cash funds:		*$0*		*$0*
	Reappropriated Funds:		*$0*		*$0*
	Federal Funds:		*$29,280*		*$30,341*

Table 5 represents the costs associated with independent assessments administered by OBH. These costs assume Statewide usage and that the services will be contracted through the OBH's Crisis Services network of Administrative Services Organizations. Finally, because of the estimated volume of children that are predicted to be served by the program OBH assumes that 1.0 FTE will be needed to coordinate contracts, ensure network adequacy, complete statewide training and stakeholder outreach, assist counties, data analysis, and quality assurance. In FY 2021-22 pay date shift is assumed with the FTE. Table 6 represents the costs for FY 2022-23.

Table 5: Office of Behavioral Health FY 2021-22 Requested Funding				
	FTE	**Total Funds**	**General Fund**	**Federal Funds**
Program Manager I	0.9	$98,155	$98,155	$0
Operating and One-time costs	0.0	$5,653	$5,653	$0
Administrative Service Organization Costs: Assessment Costs for Division of Youth Services Clients	0.0	$273,599	$273,599	$0
Administrative Service Organization Costs: Assessment Costs for the Division of Child Welfare Clients	0.0	$538,610	$538,610	$0
Less: Costs covered by SB 20-162	0.0	($180,900)	($180,900)	$0
Total	0.9	$735,116	$735,116	$0

Assumptions:

1. Assume 1st year contractor costs will be implemented at 75% of full year-estimated caseload.
2. Assume 1,066 clients x 75% will be served per fiscal year at a cost of $900 per assessment.
3. Assume that FTE will include paydate shift and one-time common policy costs.
4. Assume that SB 20-162 will off-set the costs of this request it is estimated that the FY 2021-22 offset will be $180,900
5. Assume that the net costs will be fully covered by the State General Fund.
6. Please Excel table below for personal services and operating calculations which are assumed at Common Policy level.

Table 6: Office of Behavioral Health FY 2022-23 Requested Funding				
	FTE	**Total Funds**	**General Fund**	**Federal Funds**
Program Manager I	1.0	$107,945	$107,945	$0
Operating	0.0	$950	$950	$0
Administrative Service Organization Costs: Assessment Costs for Division of Youth Services Clients	0.0	$364,798	$364,798	$0
Administrative Service Organization Costs: Assessment Costs for the Division of Child Welfare Clients	0.0	$718,146	$718,146	$0
Less: Costs covered by SB 20-162	0.0	($361,800)	($361,800)	$0
Total	1.0	$830,039	$830,039	$0
Assumptions: 1. Assume 1st year contractor costs will be implemented at 100% of full year-estimated caseload. 2. Assume 1,066 clients will be served per fiscal year at a cost of $900 per assessment. 3. Assume that FTE will include full 12 months costs and reduction of one-time common policy costs from FY 2021-22. 4. Assume that SB 20-162 will off-set the costs of this request it is estimated that the FY 2021-22 offset will be $361,800 5. Assume that the net costs will be fully covered by the State General Fund.				

Table 7: Personal Services and Operating Calculations

FTE 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 -- Beginning July 1, 2019, new employees will be paid on a bi-weekly pay schedule; therefore **new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE** to account for the pay-date shift (25/26 weeks of pay). **This applies to personal services costs only; operating costs are not subject to the pay-date shift.**

Expenditure Detail			FY 2021-22		FY 2022-23	
Personal Services:						
Classification Title		Monthly Salary	FTE		FTE	
PROGRAM MANAGEMENT I		$6,659	0.9	$71,917	1.0	$79,908
PERA				$7,839		$8,710
AED				$3,596		$3,995
SAED				$3,596		$3,995
Medicare				$1,043		$1,159
STD				$122		$136
Health-Life-Dental				$10,042		$10,042
Subtotal Position 1, #.# FTE			**0.9**	**$98,155**	**1.0**	**$107,945**
Classification Title		Monthly Salary	FTE		FTE	
				$0		$0
PERA				$0		$0
AED				$0		$0
SAED				$0		$0
Medicare				$0		$0
STD				$0		$0
Health-Life-Dental				$0		$0
Subtotal Position 2, #.# FTE			-	**$0**	-	**$0**
Subtotal Personal Services			0.9	**$98,155**	1.0	**$107,945**
Operating Expenses:						
			FTE		FTE	
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						
Subtotal Operating Expenses				**$5,653**		**$950**
TOTAL REQUEST			0.9	**$103,808**	1.0	**$108,895**
	General Fund:					
	Cash funds:					
	Reappropriated Funds:					
	Federal Funds:					

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-03 Supports for Early Childhood Educator Workforce

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:22:46 -06'00'

OSPB Approval By: Ashley Clark

___	**Supplemental FY 2020-21**
___	**Budget Amendment FY 2021-22**
X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$10,651,143**	**$0**	**$10,684,480**	**$1,200,000**	**$1,200,000**
	FTE	2.8	0.0	3.0	0.0	0.0
	GF	$4,454,426	$0	$4,454,426	$1,200,000	$1,200,000
	CF	$385	$0	$385	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$6,196,332	$0	$6,229,669	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
06. Division of Early Childhood, (A) Division of Early Care and Learning, (1) Division of Early Care and Learning - Child Care Grants for Quality, Availability and Fed. Targets	**Total**	**$10,651,143**	**$0**	**$10,684,480**	**$1,200,000**	**$1,200,000**
	FTE	2.8	0.0	3.0	0.0	0.0
	GF	$4,454,426	$0	$4,454,426	$1,200,000	$1,200,000
	CF	$385	$0	$385	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$6,196,332	$0	$6,229,669	$0	$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department of Human Services

FY 2021-22 Funding Request

November 1, 2020

Jared Polis
Governor

Michelle Barnes
Executive Director

Department Priority: R-03
Request Detail: Supports for Early Childhood Educator Workforce

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	$10,651,143	$10,684,480	$1,200,000	$1,200,000
FTE	2.8	3.4	0.0	0.0
General Fund	$4,454,426	$4,454,426	$1,200,000	$1,200,000
Cash Funds	$385	$385	$0	$0
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$6,196,332	$6,229,669	$0	$0

Summary of Request

The Colorado Department of Human Services (CDHS) requests a General Fund increase of $1,200,000 in FY 2021-22 and ongoing to fund the legislative intent of HB20-1053, Supports for Early Childhood Educator Workforce, in order to offer an early care and education Recruitment and Retention Grant and Scholarship Program. This program will provide 500-600 early childhood professionals and potential professionals with financial assistance to draw from a menu of options, adaptable to local needs, to support their access to education and training in order to help them earn credits, credentials, and degrees, and meet licensing requirements to serve as qualified workers or obtain a higher level of qualification.

State funding for ECE workforce supports is expected to increase availability of qualified professionals and quality in early childhood settings by improving providers' credentials and reducing turnover. This request falls as a Step 3 on the State's evidence continuum as research is clear that skilled early childhood education (ECE) professionals are one of the most important factors in providing children with the early experiences necessary to foster children's positive learning and development. Likewise, the need for ECE professionals is significant throughout the State and is expected to grow by 33-42% in the next 10 years.[1]

[1] Colorado Workforce Development Council, Talent Pipeline Report, 2016

Current Program:

Individuals seeking employment to supervise children in CDHS-licensed child care centers must be qualified as an Early Childhood Teacher (ECT). Typically, ECT are qualified after they have completed a minimum 6 credit hours in early childhood development (one of which must be Introduction to Early Childhood Education or Guidance Strategies) and have 24 months of verified experience caring and supervising four or more children under the age of six. However, the Department recognizes a variety of pathways to qualify as an ECT, including earning an early childhood credential, which recognizes a variety of formal education, professional development and experience with children; a Child Development Associate (CDA) credential; an educator license with the Colorado Department of Education (CDE) that includes an early childhood-related endorsement through a 4-year institution; a related four-year degree; or a related two-year degree with verified experience in the care and supervision of four or more children less than six years of age.

The State has currently budgeted $2,289,687 on early childhood professional development from the quality portion of the federal Child Care and Development Fund (CCDF). The State also is commencing a scholarship program to fund an additional 220 individuals to earn their CDA per year over the next several years with funding from the Preschool Development Grant (PDG) renewal. Some individuals pursuing two- or four-year degrees can also access federally supported Stafford loans and Pell grants. However, this current level of resources is insufficient to support the workforce demand to meet the needs of all parents seeking licensed child care in the state.

More than 40 states offer financial incentives to pre- and in-service educators such as loan forgiveness and/or scholarships. The North Carolina Teaching Fellows Program is a scholarship program for high school graduates in exchange for a four-year teaching commitment. Findings suggest that 75% of recipients remain in the field for at least five years. Additionally, teacher effectiveness as measured by student test scores show gains of 22%.[2]

Loan Forgiveness was found to contribute to educator retention in a recent study of the Florida Critical Teacher Shortage Program (FCTSP). Participants received $2,500 per year for undergraduates and $5,000 per year for graduates up to $10,000. Results suggest that loan forgiveness "significantly reduces the probability of exit for teachers of middle- and high-school math, science, world languages, and English as a Second Language"—all high-need content areas.[3]

Connecticut, Hawaii, and Kentucky are some of the states that fund scholarship programs that support two- and four-year degree seekers and individuals pursuing a CDA, resulting in increased degrees and credentials and a 72% retention rate in Connecticut.[4] Many states also fund TEACH scholarships that support current early childhood educators, which have resulted in strong levels of retention and increased compensation. West Virginia has accomplished a successful early childhood registered apprenticeship program and Pennsylvania coordinates similar

[2] Gary T. Henry, Kevin C. Bastian, and Adrienne A. Smith, "Scholarships to Recruit the 'Best and Brightest' Into Teaching: Who Is Recruited, Where Do They Teach, How Effective Are They, and How Long Do They Stay?," *Educational Researcher* 41, no. 3 (2012): 83–92.

[3] Li Feng and Tim R. Sass, "The Impact of Incentives to Recruit and Retain Teachers in 'Hard-to-Staff' Subjects," Working Paper 141, National Center for Analysis of Longitudinal Data in Education Research (2015).

[4] http://www.ct.gov/oec/lib/oec/OEC_Worforce_Report_Final_2.10.16.pdf (*A Plan to Assist Early Education State Funded Providers to Degree Attainment and Increased Compensation Required by Sec. 4 of Public Act No. 15-134.*

apprenticeships in Philadelphia.[5] People involved in both states' apprenticeships reported that they successfully led to completion of credentials, competencies, and degrees.[6]

National studies have long connected greater educational attainment and resulting qualifications among early childhood educators to higher retention, due to increased job opportunities, satisfaction, and compensation, and more positive experiences for children. A range of studies going back to the landmark, multi-university Cost, Quality and Outcomes in Child Care Study from 1997 found that increased credentials and degrees lead to more effective teachers and better child outcomes.[7,8,9,10] Specific findings show that classrooms where teachers have at least a bachelor's degree are more likely to have higher quality, as measured by richer language, enhanced literacy, and stronger teacher-child interactions. They also have found teachers with at least a bachelor's degree are more likely to have appropriate instruction, such as being more sensitive and engaged and less punitive.[11]

Problem or Opportunity:

Research shows that learning takes place from birth as infants, toddlers, and young children's brains develop rapidly during the early years. Education provides a significant contribution to the development of children, and early childhood educators know that, in addition to a safe and healthy environment in which to grow, young children benefit from early learning experiences to develop cognitive, social, and emotional skills. To do so, Colorado needs a diverse and well-qualified workforce of early childhood educators.

Currently, Colorado is one of many states currently grappling with educator shortages. Sixty three percent of children under six live in homes where all the adults work, yet many families struggle to find quality care.[12] Low wages and poor preparation result in high turnover. A recent study found that approximately 70% of center directors report that finding qualified educators is a top challenge they face.[13] Unfortunately, these challenges are expected to worsen. The Colorado Department of Labor and Employment expects demand to grow between 33-43%

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[5] Registered Apprenticeships: A Viable Career Path for the Early Childhood Workforce, Bipartisan Policy Center, Sept. 2019. https://bipartisanpolicy.org/wp-content/uploads/2019/09/BPC_Early_Childhood_Issue_Brief_RV4.pdf
[6] BPC Event Highlights the Potential for Apprenticeships to Build the Early Childhood Workforce, Lauren Mendoza, First Five Years Fund, Feb. 21, 2020. https://www.ffyf.org/bpc-event-highlights-the-potential-for-apprenticeships-to-build-the-early-childhood-workforce/
[7] Whitebook, Marcy, "Early Education Quality: Higher Teacher Qualifications," https://cscce.berkeley.edu/turnover-begets-turnover-an-examination-of-job-and-occupational-instability-among-child-care-center-staff/
[8] Marcy Whitebook a,∗, Laura Sakai b, "Turnover begets turnover: an examination of job and occupational instability among child care center staff" *Early Childhood Research Quarterly 18* (2003) 273–293(2003)
[9] Michael B. Wells, "Predicting preschool teacher retention and turnover in newly hired Head Start teachers across the first half of the school year" *M.B. Wells / Early Childhood Research Quarterly 30* (2015) 152–159. https://daneshyari.com/article/preview/10313499.pdf
[10] Howes, Carollee. "Children's Experiences in Center-Based Child Care as a Function of Teacher Background and Adult: Child Ratio." *Merrill-Palmer Quarterly* 43, no. 3 (1997). https://www.jstor.org/stable/23093331?seq=1
[11] *Early Childhood Teacher Education Policies Research Review and State Trends* CEELO Policy Report, Diane Schilder, April 2016. http://ceelo.org/wp-content/uploads/2016/04/ceelo_policy_report_ec_teach_education_policies_final_for_web_2016_04.pdf
[12] Qualistar, Leading Colorado's Early Care and Education Workforce, April 2016; Retrieved from https://www.qualistar.org/uploads/ LeadingColoradosECEWorkforce.pdf
[13] Schaack, D. & Le, V. (2017). Colorado's Early Childhood Workforce Survey, 2017 final report. Denver, CO: University of Colorado Denver.

through 2025 without any changes to demand, such as if Proposition EE passes in the November 2020 election and establishes universal preschool for four-year olds.[14]

Attracting and retaining staff with experience and higher levels of education is difficult given the low wages the field earns, often at or near poverty levels. Though poor compensation is indisputably one of the top reasons for high turnover, educators often cite preparation as another reason for leaving the profession.[15] In a 2017 early educator workforce study, respondents indicated they needed more instruction in working with English language learners, trauma-informed practices, and meeting the needs of children with special health, learning, and behavioral needs.[16] Yet for many professionals in the field, pursuing any type of post-secondary education can be challenging. Seventy-five percent of respondents reported that they would require some type of tuition assistance to pursue higher education. Financial support such as scholarship programs have proven successful in both recruiting and retaining educators.

Colorado has a shortage of a qualified child care workforce to serve children birth to age five, particularly for the infant and toddler population (birth to age 3). This has created a child care crisis for many families with young children throughout the state, substantially impacting their ability to work outside the home, complete school or training, and ensure that their child has access to effective, impactful quality learning in a safe and healthy environment. This has major negative consequences for Colorado's economy, educational outcomes in the short and long terms, and for the immediate health and safety of young children.

In its recent needs assessment for the State's federally-funded Preschool Development Grant report, the Department quantified parents' licensed child care needs, indicating the implications for the extent of the workforce shortage. According to this December 2019 Colorado Shines Brighter Needs Assessment Report, there is a significantly higher number of parents in the State who said they would seek or have sought licensed child care than the number of licensed child care slots available. Specifically, only one third (33%) of parents of infants who want licensed care are enrolled in licensed care; 60% for toddlers (ages 1-2); and 89% for parents of preschoolers (age 3-5). These percentages represent 10,000 infants, 18,000 toddlers, and 10,000 preschool-aged children whose parents want licensed child care, but do not have licensed programs for children to attend.

This lack of supply of licensed care is significantly driven by a lack of qualified staff. Given child-to-staff ratios required by state licensing rules, this translates into a need of several thousand more qualified early childhood professionals. With the early childhood profession being one of the lowest paid, the field suffers from heavy turnover (21% annually in the field in Colorado, about 30% nationally, and 28% within specific jobs in Colorado). This level of turnover exacerbates the workforce shortage and hinders child care quality. With a possible influx of a projected 20,000 more 4 year olds in a newly funded universal preschool program in 2023, if

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[14] Colorado Workforce Development Council, 2016 Colorado Talent Pipeline Report; Retrieved from https://www.colorado.gov/pacific/cwdc/colorado- talent-pipeline-report

[15] Colorado Department of Higher Education, 2017 Teacher shortages Across the Nation and Colorado: Similar Issues, Varying Magnitudes; Retrieved from https://highered.colorado.gov/Publications/Reports/teachereducation/2017/TeacherShortages_Nation_Colorado_Dec2017.pdf

[16] Schaack, D. & Le, V. (2017). Colorado's Early Childhood Workforce Survey, 2017 final report. Denver, CO: University of Colorado Denver.

voters pass Proposition EE this November, this need will be even greater for all early childhood age groups. Experiences in other states have shown that when there is a preschool expansion, many infant and toddler educators move to preschool-age settings.

Proposed Solution:

CDHS proposes an increase of $1.2 million General Fund for an ongoing ECE Recruitment and Retention Grant and Scholarship Program to help address the early childhood workforce need in Colorado. This program would provide existing early childhood educators and individuals interested in entering the field with financial assistance to pursue a wide variety of pathways to the profession.

There is a large range of pathways into the field so this program would offer a menu of options conducive to meeting a diverse needs for early childhood professionals across the State, as well as meet the specific needs in a given community. Such options would be supported through a competitive RFP in order to identify programs and organizations that best reflect the diverse needs of the professionals in the field. Proposals may include scholarship awards to pay for costs of tuition, fees, and materials for a postsecondary program; registered apprenticeships for work-based learning; loan forgiveness and bonuses to reward increased professional development; or support for various ECE teacher qualification certificate programs that fulfill the Department's licensure requirements. Proposals that best demonstrate the need and the desired outcomes, as well as deliver these supports in the most effective and efficient manner, will be prioritized.

This grant and scholarship program model was a key component of HB20-1053, which passed the House Education Committee on a bipartisan vote and was supported by Joint Budget Committee staff during figure setting last fall. This same concept can be accomplished through a budgetary action, however, because no statutory changes are needed to establish this program.

In order to support a diverse array of educational opportunities for individuals, the Department will enter into a contract with at least one scholarship administrator to ensure all different pathways are supported. These strategies are necessary to expand the early childhood workforce by lowering the financial barriers for individuals seeking entry into the ECE workforce by assisting with the costs. In addition, this proposal is expected to help retain existing ECE professionals who seek additional courses to earn a credential, degree, or other licensing requirements. The effect is amplified because higher credentials can lead to higher pay.

The Department estimates the program could reach approximately 500-600 ECE total professionals per fiscal year. There is a wide range of degrees/credentials that educators can pursue, and the proposal is meant to support a mix of these educational and professional development opportunities. Details on estimated costs are shown below in the assumptions and calculations section.

These approaches align with the Governor's goals on early childhood workforce, which include a variety of strategies that would be supported by these scholarships and grants to recruit and retain early childhood professionals.

Anticipated Outcomes:

The anticipated outcomes of this proposal are 1) to increase the number of qualified professionals serving child care and early education to children from birth to age 5, for which there is a shortage in Colorado and 2) to improve the quality this workforce by providing them with the education, skills, and competencies that research has shown makes a positive difference in child outcomes. Approval of this proposal will result in an increase in qualified early childhood professionals through a variety of pathways over the next several years, which will alleviate the workforce shortage in this field and better prepare the State for a major preschool expansion. Establishing a scholarship program that nimbly allows for individuals and programs to choose from a variety of educational advancement opportunities both meets the needs of current and future early childhood workforce and fits with the multiple pathways Colorado provides for credential attainment.

Each year, the Department will coordinate with CDHE, CDE and the Governor's office to collect data on the increased numbers of various early childhood credentials, degrees, endorsements, and certificates, as aligned with the Administration's goals and strategies, and examine each of their connections to the opportunities provided by this Scholarship program. The Department will also seek out partnerships with local research partners to understand whether these recipients entered and/or remained in the early childhood workforce and at what level.

The program/scholarship administrators will be responsible for reporting the number and types of scholarships and grants awarded as well as the educational and professional development outcomes achieved by the recipients over time.

Assumptions and Calculations:

Child Care Licensing requires that Early Childhood teachers have a minimum of 6 credit hours in Introduction to Early Childhood Education or Guidance Strategies. These are typically met through the community college system. Many Early Childhood certificate programs are approximately 12-23 credit hours at these 2-year institutions, including the Infant-Toddler Early Childhood certificate.

Child Development Associate (CDA) Credentials are also available through 2-year institutions or online and typically cost between $400-$600 for training and $425 for the assessment. Early Childhood Education (ECE) associate degrees programs are approximately 60-61 credit hours and ECE bachelor degrees require approximately 120-126 credit hours.

In order to avoid hiring state FTE to administer the scholarship program, the Department would issue a formal Request for Proposals (RFP) to solicit administration of the scholarship or tuition reimbursement programs. The number of impacted professionals will be dependent on the administration costs as well as the type of scholarships awarded. For reference, in-state tuition and fees costs for both 4-year and 2-year institutions are listed below:

Scholarship/grant estimated costs per semester (2020-21) -- assumes no other assistance						
Credit hours	In-state Tuition (4-year institution)	Registration and Approximate Fees	Total per school year	In-state Tuition (2-year institution)	Registration and Approximate Fees	Total per school year
6 credits*	$2,220	$600	--	$1,160	$265	--
12 credits	$4,440	$726	$10,332	$2,320	$372	$5,444
15+ credits	$5,550	$765	$12,630	$2,900	$395	$6,590
CDA**	N/A			$400-$600	$425 (assessment)	--
TEACH model***			$1,200-$6,800			$5,000 - $9,500
Apprenticeship			$1,800-$2,500			$1,800-$2,500

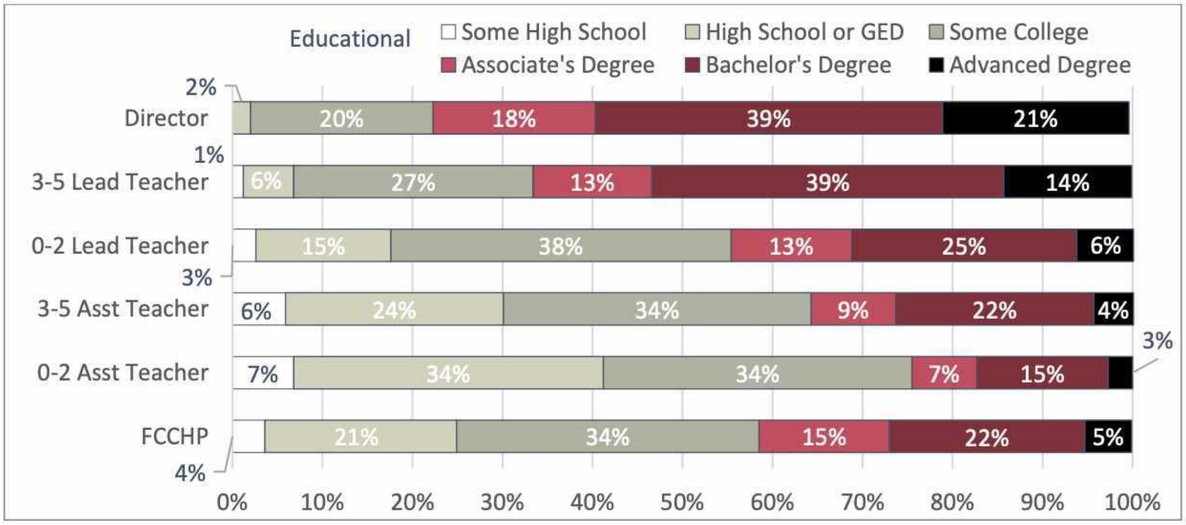
*Assumes non-degree seeking student using 6 credit hours to meet Child Care Licensing only
**CDA is accomplished in approximately 3 to 6 months depending on the program and individual.
Sources: https://rrcc.smartcatalogiq.com/2020-2021/Catalog/Tuition-Rates-and-Fees
https://www.ucdenver.edu/student-finances/tuition-fees
***Program cost per student based on TEACH Colorado 2020 (varies by credit hour, certificate or degree program) -- includes 90% tuition, books, and completion bonus.

Assuming a 10% administrative cost allows for $1,080,000 for scholarships. This would cover approximately 1,000 ECE professionals seeking their CDA credential or participation in a similar certificate program; tuition for approximately 758 students enrolled in the minimum 6 credit hours required by Child Care Licensing; 85 full-time (15 credit-hours per semester), degree seeking students at a 4-year institution; or approximately 164 full-time students at a 2-year institution. These full-time semester costs would be approximately the same costs as a student seeking an Early Childhood Education certificate in one semester. Given that there is varying demand for each of these degrees/credentials, the proposal is meant to support a mix of these educational and professional development opportunities.

Based on recent data from the Early Childhood Council Leadership Association, 32% of their scholarship participants pursued a certificate program that met Licensing requirements, 14% pursued a 4-year degree and 54% pursued a 2-year degree. Below is a table from a 2019 report from the University of Denver, Colorado Evaluation and Action Lab on the educational attainment levels for Colorado's early childhood professionals.[17] Based on these two sources, the Department assumes a highly varied participation rate across the different program types,

[17] LeBoeuf, W. A., Perrin, P., & Kennedy, S. (2020). Colorado's Early Care and Education Professionals: 2019 Snapshot Report (Report No. 19-02A). Denver, CO: Colorado Evaluation and Action Lab at the University of Denver.

but generally expects that the program could reach approximately 400-600 ECE total professionals per year.



Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-04 Extended Elibility for Foster Care Youth

Dept. Approval By:	Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:22:22 -06'00'		**Supplemental FY 2020-21**
OSPB Approval By:	Ashley Carter		**Budget Amendment FY 2021-22**
		X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$2,681,756**	**$0**	**$2,681,756**	**$0**	**$712,054**
	FTE	4.0	0.0	4.0	0.0	0.0
	GF	$0	$0	$0	$0	$327,545
	CF	$0	$0	$0	$0	$81,886
	RF	$0	$0	$0	$0	$0
	FF	$2,681,756	$0	$2,681,756	$0	$302,623

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
05. Division of Child Welfare, (A) Division of Child Welfare, (1) Division of Child Welfare - Independent Living Programs	**Total**	**$2,681,756**	**$0**	**$2,681,756**	**$0**	**$712,054**
	FTE	4.0	0.0	4.0	0.0	0.0
	GF	$0	$0	$0	$0	$327,545
	CF	$0	$0	$0	$0	$81,886
	RF	$0	$0	$0	$0	$0
	FF	$2,681,756	$0	$2,681,756	$0	$302,623

Auxiliary Data

Requires Legislation?	YES		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department Priority: R-04
Request Detail: Extended Eligibility for Foster Care Youth

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$2,681,756*	*$2,681,756*	*$0*	*$712,054*
FTE	4.0	4.0	0.0	0.0
General Fund	$0	$0	$0	$327,545
Cash Funds	$0	$0	$0	$81,886
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$2,681,756	$2,681,756	$0	$302,623

Summary of Request

The Department of Human Services requests no additional funding in FY 2021-22 and $712,054 total funds including $327,545 General Fund, $81,886 cash funds, and $302,623 federal funds in FY 2022-23 and beyond (see table 3) to improve the safety and well-being of young people transitioning from foster care to adulthood. Cash funds are local county share and federal funds are title IV-E of the Social Security Act.

This budget request, in tandem with the required legislative update, will extend foster care services to currently emancipated youth as well as modernize the Chafee Foster Care Independence Program (Chafee). The Department estimates in FY 2022-23, 46 currently emancipated youth will voluntarily return to foster care services and 350 will be served through Chafee. The program changes requested are essential in addressing the acute hardship of a vulnerable population. The National Youth in Transition survey of those currently or formerly in foster care found that Colorado survey respondents reported experiencing homelessness in 25% of cases. By the time this group turned 21, 36% reported experiencing homelessness. As the proposed approach has demonstrated positive outcomes for foster youth, this budget request is a Step 4 on the State's evidence continuum. Previous analysis suggests outcomes for foster youth in Colorado will improve across a variety of domains: housing, education, employment, incarceration, access to health care, early parenthood, and rates of becoming involved with child welfare as a parent.

The Department is submitting this request as part of the FY 2021-22 budget package given the out year fiscal impacts; however, the Department is working with members of the General Assembly outside of the JBC to carry the requested legislative changes.

Current Program:

Extended Foster Care

Colorado currently has extended foster care to age 21 in state law and its title IV-E plan, but in practice the average age of emancipation for Colorado foster youth is 18 and four months. Once youth emancipate from foster care, they cannot return even if they are still under 21.

As extended foster care exists today, many youth in foster care want their cases to be closed as quickly as possible. In youth focus groups and interviews, both in Colorado and in California, youth have expressed consistent themes of wanting to be able to make decisions about their own lives and needing more freedom than traditional foster care typically allows. Youth express varied views about court and caseworkers – many resent that they became legally an adult, but nothing seems to have changed in their relationship with their caseworker or the court. Simultaneously, youth express a deep commitment to their own education, to building a better future, and a willingness to seek and accept help that feels respectful of their emerging adulthood.

The Division of Child Welfare (DCW) has tried to improve Colorado's current extended foster care program by supporting counties to engage youth effectively and use options that support youth independence. For example, DCW had a C-Stat measure the past two years for counties to engage youth in their case plans through a tool called the "Roadmap to Success." DCW has also encouraged and provided support for counties using Supervised Independent Placements (SILP), which allow youth over age 18 to live in a safe, age-appropriate setting other than traditional foster care, such as an apartment or college dorm.

Even with the best, most supportive casework and case planning, many young people still want to leave foster care soon after turning 18. It is important that youth be allowed to make this choice without the finality that currently exists. Colorado's HB 18-1319 Former Foster Care Steering Committee addressed extended foster care in a key recommendation in its final report (p. 9-10):

> *"In Colorado, if a young person has his or her child welfare case closed, they cannot currently return to child welfare for additional services and supports after their 18th birthday. Young adults who are not involved with child welfare usually "try on" their independence with the financial and emotional safety net of their families, including returning to live in their parents' homes well into their twenties.*
>
> *In contrast, independence is a one-way street for youth exiting foster care, who often have nowhere to turn when plans go awry. While it is developmentally appropriate and expected for young people to want to be out on their own at age 18, a developmentally normal experience also includes a safety net of natural supports. In acknowledgement of*

this discrepancy in the experience of youth who emancipate from foster care, the committee recommends creating a process for young people who emancipate to return to access child welfare supports in certain circumstances."

Chafee Foster Care Independence Program

In 1999, the Chafee Foster Care Independence Program (Chafee) program was created in title IV-E of the Social Security Act. Colorado's implementation of this program mirrored the rest of child welfare, where counties implement local programs with oversight by DCW. This program has been voluntary for counties to operate, although Colorado is obligated as a condition of the funding to ensure services are available and equitable statewide. There are currently programs in 34 counties, including the 11 large counties, but services are not available in many small and medium-sized counties due to a lack of funding and resources. The average number of eligible youth will increase as Chafee eligibility has recently expanded to serve youth until their 23rd birthday.

The Chafee program currently provides supplemental case management services and very limited flexible funding.

Colorado counties currently receive an average of $1,425,995 per year (of the $1.6 million grant award) that serves an average of 816 youth per year and covers 34 counties and tribes. This program is exclusively funded by the federal Chafee grant, which has decreased 33.7% over the last ten years. The award amount has decreased as the overall federal funds available have decreased and are spread across more state programs. Colorado's allocation has been somewhat lower due to not having youth 18-21 in the State's title IV-E plan previously; however, these youth were added to the Colorado title IV-E plan in 2019, resulting in a small increase in the FFY20 award. Table 1 illustrates the grant award over several federal fiscal years. The State has two years to spend each grant, so the program should always spend the older funds first. The federal grant has been fully spent in all but two years, when newer funds were inadvertently expended first, resulting in the expiration of a small amount of prior-year funds.

Table 1: Chafee Grant Awards by Federal Fiscal Year

FFY - Spending Year	Total	% Change from previous year	$ Change from previous year	Amount of grant spent
FFY11 Award	$ 2,500,762	9.86%	$ 224,491	100%
FFY12 Award	$ 2,281,975	-8.75%	$ (218,787)	100%
FFY13 Award	$ 2,160,123	-5.34%	$ (121,852)	100%
FFY14 Award	$ 2,001,653	-7.34%	$ (158,470)	100%
FFY15 Award	$ 1,918,374	-4.16%	$ (83,279)	100%
FFY16 Award	$ 1,830,397	-4.59%	$ (87,977)	94.5%
FFY17 Award	$ 1,715,070	-6.30%	$ (115,327)	100%

FFY18 Award	$ 1,682,648	-1.89%	$ (32,422)	100%
FFY19 Award	$ 1,660,177	-1.34%	$ (22,471)	91%
FFY20 Award	$ 1,668,697	0.51%	$ 8,520	projected 100%
Change from FFY11 to FFY20		**-33.7%**	**$ (832,065)**	

Problem or Opportunity:

Colorado's continuum of services for current and former foster youth ages 18-23 is fragmented and underfunded, leading to persistently poor outcomes. However, research on other states' extended foster care programs give direction on how to improve these outcomes.

This request consists of two primary components, which, taken together, establish a continuum of care that is both stronger and more responsive to the unique needs of transition age youth. First, the Department is proposing to change the way Colorado serves youth/young adults (ages 18-21) in child welfare cases. Under this proposal, starting in Fiscal Year 2022-23, child welfare services for young adults (age 18-21) will be developmentally appropriate, client-directed, and voluntary for the young adult. To reflect and support young adults' emerging adulthood and decision-making, eligible 18- to 21-year-olds who have recently left foster care will have the option to return to child welfare if they determine they need and want help. By the time the most recent cohort of Colorado foster youth turned 21, 36% reported experiencing homelessness.[1] A task force will convene in FY 2021-22 to plan and prepare for the implementation of this proposal. The request for FY 2022-23 is for the estimated added costs of serving additional youth in open child welfare cases who would otherwise not be served.

In addition, this proposal adds funding, structure, and statutory authority for the DCW to administer a statewide, grant-based, evidence-informed program that reduces homelessness among former foster youth. This will allow existing Chafee programs to make the changes they had previously agreed to, while supporting the expansion of Chafee in a way that would not be possible within existing resources. The total projected cost of the program on an annual basis, once fully implemented in FY 2023-24, will be $2,803,306, with $1,134,609 coming from the General Fund, and the balance from Chafee funds (see table 5). This would not be the amount needed in the first year since it will take 2-3 years for the program to reach full capacity.

The total cost of both programs by FY 2023-24, which together create a more complete service continuum, would be $3,691,134 with $1,543,010 coming from the General Fund (see table 6, which combines tables 3 and 5).

In Colorado's National Youth in Transition (NYTD) 2016 survey of 19-year-olds who were currently or recently in foster care, 25% reported experiencing homelessness and 9% had their own children. By 2018 when this group turned 21, 36% reported

[1] Colorado National Youth in Transition Database Cohort II Results, available at cdhsdatamatters.org/data-by-topic.html (navigate to "Colorado Youth in Transition") (2019).

experiencing homelessness and 29% had their own children. Only 1 out of 4 Colorado youth who are in foster care at any point during high school earn their diploma within four years. Colorado has the opportunity and need to support young people during critical years of early adulthood and, for many, parenthood. Like many emerging adults, young people leaving foster care often believe they are ready to be on their own and then, after trying out their independence, realize they need and want more support.

The Midwest Evaluation of Adult Functioning of Former Foster Youth (the Midwest Study)[2] and The National Youth in Transition Database (NYTD)[3] have shown that older youth who have been involved with child welfare are at a substantially higher risk of negative outcomes than the general population including:

- Lower academic achievement and employment; and
- Higher rates of early parenthood, incarceration, homelessness, and becoming involved with child welfare as parents.

In addition, the Midwest Study found that extending foster care beyond 18 benefits youth who participate, even as youth continue to need a robust array of services during and after they have left care to reduce what is commonly called "the cliff effect."

For most youth who turn 18 in Colorado's foster care system, Colorado's extended foster care system exists in name only. This proposal would reform the way extended foster care is operated by counties and experienced by young people so the program does what it is meant to do – support the emerging adulthood of young people who emancipate from foster care.

Further, in Colorado, Chafee is the only community-based transition service available to these youth and is not available to every youth who needs support; the services that do exist are not equitable between communities. This issue was identified in the Former Foster Care Youth Steering Committee final report, which recommended statewide, equitable access to Chafee. This issue was also highlighted in a Child Welfare SubPAC task group, which was organized to modernize Chafee: a lack of adequate funding to maintain a program was the primary reason why counties without Chafee programs are hesitant to start a program or join a collaborative.

Moreover, programs that do exist are struggling to continue with the current funding. The available funding is spread too thin, resulting in programs only operating in counties with the resources to supplement this inadequate budget. Counties that operate programs contribute an additional 36% of funding on average from county

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[2] See, e.g., Mark E. Courtney, "Midwest Evaluation of the Adult Functioning of Former Foster Youth: Outcomes at Age 26," (2011). The Midwest Study consists of many reports produced throughout a longitudinal study of foster youth in Illinois, Wisconsin, and Iowa. The complete body of research is available at: https://www.chapinhall.org/research/midwest-evaluation-of-the-adult-functioning-of-former-foster-youth/.

[3] NYTD, see *supra* note 1.

resources to sustain their programs in addition to the 20% match they are required by state law to provide. Fremont County disbanded its program due to a lack of funding in Federal Fiscal Year 2020. Pueblo County, which serves its own residents as well as Crowley, Otero, and Huerfano Counties, is considering ending their program due in large part to a lack of funding. This problem will increase because the age range expanded to 23.

Proposed Solution:

The Department proposes to strengthen the continuum of services for older youth through two primary changes.

Extended Foster Care

In line with the research described, the HB 18-1319 Former Foster Care Steering Committee issued this key recommendation in its final report: “Allow youth ages 18-21, who have left foster care, to return if they decide they need continued support.” (p. 9) Further, child welfare services for youth 18-21 must be voluntary, youth-driven, and developmentally appropriate. (p. 10) Fulfilling this recommendation would remove systemic barriers to serving youth 18-21 who need a higher level of support, particularly housing, *only available through an open child welfare case*.

This recommendation was the subject of a CDHS proposed bill in the 2020 Legislative Session. The bill was drafted and ready to be introduced when the legislative session was suspended due to the coronavirus pandemic. That draft was the result of the work and input of a HB 18-1319 follow-up workgroup of stakeholders, including counties, which met twice per month from June through December of 2019. The group considered and assessed the statutes and programs of several other states with effective extended foster care programs. One key finding was that participation is voluntary for the youth in all the other states’ programs.

For extended foster care to be effective, it must be voluntary and developmentally appropriate so youth will take advantage of the services they need. Key changes (as recommended by the workgroup and in the draft bill) would include:

- Allowing the juvenile court to re-establish jurisdiction for 18- to 21-year-olds who had recent, prior child-welfare involvement but whose cases have closed. Eighteen and 19-year-olds would be eligible for re-entry starting July 1, 2022, and 20-year-olds would become eligible starting July 1, 2023.
- Providing young adults in foster care, as of their 18th birthdays, the right to client-directed legal representation appointed by the Office of the Child’s Representative (versus a guardian ad litem representing best interests).
- Allowing young people who turn 18 while in foster care to choose whether to enter into a voluntary services agreement to continue receiving support from child welfare or to emancipate. A hearing to formalize the decision will be held on or within 30 days after their 18th birthday.
    - Voluntary service agreements will list the types of services counties make available to participating young adults. Young adults do not have

to receive every service. Services will be documented in the Roadmap to Success, which is part of the case plan. There is no need for a traditional "treatment plan." Services include support securing safe and stable housing, accessing public benefits, building or maintaining permanent connections, and other services already required or offered to this population such as accessing vital documents, financial literacy, accessing health and education records.

- Creating a new court case type for extended foster care. Young adults will be dismissed from the prior dependency and neglect case (or the case will be closed, as relevant for siblings) and a new extended foster care case opened with only the young adult and the county as parties.

Chafee Foster Care Independence Program

Resolving the issue of inequality and lack of accessibility in services to support foster youth in transition to adulthood will also require state-level funding to supplement the funds available through the federal Chafee allocation. These funds would be available to modernize the Chafee grant program that implements the recommendations of the Former Foster Care Steering Committee Report by ensuring that "all eligible Colorado former foster youth will have the opportunity to participate in [Chafee] until their 23rd birthday." This program should offer "statewide, high quality, consistent services that are based on the needs and strengths of each individual youth." (p. 17).

All youth in the Chafee program will receive case management, access to flexible funds as needed to ensure stability, and have a written plan that addresses their permanency, education, well-being, stable housing, and employment. A subset of youth will receive the Pathways to Success model intervention during that program's evaluation period. Services provided by the Pathways to Success intervention are described in a program manual that was developed during its formative evaluation period.

This recommendation would ensure equitable access to effective community-based transition services, in which youth can participate with or without an open child welfare case. The Chafee program would:

- Create a grant-funded program administered by DCW and provide equitable access to youth in all 64 counties.
- Authorize DCW to create a program in areas with no program; this would be in collaboration with private entities willing to respond to the grant announcement when there is no willing county partner.
- Leverage existing federal dollars to fund the majority of the program.
- Potentially receive additional federal support in achieving a "well supported" evidence based designation by leveraging the current Youth at Risk of Homelessness grant program, Pathways to Success.

Making both of these program changes in tandem establishes a continuum of care that allows young people to access the least restrictive services to meet their needs, while ensuring those services are adequately funded to ensure they are effective. For example, a young person who is 20 years old may not wish to or need to return to child welfare for housing support if there is an effective Chafee program accessible.

Evidence Continuum
There are two different interventions in this request and they each have their own evidence base. Each component has evidence and research behind it:

- The Pathways to Success intervention has undergone a full formative evaluation (level 4) and is beginning the rigorous evaluation using a cluster quasi-experimental evaluation design in January 2021, which will bring the intervention to a level 5. This intervention is being implemented and tested in Chafee sites and if the evaluation results in a "well supported" designation will be implemented statewide and will be supported by funds provided by the Foster Care Transition Program. Notably, current Chafee programming offered without this additional resource has no evidence base or evaluation support.

- Applying the evidence continuum framework to available research and the CalYouth study in particular, this project would land on the continuum at Step 4. It is not a formal intervention per se, but rather a policy that allows the child welfare agency to provide an individualized package of services, each of which may have their own practice and program evidence base. The primary service most youth accessing extended foster care need and receive is housing, which is provided in a variety of settings to meet individual needs through foster care maintenance payments. The CalYouth Study has assessed the outcomes of youth participating in extended foster care compared to youth who did not participate (both are self-selecting groups) and to youth outcomes prior to the policy. This data has consistently shown that youth accessing extended foster care have higher achievement in education, employment, and lower rates of homelessness.

Anticipated Outcomes:

DCW anticipates that the average age of emancipation would increase over time if these programs are implemented and that 46 young people would return to child welfare to receive needed support in FY 2022-23. As a result of young people staying in care longer or accessing services after initially emancipating too early, DCW expects improved outcomes for former foster youth in a variety of domains: housing, education, employment, incarceration, access to health care, early parenthood, and rates of becoming involved with child welfare as a parent.

DCW will use a multi-faceted outreach strategy to ensure eligible youth are aware of the option to return to child welfare. First, newly emancipated youth will be informed upon their emancipation, and county child welfare staff and guardians ad litem will be informed of this option should youth who have left care reach back out to them for support (as often happens). Additionally, DCW will collaborate with other agencies that interact with youth in the community, including homeless shelters and service providers, the Office of Economic Security and their county partners, and institutes of higher education.

DCW will determine the number of youth served through extended foster care, the number who exit care and return for help, and the outputs and outcomes for these young people. For example, DCW will track age of discharge, service utilization, permanency outcomes, homelessness rates, and educational outcomes. DCW will use Trails data, data sharing agreements (i.e., with Colorado Department of Education and the Department of Local Affairs), Division of Housing, and the National Youth in Transition Database (NYTD) survey.

In their Framework to End Youth Homelessness, the United States Interagency Council on Homelessness identified "core outcomes for youth experiencing homelessness--stable housing, permanent connections, education or employment, and social-emotional well-being."[4] These core outcomes are widely accepted as key areas that must be addressed to support youth in achieving stable housing and successfully navigating into adulthood. Extended foster care has been demonstrated to have a strong positive impact on core outcomes. For example, research from Chapin Hall[5] on extended foster care has shown that *for each additional year a youth is in care, the better their outcomes in all domains,* including permanency, education, well-being, stable housing, and employment. Specifically, for each year past eighteen a young person stays in care, they are:

- Less than half as likely to be homeless;
- 2.5 times more likely to earn their high school credential;
- 2.8 times as likely to be enrolled in college;
- 2.5 times as likely to have assets in any account;
- Half as likely to receive public benefits in the last year (and those who did receive benefits got less); and
- Half as likely to be involved in the criminal justice system.

Other studies have also shown extended time in foster care is associated with delayed pregnancy and increased involvement of noncustodial fathers with their children.

Assumptions and Calculations:

Colorado law and the State's title IV-E plan already allow youth to remain in a child welfare case until age 21. Although this proposal would impact the manner of delivering services to all young people 18-21, the only additional costs would come from the part of the proposal re-establishing jurisdiction for 18- to 21-year-olds who would otherwise not have been served. Cost estimates for allowing courts to re-establish jurisdiction for young people depend primarily on three key variables: 1) the number of young people who return; 2) the percent who are title IV-E eligible; and 3) the cost per case.

[4] United States Interagency Council on Homelessness, "Framework to End Youth Homelessness: A Resource Text for Dialogue and Action" (February 2013): https://www.usich.gov/tools-for-action/framework-for-ending-youth-homelessness

[5] Chapin Hall Issue Brief (March 2017): https://www.chapinhall.org/wp-content/uploads/CY_EF_IB0317.pdf

Each of these is unknown but can be estimated based on Colorado data and the experiences of other states. As the program is implemented, Colorado can better assess the true utilization rates and program costs with the initial participants.

Title IV-E eligibility of young adults should be determined based on the young adult's income as a household of one. It is anticipated that the vast majority of young adults returning to child welfare for support will be title IV-E eligible, since a lack of financial resources will be the driving factor for their decision to seek this level of support. DCW estimated 85% of these youth would be title IV-E eligible and believes this is conservative.

The number of youth who would return to child welfare was estimated using recent foster care population data and other states' utilization rates as a reference point and adjusted for Colorado. DCW used a 9% cohort rate of re-entry. Based on this, DCW estimates 46 youth would re-enter in the first year of implementation (FY 2022-23) with 18 and 19-year-olds eligible to re-enter. DCW estimates 58 youth in the second year (FY 2023-24), when the age range is expanded up to 21. DCW believes these are conservative (higher end) estimates.

Table 2 illustrates the estimated costs per case in which a young person ages 18 to 21 re-enters foster care.

Table 2: Cost Estimates Per Case

Cost estimates per case		Rat e	# Days
Housing	$ 8,525	$31	275
County staff time	$ 4,786		
Core Services	$ 2,000		
TOTAL	**$ 15,311**		

Housing costs are estimated based on the consideration that youth will have widely varied local costs of living, specific housing arrangements (e.g., dorm, apartment, room in a house, roommate and relative arrangements), and the expectation that youth will contribute to some extent to their own housing costs. For reference, the HUD 2020 fair market monthly rates for Denver (used for Family Unification Program vouchers) are as follows: $1,114 for efficiency apartment, $1,260 for 1 bedroom, $1,566 for 2-bedroom. DCW estimated 9 months for an average length of stay. Without historical data to rely on, the length of stay estimate is based on professional judgment of DCW staff and stakeholders who work with this population: some youth will need and want only a couple of months to get on their feet and get a longer-term housing arrangement in place (such as a housing voucher), while others will choose to stay in care longer while they acquire job skills, save money, and/or attend school. Young people may remain in care until the last day of the month of their 21st birthday.

County staff time is based on a target caseload of 15 cases per primary caseworker. Personnel costs are based on the average 2019 reported salaries plus benefits for Colorado caseworkers, supervisors, and case aides. Worker time estimates 1.3 FTE working on a case at a time to account for not only the caseworker but the supervisor and case aides, and the estimated average case duration of 9 months.

Core Services costs are estimated based on the average costs currently coded to youth 18 or older, adjusted down from $2,400 to $2,000 to estimate differences in this program versus the current program data. Specifically, parents' service costs are sometimes currently coded to the eldest child, but in the proposed extended foster care program, there would be no associated parent service costs. Table 3 illustrates the estimated costs of allowing youth ages 18 to 21 to re-enter foster care.

Table 3: Estimated Costs of Extended Foster Care Program						
	Ages for Re-entry	# Served	Total (CW Block)	Federal	County 80/20	General Fund
Plan yr 1 2020-21	N/A	0	$ 0	$ 0	$ 0	$ 0
Plan yr 2 2021-22	NA	0	$ 0	$ 0	$ 0	$ 0
Year 3 2022-23	18 and 19-year-olds	46	$ 712,054	$ 302,623	$ 81,886	$ 327,545
Year 4 2023-24	up to 21 years old	58	$ 887,828	$ 377,327	$ 102,100	$ 408,401

For the Youth Transition Services Program, DCW estimates 350 additional youth will be served in the first year (FY 2022-23), and 557 youth each year when fully implemented. This estimate was derived from the recent eligible population data and historical utilization rates. These estimates were also adjusted to account for an upward shift in age.

The per-youth cost, $2,037, is the cost of the Pathways to Success model, an evidence-informed intervention currently being evaluated in Colorado. The program evaluator, Center for Policy Research, provided the dollar amount based on their data and research. Table 4 illustrates the number of additional youth who can be served if the federally-funded Chafee programs are supplemented with state funds, and Table 5 shows how the state dollars supplement federal dollars to arrive at total program costs.

Table 4: Additional Youth Served for the Youth Transition Services Program		
Year	**Add'l Youth Served**	**State Cost**
FY 2022-23	350	$712,950
FY 2023-24 and ongoing	557	$1,134,609

Table 5: Program Cost and Youth Served for the Youth Transition Services Program				
Est. costs and youth served	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
Youth Served	816	816	1,166	1,373
Fed. Chafee allocation	$1,668,697	$1,668,697	$1,668,697	$1,668,697
General Fund	$0	$0	$712,950	$1,134,609
Total	$1,668,697	$1,668,697	$2,381,647	$2,803,306

Table 6 shows the combined costs of the current program, FY2020-21 and FY2021-22, with the new program changes included in this proposal.

Table 6: Total Combined Proposed Costs of Youth Transition Services Program (Table 5) and Extended Foster Care Program (Table 3)				
	FY 2020-21	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
Federal	$1,668,697	$1,668,697	$1,971,320	$2,046,024
State	$0	$0	$1,040,495	$1,543,010
County	$0	$0	$81,886	$102,100
Total	$1,668,697	$1,668,697	$3,093,701	$3,691,134

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-05 National School Lunch Commodity Storage & Distribution

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:21:58 -06'00' ____ **Supplemental FY 2020-21**

OSPB Approval By: Ashley Carter ____ **Budget Amendment FY 2021-22**

X **Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	**$730,316**	**$0**	**$730,316**	**$720,739**	**$604,527**
	FTE	6.5	0.0	6.5	0.4	3.4
Total of All Line Items Impacted by Change Request	GF	$151,156	$0	$151,156	$238,400	$237,000
	CF	$266,486	$0	$266,486	$57,339	$237,579
	RF	$0	$0	$0	$0	$0
	FF	$312,674	$0	$312,674	$425,000	$129,948

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	**$730,316**	**$0**	**$730,316**	**$720,739**	**$604,527**
07. Office of Self Sufficiency, (C) Special Purpose Welfare Programs, (1) Special Purpose Welfare Programs - Food Distribution Program	FTE	6.5	0.0	6.5	0.4	3.4
	GF	$151,156	$0	$151,156	$238,400	$237,000
	CF	$266,486	$0	$266,486	$57,339	$237,579
	RF	$0	$0	$0	$0	$0
	FF	$312,674	$0	$312,674	$425,000	$129,948

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department Priority: R-05
Request Detail: National School Lunch Commodity Storage & Distribution

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation*	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$730,316*	*$730,316*	*$720,739*	*$604,527*
FTE	6.5	6.5	0.4	3.4
General Fund	$151,156	$151,156	$238,400	$237,000
Cash Funds	$266,486	$266,486	$57,339	$237,579
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$312,674	$312,674	$425,000	$129,948

*The FY 2020-21 Appropriation and FY 2021-22 Base reflect the affected program line items plus EDO POTS lines (HLD, STD, AED, and SAED of $68,293,003 Total Funds in FY 2020-21)

Summary of Request

The Department requests $720,739 total funds, including $238,400 General Fund, $57,339 cash funds, $425,000 federal/U.S. Department of Agriculture (USDA) funds and 0.4 FTE in FY 2021-22 and $604,527 total funds, including $237,000 General Fund, $237,579 cash funds, and $129,948 federal funds, and 3.4 FTE in FY 2022-23 to establish a National School Lunch Program (NSLP) commodity food program warehouse and distribution system. A State-managed warehouse and distribution system provides a stable, reliable, and less costly source of USDA Foods for participating schools and child care providers, statewide. The benefits of this investment will be magnified in rural Colorado. Ultimately, it will ensure the Department effectively fulfills its requirement to oversee the food supply chain on behalf of Colorado children and students. In FY 2026-27 and beyond, no General Fund will be required; all program costs will be self-sustaining with cash and federal funds.

In the first year, appropriated funds will purchase trucks and equipment, and make necessary leasehold improvements for a leased warehouse. Those leasehold improvements will be amortized over a five-year period, reflected in the lease payments. In FY 2022-23 and beyond, costs will be wholly operating costs, including the warehouse lease, maintenance, and 3.4 FTE. Cash funds will be derived from the case delivery fee to recipient agencies. This investment is critical to reverse inefficiencies that have tripled program costs, as recommended by an independent study, in order to operate the USDA Foods program per the NSLP.

Current Program:

Federal law requires states to provide safe, consistent food resources statewide for K-12 schools and child care providers through a state-managed warehouse and distribution system. As such, the Department is responsible for receiving, storing, and distributing $20 million of American-grown and processed commodities to about 230 public and private K-12 schools and child care centers, in every Colorado county, that participate in the NSLP. Nutrition directors from participating institutions select frozen- and shelf-stable foods, from a broad USDA catalog of foods, and processing options to spend Colorado's $20 million federal entitlement. These commodities equate to about $0.20 per meal of food value, saving institutions tens of millions of dollars annually to feed Colorado children.

Historically, the program has operated without any State funds. In federal fiscal year (FFY) 2019-20, the program received $298,112 in federal funding, along with a $0.25 per case fee paid by recipient agencies, for State administrative expenses. Additionally, the Department applies annually for reallocated federal funds; Colorado received $571,000 for FFY 2019-20. For the last two decades, the Department has contracted the receiving, storage, and delivery functions to a medley of for-profit and non-profit vendors. In that model, the recipient agencies pay the contracted vendor directly for the storage and delivery of cases of food at the Department's statewide contracted rate. In FY 2019-20, that rate was $7.30 per case, one of the highest rates in the nation.

Problem or Opportunity:

The Department has changed its contracted NSLP vendor eight times in the last nine years. As a result, fees to the recipient agencies have more than tripled. The instability of vendors and increasing prices has caused the annual statewide quantity of food to drop more than 58%, from 120,000 cases to approximately 50,000 cases. In turn, this decreased volume makes the USDA Foods contract less desirable for potential vendors and increasingly more expensive for schools and childcare centers. In fact, the Department's 2019 Request for Proposals (RFP) to procure these services received zero responses. This predicament forced the Department to personally solicit potential vendors and convince them to consider taking on this work. The eventual vendor did not perform well during the contract period, resulting in about 25% of more than 200 institutions receiving no food during an entire school year and food loss of $1.2 million. Ultimately, the situation was escalated to the Attorney General's Office and forced the Department to secure another vendor mid-year. The RFP for FY 2020-21 has procured another new vendor who has never operated in Colorado.

In addition to the declining volume of food ordered, the program's complex distribution and delivery factors make it unappealing for potential vendors in Colorado:

- Many recipient agencies are in remote areas, up to an eight hour drive from Denver over mountain passes or across the plains, between August and April, including Colorado's snowiest months.
- Many remote agencies have small storage facilities which can accommodate only ten cases of food at a time, requiring frequent deliveries.
- Most agencies require "white glove" delivery via two-wheel dollies that need to maneuver inside single doors at school kitchens, adding to the length of time per delivery on a route.
- Drivers delivering to schools require a thorough background check which eliminates some contractors' existing drivers.
- The USDA's receipting software and product allocation system does not fit any existing business models among vendors in the food sales and delivery business.

Eleven states operate the USDA Food program via state-owned and operated warehouses; a subset of those states also operate their own distribution system. Many states are reporting difficulty finding vendors to bid on distribution contracts, similar to Colorado's experience, and are considering moving this work in-house.

Following Colorado's FY 2019-20 vendor crisis and associated food losses and administrative costs, the Department procured a feasibility study to determine the best and most cost effective solution for the State to operate the USDA Foods program, including assessing the cost effectiveness of using a State-owned and/or operated warehouse, distribution system, or both.

Proposed Solution:

The Department's feasibility study explored solutions to address the full scope of the Department's food distribution program issues, assessing both the practical and fiscal implications. Those solutions discretely meet both the distribution and storage issues.

<u>Distribution</u>

The feasibility study concluded that the most advantageous option for the State to meet its obligations to distribute commodities, per the USDA Food program, is to purchase two trucks and hire two 0.8 FTE as delivery drivers, working throughout the school year.

To implement this solution, the Department anticipates using available reallocated federal funds, made available to states by the USDA to purchase trucks to deliver USDA foods statewide. The Department proposes using $425,000 total/federal USDA Foods funds to purchase two appropriately equipped vehicles, through the State's Fleet Management Program, to accommodate both long- and short-haul deliveries. Reallocated federal funds are typically made available in March; vehicles would be purchased prior to June 30, 2022.

This model requires two delivery drivers, one with a Class A license and one with a Class B license. In FY 2022-23 and ongoing, the drivers will be funded by fees collected from the recipient agencies and corresponding federal funds. Additional costs of fuel, insurance, and maintenance would be covered by federal administrative funding in FY 2021-22 and ongoing. Distribution costs are wholly funded with cash and federal funds.

The investment in purchasing vehicles is projected to be paid back in approximately 3.2 years. Moreover, increasing delivery reliability is expected to significantly stabilize the program supply chain and result in increased annual program volume.

Storage

The feasibility study also presented two warehousing recommendations: a) lease and retrofit private warehouse space, or b) retrofit a State-owned asset. Leasing and retrofitting existing warehouse space entails the lowest one-time capital outlay. Given the current fiscal environment, the Department recommends Option A. An investment of $850,000 will purchase required frozen storage, racks, lifts, and software in order to adequately receive and store USDA commodities. These leasehold improvements will be amortized into the lease payments, following a five-year amortization schedule. As Table 1 shows, those leasehold improvements ($170,000 per year for five years) are folded into the lease costs. Additionally, this model entails annual costs for two warehouse material handlers (one full-time, year-round and one part-time (0.8), working 40 hours per week during the school year). General Fund is required for the amortized leasehold improvements; otherwise, the storage model is wholly funded with cash and federal funds after the second year.

Evidence Basis

The NSLP Commodity Food Program is a 2 on the OSPB's Evidence Continuum. The goal of the U.S. Department of Agriculture's (USDA) Commodity Foods for National School Lunch Program (NSLP) is to provide safe and nutritious American-produced food to schools and childcare centers participating in the National School Lunch Program. In Colorado, this translates to more than 15% of every school lunch served, effectively stretching child nutrition department dollars without compromising quality. Colorado's documented struggles with its contracted vendors to store and distribute the USDA food to recipient agencies have caused fees to increase and the quantity of food ordered to shrink. Using the available data, the Department can conclude that recipient agencies are paying more for food and/or compromising quality.

The USDA neither formally evaluates programs nor requires states to evaluate their programs. However, there are multiple levels of accountability guiding the NSLP Commodity Food Program, including inventory reports submitted by the Department to the USDA; management evaluations among recipient agencies (conducted by CDE, using the Department's data); and USDA State-level management evaluations of the program operation. Performance data collected by the Department includes quantity/types of food ordered, dollars spent, warehouse food safety (e.g. temperature, pest, and cleaning logs), and training.

Recent evidence published by the USDA (USDA Food Distribution & Assessment Fees in School Year 2016-17) shows the various models, and related costs, used by other states. Among those models, the states that utilize state-operated warehouses and distribution systems are demonstrated to be the most cost-effective. Based on this data, the Department is advancing this particular solution and estimates that a State-operated warehouse and distribution system will be self-sustaining within three years. The existing data collection infrastructure will enable the program management to determine whether the desired program objectives are achieved, which will result which falls at Step 2 of the State's evidence continuum.

Table 1 presents the full scope of the solutions, both in the first year and ongoing.

Table 1: FDP Storage & Distribution Costs

	FY 2021-22 *Building & Standing-up Capacity*				FY 2022-23 *Implementation(first full year)*				FY 2023-24 to FY 2025-26 *Implementation (through Amortization)*				FY 2026-27 & Ongoing *Implementatation Post-Amortization*			
	GF	Cash	Fed	Total	GF	Cash	Fed	Total	GF	Cash	Fed	Total	GF	Cash	Fed	Total
Storage																
Lease-Occupancy	66,000			66,000	67,000	65,000		132,000		65,000	67,000	132,000		65,000	67,000	132,000
Leasehold improvements-Amortization	170,000			170,000	170,000			170,000	170,000			170,000				
Lease Sub-total	236,000			236,000	237,000	65,000	0	302,000	170,000	65,000	67,000	302,000		65,000	67,000	132,000
Materials handlers-Personal Services		23,218		23,218		69,330	69,331	138,661		69,330	69,331	138,661		69,330	69,331	138,661
Operating		4,875		4,875		713	713	1,426		713	713	1,426		713	713	1,426
Storage Sub-Total	236,000	28,093	0	264,093	237,000	135,043	70,044	442,087	170,000	135,043	137,044	442,087	0	135,043	137,044	272,087
Distribution																
Truck purchase			425,000	425,000												
Software	2,400			2,400		2,400		2,400		2,400		2,400		2,400		2,400
Fuel & Maintenance	0			0		40,233		40,233		40,233		40,233		40,233		40,233
Drivers - Pesonal Services	0	22,300		22,300		59,073	59,074	118,147		59,073	59,074	118,147		59,073	59,073	118,146
Operating		6,946		6,946		830	830	1,660		830	830	1,660		830	830	1,660
Distribution Sub-Total	2,400	29,246	425,000	456,646	0	102,536	59,904	162,440	0	102,536	59,904	162,440	0	102,536	59,903	162,439
Totals	**$238,400**	**$57,339**	**$425,000**	**$720,739**	**$237,000**	**$237,579**	**$129,948**	**$604,527**	**$170,000**	**$237,579**	**$196,948**	**$604,527**	**$0**	**$237,579**	**$196,947**	**$434,526**

Anticipated Outcomes:

A State-managed warehouse and distribution system provides a stable and reliable source of USDA Foods for participating schools and child care providers, statewide. The benefits of this solution will be magnified in rural Colorado. Moreover, this strategic direction will stabilize costs and ensure the Department fulfills its requirement to oversee the food supply chain on behalf of Colorado children/students.

As a result, the Department expects the number of cases of food to rise back to previous levels, further reducing the cost for recipient agencies. Once the leasehold improvements are amortized, the Department expects the costs for this model will be self-sustaining via cash and federal dollars.

Assumptions and Calculations:

Based on projected workload from an independent feasibility study, the Department anticipates that two material handlers and two drivers will be sufficient staff to operate the storage and distribution processes. Three of the four positions (one material handler and both drivers) will be 0.8 FTE, working full-time (40 hours/week) for ten months of the year, consistent with the school year. One material handler position will be 1.0 FTE, working year-round. All four employees will be hired at the end of FY 2021-22, in advance of the 2022-23 school year; only one month of salary will be required in FY 2021-22. Both materials handlers will require standard operating expenses (phone, computer, and office furniture). The drivers will share a workspace at the warehouse, requiring one computer and set of furniture. Instead of desk phones, the drivers will require cell phones, estimated at a monthly cost of $30/phone. See Table 2 for the FTE and operating costs to implement this proposal.

Colorado anticipates receiving at least $425,000 in reallocated federal funds in FY 2022-23 in order to purchase two vehicles prior to June 30, 2022. No fuel or maintenance costs will be required for the trucks in FY 2021-22.

During the first year, all necessary leasehold improvements to retrofit warehouse space will be made; operating funds will be required to pay for six months of the lease in FY 2021-22. In FY 2022-23 through FY 2025-26, when the leasehold improvement amortization schedule ends, the annual operating costs (including lease, operating expenses, and FTE) will be $604,527.

Other than amortizing the leasehold improvements, no General Fund will be required after FY 2022-23. All operating costs will be paid by the program's Federal State Allocated Expense grant and the per-case handling fee collected from the recipient agencies. The exact percentage of cash and federal funds will depend on the number of cases of food ordered and fees charged to recipient agencies, estimated at a 50/50 split.

Table 2: FTE Table

FTE 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 -- Beginning July 1, 2020, new employees will be paid on a bi-weekly pay schedule; therefore **new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE** to account for the pay-date shift (25/26 weeks of pay). **This applies to personal services costs only; operating costs are not subject to the pay-date shift.**

Expenditure Detail		FY 2021-22		FY 2022-23	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
Equipment Operator III	$1,924	0.2	$10,005	1.6	$80,038
PERA			$1,091		$8,724
AED			$500		$4,002
SAED			$500		$4,002
Medicare			$145		$1,161
STD			$17		$136
Health-Life-Dental			$10,042		$20,084
Subtotal Position 1, 1.6 FTE		**0.2**	**$22,300**	**1.6**	**$118,147**
Classification Title	Biweekly Salary	FTE		FTE	
Materials Handler III	$2,068	0.2	$10,754	1.8	$96,782
PERA			$1,172		$10,549
AED			$538		$4,839
SAED			$538		$4,839
Medicare			$156		$1,403
STD			$18		$165
Health-Life-Dental			$10,042		$20,084
Subtotal Position 2, 1.8 FTE		**0.2**	**$23,218**	**1.8**	**$138,661**
Subtotal Personal Services		0.4	**$45,517**	3.4	**$256,809**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	$500	0.4	$200	3.4	$1,700
Telephone Expenses	$450	0.2	$90	1.8	$810
PC, One-Time	$1,230	3.0	$3,690		$0
Office Furniture, One-Time	$3,473	3.0	$10,419	-	$0
Indirect Costs, if applicable			$0		$0
Leased Space, if applicable	$6,600		$0		$0
Cell phones for Equipment Ops	360.0	0.2	$72	1.6	$576
Other					
Subtotal Operating Expenses			**$14,471**		**$3,086**
TOTAL REQUEST		0.4	**$59,988**	3.4	**$259,895**

Implementation Plan:

Anticipated target dates to implement the State's solution to ensure adequate storage and distribution of USDA commodities to school districts and other institutions:

- Aug-Sept 2021: Secure warehouse space and negotiate a lease, including the amortization schedule
- Jan-July 2022: Make required leasehold improvements

- April-May 2022: Recruit and hire Materials handlers and Drivers
- August 2022: Begin delivering USDA commodities to school districts
- Jan 2027: Amortization payments end

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle		
Request Title		
	R-06 Early Intervention Program Changes	
Dept. Approval By:	Clint Woodruff (Digitally signed by Clint Woodruff)	Supplemental FY 2020-21
OSPB Approval By:	Ashley Clark	Budget Amendment FY 2021-22
	X	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$69,494,665**	**$0**	**$69,839,202**	**($2,636,345)**	**($2,636,345)**
	FTE	7.5	0.0	7.5	1.0	1.0
	GF	$43,466,240	$0	$43,810,777	($2,636,345)	($2,636,345)
	CF	$10,509,980	$0	$10,509,980	$0	$0
	RF	$7,968,022	$0	$7,968,022	$0	$0
	FF	$7,550,423	$0	$7,550,423	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
06. Division of Early Childhood, (B) Division of Community and Family Support, (1) Division of Community and Family Support - Early Intervention Services	**Total**	**$67,038,480**	**$0**	**$67,383,017**	**($5,187,658)**	**($5,187,658)**
	FTE	7.5	0.0	7.5	0.0	0.0
	GF	$41,210,055	$0	$41,554,592	($5,187,658)	($5,187,658)
	CF	$10,509,980	$0	$10,509,980	$0	$0
	RF	$7,968,022	$0	$7,968,022	$0	$0
	FF	$7,350,423	$0	$7,350,423	$0	$0
06. Division of Early Childhood, (B) Division of Community and Family Support, (1) Division of Community and Family Support - Early Intervention Evaluations	**Total**	**$2,456,185**	**$0**	**$2,456,185**	**$2,551,313**	**$2,551,313**
	FTE	0.0	0.0	0.0	1.0	1.0
	GF	$2,256,185	$0	$2,256,185	$2,551,313	$2,551,313
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$200,000	$0	$200,000	$0	$0

Auxiliary Data			
Requires Legislation?	YES		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Impacts Other Agency

Department of Human Services

FY 2021-22 Funding Request

November 1, 2020

Jared Polis
Governor

Michelle Barnes
Executive Director

Department Priority: R-06
Request Detail: Early Intervention Program Changes

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	$69,494,665	$69,839,202	($2,636,345)	($2,636,345)
FTE	7.5	7.5	1.0	1.0
General Fund	$43,466,240	$43,810,777	($2,636,345)	($2,636,345)
Cash Funds	$10,509,980	$10,509,980	$0	$0
Reappropriated Funds	$7,968,022	$7,968,022	$0	$0
Federal Funds	$7,550,423	$7,550,423	$0	$0

Summary of Request

The Colorado Department of Human Services (CDHS) requests a decrease of $2,636,345 total funds and General Fund in FY 2021-22 and ongoing to transfer the authority of Early Intervention (EI) evaluations from the Colorado Department of Education (CDE) to CDHS. CDHS is the lead agency under the federal Individuals with Disabilities Act (IDEA), Part C, and is required to have the authority and oversight for all Part C activities, which include both evaluations and direct services.

A Task Force of EI stakeholders was convened beginning in September 2019 and unanimously recommended that CDHS assume full responsibility of EI evaluation activities through a planned transition process. This transition of authority will enable CDHS to monitor, enforce, and revise evaluation activities for children referred for Part C activities, while also increasing efficiency of operations between evaluations and direct services. This legislative change to transfer the authority for EI evaluations from CDE to CDHS will require an increase of $2.5M and 1.0 FTE to the Department's Early Intervention Evaluations Long Bill line. However, this $2.5M increase is more than offset by a $5.1M decrease in the Early Intervention Services Long Bill line as a result of operational and administrative savings, in part due to the efficiency gains of the Department overseeing both the EI evaluations and direct services. The Department requests that the Joint Budget Committee make this technical adjustment to statute. This request corresponds with the Governor's Office request through CDE (R-04). With demonstrated positive outcomes for children served through the EI program, the program falls at Step 3 on the State's evidence continuum.

Current Program:

Early Intervention evaluates and identifies children from birth through two years of age (ending on the third birthday) who have developmental delays or disabilities and provides services to prepare children to be successful in their current learning environment before transitioning to preschool or other supports. These learning environments include any place infants and toddlers spend their day, including at home, at child care, or with extended family. On average, EI evaluates 400 children per month, and approximately 9,500 infants and toddlers are served each month with over 15,000 children and families served each year.

The EI program effectively identifies developmental delays in infants and toddlers to proactively address these delays and mitigate the impact they have on a child's growth so that the child will have as many skills as possible when he or she enters preschool. The developmental areas that EI services target are adaptive skills, cognitive skills, communication skills, motor skills, and social and emotional skills. Data collected for Colorado's EI program have demonstrated positive outcomes for children served through the EI program; the program falls at Step 3 on the State's evidence continuum:

- 49% of children enrolled in EI do not go on to need Part B Preschool Special Education services.
- 99% of children show at least some progress in development.
- 60% of children show significant progress toward reaching development closer to their same-age peers.

Early Intervention evaluations are a requirement under IDEA, Part C, the Program for Infants and Toddlers with Disabilities. Part C funds Colorado to operate a comprehensive statewide program of EI services for infants and toddlers with disabilities, ages birth through age 2 years. CDHS is the lead agency in Colorado for Part C and under C.F.R. 303.120 is required to have the authority and oversight for all Part C activities which include evaluations. Federal law reads that "each [state] must include a single line of responsibility in a lead agency designated or established by the Governor that is responsible for" Part C. Under C.F.R. 303.302(a)(3), the lead agency must also ensure rigorous standards for appropriately identifying infants and toddler with disabilities for early intervention services.

In 2007, however, Colorado legislation gave Administrative Units (AUs) the responsibility for conducting Part C evaluations under the purview of the CDE (CRS 22-20-118). This also directed funding from the Exceptional Children's Education Act (ECEA) to pay for the EI evaluations conducted by AUs, under the authority of CDE. This funding had previously been used for other special education activities for children ages three to twenty-one.

To identify a solution for the bifurcation of EI authority, the Colorado Legislature passed HB 18-1333, requiring CDE and CDHS to hire a facilitator to conduct a study of the administration of EI evaluations and to submit a report to the Joint Budget Committee by June 30, 2019. A Task Force of EI stakeholders was convened beginning in September 2019 and unanimously recommended that CDHS assume full responsibility of EI evaluation activities through a planned transition process, and that Exceptional Children's Education Act (ECEA) dollars currently used for EI Evaluations at CDE be reallocated for the provision of special education services for children from three years to twenty-one years of age as required under the ECEA (22-20-102, C.R.S.).

Problem or Opportunity:

The transfer of authority for the EI evaluations from CDE to CDHS will enable CDHS to monitor, enforce, and correct evaluation activities for children referred for Part C activities, while also increasing efficiency of operations between evaluations and direct services and maintaining a positive care experience for children and families. Funding the EI evaluations at CDHS will be done through savings from the Department's EI direct services cost containment strategies that are made possible, in part, through improved operational efficiencies resulting from full authority over EI evaluations and direct services.

The transfer of authority for EI evaluations from CDE to CDHS has the opportunity to address several challenges resulting from the bifurcation of the EI system:

- ***Authority***: Despite being the lead agency for EI under Part C, CDHS does not have the authority over AUs (school districts) to monitor, enforce, and correct evaluation activities for children referred for Part C services. As a result, CDHS cannot enforce timelines, determine evaluation tools used, or oversee best practices for infants and toddlers as required by the federal Office of Special Education Programs (OSEP).

- ***Misaligned timeline***: CDE statute holds AUs to a 45-day timeline to complete evaluations. Part C regulations require the multidisciplinary evaluation and initial Individualized Family Service Plan (IFSP) meeting to take place within this same 45-day timeline. The misaligned deadlines make it challenging for the State to complete all federal Part C required EI activities within the 45 days.

- ***Inefficiencies***: Local decisions and agreements dictate how evaluation activities occur, and when interagency relationships or agreements are not optimal redundancies may occur. For example, there are times when both the AUs and Community Centered Boards (CCBs) have intake staff who contact the family separately when they are referred to EI, and then all three must coordinate their schedules to arrange the evaluation, which results in redundant conversations. Under one system managing both the EI evaluations and services, the one intake coordinator would contact the family and arrange for the evaluation in one phone call.

- ***Confusion for families***: This bifurcated system can be difficult for families to navigate. For example, staff from two different agencies contact families upon referral and the families may not understand why the school district is contacting them about their infant or toddler. Some families are required to go to a school district location for the evaluation, which may be challenging for those without transportation, whereas other families receive an evaluation in the home. With full authority over EI evaluations, CDHS would serve as the single point of contact for families through the entire EI process, from intake and evaluation to IFSP development and the arrangement of direct services provision.

Proposed Solution:

The Department proposes a legislative change to transfer the authority for EI evaluations from CDE to CDHS. The Department's proposed legislative solution for a statute change reflects the unanimous recommendation of K-12 and early childhood EI evaluation stakeholders. Specifically, this proposed solution honors the task force's recommendations 1 and 7:

Recommendation 1:

Ensure CDHS has the authority for monitoring, enforcement and correction of Early Intervention Evaluations, which may include a change to state education statute. By November 1, 2019, with stakeholder input, select the administrative structure that ensures CDHS has the authority for monitoring, enforcement and correction of Early Intervention evaluations, which includes a planned transition process.

Recommendation 7:
Use Early Intervention funds to pay for Early Intervention Evaluations, including Medicaid where possible. Exceptional Children's Education Act (ECEA) dollars currently used for Early Intervention Evaluations should be reallocated for the provision of special education services for children from three years to twenty-one years of age as required under the ECEA (22-20-102, C.R.S.).

As part of this solution, the Department proposes that CDHS and CDE reconvene the task force with representation from early childhood and K-12 advocates, families, and EI evaluation providers to develop a phased transition process to ensure continuity of evaluations and direct services care for families, as well as to align best practices for evaluation processes that reflect the diverse needs of EI families across the State.

This legislative change to transfer the authority for EI evaluations from CDE to CDHS will require an increase of $2.5M and 1.0 FTE to the Department's Early Intervention Evaluations Long Bill line. Amendment 23 of the Constitution (C.R.S. 22-55-107) requires that the Categorical programs, of which EI evaluation funding through Special Education Programs for Children with Disabilities is one, increase by the rate of inflation each year and that funding for Categorical educational programs cannot be reduced. By moving the statutory authority for EI evaluations to CDHS, the $2.7M General Funds at CDE that have been used for EI evaluations for children from birth to age two will be allocated to other special education activities for students ages three to 21 that are funded through the Categorical program line for Special Education Programs for Children with Disabilities. The Department anticipates being able to offer these EI evaluations for about $0.2M less than the cost through CDE as a result of being able to bill Medicaid for EI evaluations for Medicaid-enrolled children.

However, this $2.5M increase in the Early Intervention Evaluations line is more than offset by a $5.1M decrease in the Early Intervention Services Long Bill line as a result of operational and administrative savings, in part due to the efficiency gains of the Department overseeing both the EI evaluations and direct services. The three strategies outline a thoughtful plan of how to reduce costs while maintaining the number of children and families receiving high quality EI evaluations and services:

- ***Cap Administrative Costs in Contracts:*** Currently, CCBs are on a system of cost reimbursement in their contracts but there is no cap on the amount of administrative costs that a CCB may charge in their contract. The level of administrative costs varies greatly across the individual organizations, with some CCBs covering all administrative costs through the indirect rate and other CCBs requesting additional funding to support their administration. Limiting administrative costs would result in cost savings of approximately $737,658 per year beginning in FY 2021-22
-
- ***Leverage Medicaid Payments for Eligible EI Children and Families:*** Approximately 50% of children enrolled in EI are enrolled in Medicaid. Historically, Medicaid has not covered certain services such as special instruction and family education, which are

then charged to the General Fund. The EI program has been working collaboratively with the Department of Health Care Policy and Financing (HCPF) to more closely align Medicaid benefits with EI eligible services. Beginning in July 2020, HCPF will begin to cover family education, which will result in cost savings of approximately $750,000 per year beginning in FY 2021-22.

- ***Annualize Savings from EI Eligibility Change:*** The General Assembly did not appropriate a caseload increase for EI services in the FY 2020-21 Budget. As a result, the State Board of Human Services enacted a rule change to EI eligibility from 25% delay in one or more domains to a 33% delay in one or more domains. Prior to the passage of the final rule, the CDHS EI Program engaged stakeholders in a process for submitting feedback and suggestions for alternate solutions to changing eligibility. The EI Program worked closely with the Stakeholder Task Force, which included direct service providers, families, and members of the public, to identify a solution that would provide continuity of EI services to as many children as possible. The final outcome of the stakeholder process was the addition of a definition in rule that will lead to the future development of a program, under the umbrella of EI, to serve children who do not meet the new eligibility criteria but may have a risk factor that warrants some level of support for the child and family. The Department anticipates this will result in annualized cost savings of $3.7M beginning in FY 2021-22.

Table 1: FY 2021-22 Estimated Direct Services Cost Savings	
Cap Administrative Costs	($737,658)
Leverage Medicaid Payments for Eligible EI Children and Families	($750,000)
Annualization of EI Eligibility Criteria	($3,700,000)
TOTAL	**($5,187,658)**

In addition, the proposed transfer of authority will assist in operational efficiencies that may not produce direct cost savings.

- ***Establish Statewide Rate for Direct Service Providers:*** Currently, CCBs determine the rates paid to EI service providers. This leads to a discrepancy across the State regarding rates and travel reimbursement. Without a clear understanding of the rates that are paid, it makes it very difficult to plan for expected expenditures. With improved authority over EI evaluations and services, OEC will implement a state provider rate per unit of service provided. This would allow the Department to track units per week and project costs for each child each month by calculating the number of units documented on the Individualized Family Service Plans (IFSPs). Determining a statewide rate, which would include travel, may not directly reduce costs, but it would assist in better forecasting expenditures and would lead to equity in rates across the State. Variables such as metro, rural, and the socio-economic situation of individual regions of the state would need to be considered.

- ***Contract out for Request for Proposal:*** Currently, EI providers are paid on a cost-reimbursement basis, first invoicing the CCBs for the previous month, and then the CCBs invoicing OEC. This causes a serious lag of two months for reviewing service data. Once contracting is done directly with OEC, the billing lag time would be shortened, resulting in better and more immediate data. In addition, contracting the EI scope of work through a Request for Proposal (RFP) could lead to a more equitable structure across the State and provide competition that could drive more competitive costs in service delivery. This shifting of direct contracting with OEC instead of with CCBs will reduce some of the administrative costs in the CCB contracts and reduce the burden on providers who must invoice each CCB they contract with separately, using different processes and receiving multiple rates dictated by the CCB.

Anticipated Outcomes:

The Department anticipates that transferring the authority for EI evaluations and appropriating the requested amount will result in several process improvements and will benefit children and families across the State.

First, the transfer of authority and accompanying funding increase will allow the Department to monitor, enforce, and revise evaluation activities for children referred for Part C activities. Second, it will ensure that federal deadlines are not missed and reduce inefficiencies resulting from the bifurcation of the EI system across two agencies. Third, families will not be responsible for figuring out which state entity they have to interact with to get care for their children. And finally, fourth, it will make sure that evaluations follow consistent, established best practices for infants and toddlers. It is important to note that without funding the requested increase of $2.5M in the Early Intervention Evaluations line, the Department will be unable to achieve the corresponding operational and administrative cost containment strategies in the Early Intervention Services line, while also taking over EI evaluations work from CDE.

Assumptions and Calculations:

Based on historical data, the Department anticipates conducting approximately 11,000 evaluations annually. The previous cost to conduct evaluations averaged $451; however, the Department anticipates reducing that cost through regionalization and increased use of telehealth to an average of $441.86 per evaluation.

Table 1: Calculation of Early Intervention Evaluation Costs to Transfer to the Department of Human Services	
Evaluation Cost (11,000 evaluations @ $441.86)	$4,860,498
Program Management (FTE)	$147,000
Total Cost	$5,007,498
Existing Evaluation Base Funding	$2,456,185
Remaining Requested FY 2021-22 Funding	$2,551,313

The requested evaluation funding is a reduction over the FY 2019-20 costs to implement the program. In order to reduce costs, the Department will discontinue the workgroup facilitation and research contracts that were funded in FY 2019-20. Additionally, the anticipated costs assume savings realized through a competitive RFP process for regional evaluators, and incorporating telehealth to save on travel costs.

Table 2: FY 2021-22 Cost Savings Assumptions		
Strategy	Assumptions	Cost Savings
Annualization of EI Eligibility Criteria	Average cost of $6,000 per child, prorated by the months of service per year, and adjusted to account for children covered by the EI Trust and/or Medicaid	($3,700,000)
Leverage Medicaid Payments for Eligible EI Children and Families	Average annual cost of Family Education units billed by CCBs/Providers	($750,000)
Cap Administrative Costs	Administrative costs currently represent 12.6% of CCB expenditures, the range of savings is based on reducing total administrative costs to 11% or 12%	($737,658)
TOTAL		**($5,187,658)**

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-07 Increase Medicaid Match for Substance Use Treatment

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.31 17:21:56 -06'00'

OSPB Approval By: Ashley Carter

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	**$46,164,602**	**$0**	**$55,637,036**	**($11,419,598)**	**$11,419,598**
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	$12,204,598	$0	$14,368,079	($11,419,598)	$11,419,598
	CF	$14,766,537	$0	$22,075,490	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$19,193,467	$0	$19,193,467	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	**$32,243,507**	**$0**	**$40,060,172**	**($6,000,000)**	**$6,000,000**
08. Behavioral Health Services, (C) Substance Use Treatment and Prevention, (1) Treatment Services - Treatment and Detoxification Contracts	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$12,204,598	$0	$14,368,079	($11,419,598)	$11,419,598
	CF	$845,442	$0	$6,498,626	$5,419,598	($5,419,598)
	RF	$0	$0	$0	$0	$0
	FF	$19,193,467	$0	$19,193,467	$0	$0
	Total	**$13,921,095**	**$0**	**$15,576,864**	**($5,419,598)**	**$5,419,598**
08. Behavioral Health Services, (C) Substance Use Treatment and Prevention, (1) Treatment Services - Increasing Access to Effective Substance Disorder Services	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$13,921,095	$0	$15,576,864	($5,419,598)	$5,419,598
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation

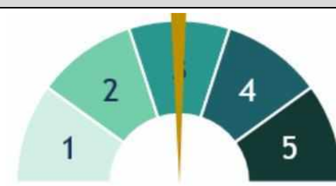
Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department Priority: R-07
Request Detail: Increase Medicaid Match for Substance Use Treatment

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$46,164,602*	*$55,637,036*	*($11,419,598)*	*$11,419,598*
FTE	0.0	0.0	0.0	0.0
General Fund	$12,204,598	$14,368,079	($11,419,598)	$11,419,598
Cash Funds	$14,766,537	$22,075,490	$0	$0
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$19,193,467	$19,193,467	$0	$0

Summary of Request



The Department requests a one-time reduction of $11,419,598 total funds/General Fund in FY 2021-22The expansion in the Medicaid benefit to pay for Substance Use Disorder Treatment (SUD) will allow this request for the reduction of the General Fund to occur without disrupting services. This reduction will repurpose State funds that will be duplicated from substance use residential and inpatient treatment resources that will be provided through the State's HB 18-1136 Medicaid expansion, which is currently anticipated to begin January 1, 2021. The State Medicaid expansion for residential substance use treatment services will allow the State to finance these services through a 50% State and 50% federal funds financing arrangement as opposed to the State providing 100% of the funding.

Regardless of the level of demand, the full utilization of both Medicaid and Department funding for SUD residential services will also be dependent on the capacity of providers to serve those who need the services. Current capacity limitations of SUD residential providers creates a risk that the funds may be underspent. This request will have no out-year impact as it is a one-time reduction.

Current Program:

The Office of Behavioral Health administers statewide residential services for uninsured and underinsured Coloradans with incomes under 300% of the Federal Poverty Level. This service is administered geographically in seven State Service Planning Areas (SSPAs) by five Managed Service Organizations (MSOs). MSOs are responsible for managing client care and managing regional provider networks to serve this population. The Office's service capacity for this program is not entitlement based, but rather limited by appropriations set by the General Assembly and the federal government. The current fiscal year spending authority for these programs is $46,164,602.

Through FY 2019-20, funding for uninsured and underinsured Coloradoans under 300% of the Federal Poverty Level in need of residential services was provided through General Fund, cash funds, reappropriated funds and federal funding through the following Long Bill line items:

- Treatment & Detox Contracts
- Increasing Access to Effective Substance Use Disorders Services (SB 16-202)
- Circle Program and Other Rural Treatment Programs for People with Co-occurring disorders

Through FY 2019-20, Colorado did not have a substance use residential benefit program funded by Medicaid. Beginning January 1, 2021, the Department of Health Care Policy and Financing will begin administration of a statewide substance use residential benefit for clients who qualify for the benefit. This shift in policy and financing will impact how the Department of Human Services, Office of Behavioral Health and the Department of Health Care Policy and Financing provide residential services to Coloradans in need of residential treatment services.

The intended outcome of the request is to align the State's budget with Medicaid eligibility.

Problem or Opportunity:

The State will expand Medicaid coverage for residential substance use treatment services based upon the passage of HB 18-1136. This benefit will allow the State to finance these services through a 50% State and 50% federal funds financing arrangement as opposed to the State providing 100% of the funding.

HB 18-1136 gives the Department of Health Care Policy and Financing (HCPF) authority to add Substance Use Disorder (SUD) inpatient and residential treatment benefits, including withdrawal management services, to the continuum of SUD services available to Medicaid members. The benefit is limited to persons who meet nationally recognized, evidence-based level of care criteria for residential and inpatient substance use disorder treatment. These services, delivered within an inpatient or residential setting, are not currently covered by Medicaid. To implement the 1115 Waiver, the Department of Health Care Policy and Financing was appropriated $43.5M, for FY 2020-21. In FY 2021-22 the Department is requesting

$102.9M in total as it is anticipated that additional providers will seek Medicaid certification and capacity will be added over time in the State to meet demand. These estimates are continuing to be refined by HCPF.

CDHS anticipates that the SUD benefit will be available beginning January 1, 2021 and that the need for General Fund and other state funds provided to OBH and contracted through Managed Service Organizations (MSO) will be partly reduced because many of the individuals that OBH provides services to will be eligible for the substance use treatment benefit, provided through HB 18-1136. It must be noted that funding for room and board should be retained in base funding at OBH because Medicaid does not cover room and board which is an essential component of funding substance use residential treatment.

Several residential SUD treatment providers have ceased operations in recent years as very few medical insurers including Medicaid have not historically included residential SUD treatment as part of the covered benefit. This is a challenge for the general adult population, and to a greater severity for high risk populations such as adolescents and pregnant and postpartum, parenting women. As the Department works with the Department of Health Care Policy and Financing to reduce stigma and increase access associated with substance use treatment services, the Department anticipates that treatment utilization will rise in FY 2022-23 and beyond.

Proposed Solution:

As a result of clients receiving substance use residential treatment services, SUD residential populations will be covered by both Departments. Currently, OBH covers individuals from 0 to 300% of the Federal Poverty Level (FPL), including those who are uninsured or are Medicaid recipients. When the benefit is activated, the segments of the State's population will be covered by each Department according to Table 1. Financing considerations are also noted at the bottom of Table 1.

Table 1: Cross Departmental Analysis of H.B. 18-1136 Variables
FY 2021-22 Residential Substance Treatment Services

Component	HCPF	CDHS
0 to 133% of Federal Poverty Level SUD Inpatient and Residential Treatment for Medicaid Recipients will be covered by both Departments .	Treatment costs covered by Medicaid	Room and board costs covered by OBH
133% to 300% of Federal Poverty Level SUD Inpatient and Residential Treatment for Uninsured, Low Income Clients who are ineligible for Medicaid	None	Treatment services and room and board costs covered by OBH
Additional Financing considerations: ● Estimating per diem treatment rates ● Estimating room and board per diem rates		

The consequence of this request if not funded is that it is possible the Department could revert State funding if the State's overall payer mix is not adjusted.

Evidence Continuum Step
Step 3 - Collect and evaluate data on whether the desired objectives are achieved

Why this Step?
The general treatment modality of residential substance use treatment is supported by a robust amount of literature including systematic review and randomized control trials. OBH is not replicating any studies or performing outcome evaluations, however, OBH requires providers to submit programmatic information about substance use treatment and costs on a monthly basis. OBH uses this data to build monthly MSO contract reports which allow the Office to better understand service utilization. The reports contain information about utilization by treatment modality and numbers/special populations served. Note, clients captured in the monthly contract reports (and monthly data collection efforts) only partially capture those who will be served by the 1115 Waiver as some clients are not represented because their services are not currently funded through OBH.

Anticipated Outcomes:
This FY 2021-22 one-time savings will reduce $11,419,598 of General Fund to offset the increase in HCPF's budget and leverage an additional $11,419,598 of federal Medicaid matching funds. It is anticipated that changes to the Colorado Medical Assistance Program provided through the Department of Health Care Policy and Financing will displace the need for OBH funds to pay for residential treatment services provided for Coloradans with Medicaid coverage.

The remaining base funding for residential substance abuse treatment will fund (a) the full treatment services cost plus room and board costs for the uninsured/underinsured (non-Medicaid eligible) clients, and (b) the room and board costs for Medicaid-covered clients, that will not be covered by Medicaid (see Table 1). As part of this function, the Department is requesting a transfer of $5,419,598 Marijuana Tax Cash Fund from the Increasing Access to Effective Substance Use Disorder Services (SB16-202) Long Bill line item to the Treatment & Detox Contracts Long Bill line item to maintain funds for residential room and board.

It is assumed that case load demands will increase in FY 2022-23 for Medicaid eligible clients in particular as the benefit expansion provides coverage for treatment services, and the OBH funding will continue to cover the room and board portion of the residential or inpatient costs for far more clients, requiring the FY 2022-23 base to be restored to FY 2020-21 levels. Note: this anticipated growth has been modeled and frequently refined by HCPF in its budget request to finance the 1115 waiver.

The full utilization of both Medicaid and Department funding mentioned for SUD residential services will be dependent on the capacity of providers to serve those who need the services. The capacity levels to accept clients will need to be monitored during the benefit expansion.

Assumptions and Calculations:

Table 2 represents Long Bill line items that fund residential treatment services. For contextual purposes, a brief description of the services provided through each of the Long Bill line items is provided. Please note that the General Fund reduction includes a refinancing transfer of Marijuana Tax cash funds noted in the fourth bullet.

- The Treatment and Detox Contracts line includes a net $11,419,598 of General Fund that will be used for the budget reduction. The Treatment and Detox contracts line includes $19.2 million in Federal Substance Abuse Treatment Block Grant. This line item also funds outpatient based substance use treatment services. Federal funds may not be used to match Medicaid federal funds.
- The treatment and detox line includes two components from special bills that are not part of the financing. These components are netted into the reduction calculation must be kept in order to address both SB 19-008 and HB 19-1009 legislative implementation requirements.
- The Increasing Access to Effective Substance Use Disorders Services (SB 16-202) is a program in which OBH provides a prepayment at the beginning of each fiscal year to MSOs across the State. This line item includes residential treatment services, outpatient and infrastructure development to increase community access to treatment services.
- A reduction of $5,419,598 General Fund from the Treatment & Detox Contracts line will be refinanced with Marijuana Tax Cash Funds from the Increasing Access to Effective Substance Use Disorder Services Long Bill line item. This refinance is necessary to support residential room and board costs.

Table 2: Office of Behavioral Health Substance Use Residential Long Bill line items Impacted by CDHS-OBH to HCPF Refinancing FY 2020-21 Base Long Bill and Proportional Cut Distribution

Long Bill line Item	FY 2021-22 Base Total	General Fund	Cash Fund	Cut Distribution to Base %	Cut Distribution to Base $	FY 2021-22 Revised Base after Reduction/ Refinancing
Treatment & Detox Contracts	$12,204,598	$12,204,598	$0	0%	$0	$12,204,598
Less: Recovery Residential	($50,000)	($50,000)	$0	0%	$0	($50,000)
Less: SB19-008 Medicated Assisted Treatment	<u>($735,000)</u>	<u>($735,000)</u>	<u>$0</u>	<u>0%</u>	<u>$0</u>	<u>($735,000)</u>
Adjusted Treatment & Detox Contracts (reduction of GF)	**$11,419,598**	**$11,419,598**	**$0**	**100%**	**($11,419,598)**	**$0**
Treatment & Detox Contracts (Refinance from SB 16-202 funds)				48%	$5,419,598	$5,419,598
Increasing Access to Effective Substance Use Disorder Services (SB16-202) (reduction of CF)	$13,921,095	$0	$13,921,095	-48%	($5,419,598)	$7,871,497
Total	**$25,340,693**	**$11,419,598**	**$13,921,095**	**100%**	**($11,419,598)**	**$13,291,095**

Table 2 Assumptions and Calculations:

- HCPF benefit begins January 1, 2021.
- All MSO providers participate in Medicaid as of January 1, 2021.
- HCPF residential rates are adequate to cover costs at each ASAM level, including Circle 3.7 programs.
- HCPF has not historically utilized Marijuana Tax cash funds for matching purposes because marijuana is still illegal at the federal level. Refinancing of substance use treatment services between the General Fund and Marijuana Tax cash fund should be considered in order to ensure that only General Fund is transferred to HCPF. This will entail a refinancing of the above line items to ensure that only General Fund is transferred to HCPF
- It is assumed that case load demands will increase in FY 2022-23 for Medicaid eligible clients in particular as the benefit expansion provides coverage for treatment services, and the OBH funding will continue to cover the room and board portion of the residential or inpatient costs for far more clients, requiring the FY 2022-23 base to be restored to FY 2020-21 levels. Note: this anticipated growth has been modeled and frequently refined by HCPF in its budget request to finance the 1115 waiver.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-08 Early Childhood Programs Federal Funds Refinance

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:20:46 -06'00'

OSPB Approval By: Ashley Carter

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	**$13,696,553**	**$0**	**$13,758,666**	**$0**	**$0**
	FTE	3.5	0.0	3.7	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	$5,741,390	$0	$5,754,062	($1,378,696)	($1,378,696)
	CF	$385	$0	$385	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$7,954,778	$0	$8,004,219	$1,378,696	$1,378,696

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	**$10,651,143**	**$0**	**$10,684,480**	**$0**	**$0**
06. Division of Early Childhood, (A) Division of Early Care and Learning, (1) Division of Early Care and Learning - Child Care Grants for Quality, Availability and Fed. Targets	FTE	2.8	0.0	3.0	0.0	0.0
	GF	$4,454,426	$0	$4,454,426	($1,250,000)	($1,250,000)
	CF	$385	$0	$385	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$6,196,332	$0	$6,229,669	$1,250,000	$1,250,000
	Total	**$3,045,410**	**$0**	**$3,074,186**	**$0**	**$0**
06. Division of Early Childhood, (B) Division of Community and Family Support, (1) Division of Community and Family Support - Early Childhood Mental Health Services	FTE	0.7	0.0	0.7	0.0	0.0
	GF	$1,286,964	$0	$1,299,636	($128,696)	($128,696)
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$1,758,446	$0	$1,774,550	$128,696	$128,696

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department Priority: R-08
Request Detail: Early Childhood Programs Federal Funds Refinance

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	$13,696,553	$13,758,666	$0	$0
FTE	3.5	3.7	0	0
General Fund	$5,741,390	$5,754,062	($1,378,696)	($1,378,696)
Cash Funds	$385	$385	$0	$0
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$7,954,778	$8,004,219	$1,378,696	$1,378,696

Summary of Request

The Department of Human Services (CDHS) requests a reduction of $1,378,696 General Funds and an increase of $1,378,696 in federal Child Care and Development Funds (CCDF) in FY 2021-22 and ongoing. This net neutral budget request refinances dollar-for-dollar General Fund with federal funds for the Infant-Toddler Quality and Availability (ITQA) and Early Childhood Mental Health (ECMH) programs. There is no programmatic impact to these programs as a result of refinancing.

Each program in this request falls as a Step 2 on the State's evidence continuum as both are theory- and data-informed and have started to reveal positive outcomes for children and families.

Current Program:

The federal Child Care and Development Fund (CCDF) plays an integral role in funding both the ITQA and the ECMH programs. CCDF has very specific requirements of the funding, including: child development and safety standards; annual health and safety inspections; equal-access provisions related to reimbursement rates to ensure families receiving a subsidy have equal access to quality child care; and minimum expenditures or investment levels in infant or toddler care and child care quality.

The State must spend at least 9% of total federal funds on child care quality improvements, an additional 3% on infant and toddler expenditures, and approximately 70% on direct services (i.e., the Colorado Child Care Assistance Program or CCCAP), and the State must also expend General Fund in these areas as the required match for the CCDF funds. The State has received a 29% increase in federal CCDF funding over the last three fiscal years as well as a recent infusion of emergency funding to CCDF through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

CCDF funding is appropriated across 10 long bill line items and the associated programs for the Department's Office of Early Childhood, including the Infant-Toddler Quality and Availability and the Early Childhood Mental Health Consultation.

The ITQA program provides targeted support for infants and toddlers enrolled in licensed child care settings. This grant program supported the increased quality and access to early childhood education for the licensed capacity for approximately 38,250 young children within the most recent grant cycle, supporting 535 licensed child care programs statewide. In FY 2020-21, the program has a base budget of $2.7M General Fund.

Early Childhood Mental Health Consultation (ECMHC) connects early childhood professionals, families and young children with qualified professionals with expertise in early childhood development and mental health. Consultants provide support and guidance in areas such as behavior management, emotion regulation strategies, classroom management, skill-building, and social-emotional development; all which provide the foundation for healthy brain development and support in school readiness.

In FY 2020-21, the ECMHC program has a base budget of $3M, including $1.3M General Fund and $1.7M federal CCDF. This funding supports 34 full-time consultants at 18 sites, including the Southern Ute Indian Tribe, supporting 7,200 children and teachers in 600 classrooms.

In addition to the FY 2020-21 Long Bill appropriated funding, the Department allocated $1.4M of its emergency funding to CCDF through the CARES Act to support the ECMHC needs across the State resulting from COVID-19. This one-time emergency funding increase has been used to form an action team of ECMHC professionals that work directly with child care providers and community providers to address the unique needs of children, families, and caregivers who have experienced various levels of trauma as they adapt to new environments and circumstances, including potential transitions between early care and learning programs and kindergarten. The funding supports 15 contracted FTE for one year. These FTE are estimated to serve up to an estimated 120 directors, 135 teachers, 1,350 classrooms, 420 individual children, and prevent 50 expulsions across the State. The priority recipients are early care and learning providers and administrators and children ages birth through five and their families, and the focus areas are communities that reported confirmed cases and deaths due to COVID 19 and families facing adversity.

Problem or Opportunity:

The ITQA and the ECMH programs provide critical services to children, families, and early childhood providers across the State. Given the expected ongoing economic challenges resulting from COVID-19, there is an opportunity to leverage available CCDF federal funds that do not require a State match. A dollar-for-dollar refinance of General Fund with federal funds would maintain early childhood program services while avoiding cuts to other essential State programs that rely on the General Fund.

Proposed Solution:

The Department proposes refinancing a total of $1.4M General Fund with CCDF funding across two program line items in order to reduce General Fund burden and avoid negative programmatic impacts to essential early childhood programs. First, the Department proposes refinancing $1.25M General Fund for the ITQA program grants with CCDF federal funds. This refinance will still allow the State to meet the federal minimum for infant/toddler expenditures.

Table 1: Toddler Quality and Availability Program Refinancing			
Long Bill Line Item	TF	GF	FF
Child Care Grants for Quality & Availability	$0	($1,250,000)	$1,250,000

Second, the Department proposes refinancing $0.1M General Fund for the ECMHC program with CCDF federal funds.

Table 2: Early Childhood Mental Health Program Refinancing			
Long Bill Line Item	TF	GF	FF
Early Childhood Mental Health	$0	($128,696)	$128,696

This proposed solution will enable the Department to maintain the services provided by the ITQA and ECMHC programs, each of which fall as a Step 2 - Identify Outputs on the State's evidence continuum. The ITQA program supports continuous quality improvement efforts by offering practice-based coaching from credentialed coaches statewide and, through the provision of professional development offerings, supports the knowledge and skills for early childhood educators. In addition, the program offers grant funding to purchase early learning materials and provide capital improvements in order to provide higher quality early care and education for infants and toddlers that both increases the supply of care for this population and permits these children to develop their abilities while providing for the following:

1. Protection of children's health and safety,
2. Building positive relationships; and
3. Opportunities for stimulation and learning from experience.

The ECMHC program has resulted in a number of positive outputs for children and educators, including:

- Improved school readiness for children,
- Decreased classroom burnout for early childhood educators,
- Decreased suspensions and expulsion in early childhood settings,
- Increased emotional regulation skills in young children,
- Increased early identification of mental health or developmental delays,

- Increased retention for early childhood educators.

Anticipated Outcomes:

The Department anticipates that the proposed federal fund refinance would enable the ITQA and ECMHC programs to maintain the number of children, families, and early childhood providers served in FY 2021-22 while reducing the programs' General Fund burden. The Department anticipates that the State's CCDF award would be able to sustain this refinance for at least two fiscal years.

Assumptions and Calculations:

The CCDF projection table, Table 3, shows the impact of the proposed refinancing on the long-term sustainability of CCDF funding. As the table demonstrates, the CCDF federal funding is sufficient to support this level of refinancing for at least three years, FY 2021-22 through FY 2023-24, and possibly longer depending on annual CCDF award increases in future fiscal years.

Table 3: CCDF Sustainability Projection
Updated 6/20/2020

	FY 2019-20	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
Federal CCDF Funds	**Estimate**	**Estimate**	**Request**	**Request**	**Request**
CCDF Carryforward (Unspent Balance)	$51,966,440	$49,567,691	$46,961,005	$34,396,502	$21,831,999
New Annual CCDF Award	$101,982,614	$112,677,672	$106,516,450	$106,516,450	$106,516,450
Total Funds Available	$153,949,054	$162,245,363	$153,477,455	$140,912,952	$128,348,449
Base Expenditures	$104,381,363	$115,284,358	$114,702,257	$114,702,257	$114,702,257
R-08 Childhood Programs Federal Funds Refinance			$1,378,696	$1,378,696	$1,378,696
R-12 CCCAP Rate Increases for Employee Salary Increases			$3,000,000	$3,000,000	$3,000,000
Total Expenditures	$104,381,363	$115,284,358	$119,080,953	$119,080,953	$119,080,953
Roll Forward Balance	$49,567,691	$46,961,005	$34,396,502	$21,831,999	$9,267,496

Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-09 Align Youth Services Facilities with Caseload

Dept. Approval By: Clint Woodruff

OSPB Approval By: Ashley Clark

____	Supplemental FY 2020-21
____	Budget Amendment FY 2021-22
X	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$149,419,483**	**$0**	**$174,749,038**	**($4,721,930)**	**($4,721,930)**
	FTE	1,045.2	0.0	1,045.2	(4.0)	(4.0)
	GF	$122,438,760	$0	$141,563,365	($4,721,930)	($4,721,930)
	CF	$636,407	$0	$3,673,024	$0	$0
	RF	$21,890,100	$0	$15,466,455	$0	$0
	FF	$4,454,216	$0	$14,046,194	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
01. Executive Director's Office, (A) General Administration, (1) General Administration - Health, Life, And Dental	**Total**	**$39,282,023**	**$0**	**$57,319,485**	**($552,305)**	**($552,305)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$23,514,845	$0	$36,215,620	($552,305)	($552,305)
	CF	$510,059	$0	$2,486,040	$0	$0
	RF	$12,142,857	$0	$9,539,063	$0	$0
	FF	$3,114,262	$0	$9,078,762	$0	$0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Short-Term Disability	**Total**	**$470,820**	**$0**	**$477,883**	**($5,117)**	**($5,117)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$313,062	$0	$316,592	($5,117)	($5,117)
	CF	$882	$0	$17,298	$0	$0
	RF	$137,495	$0	$68,016	$0	$0
	FF	$19,381	$0	$75,977	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
01. Executive Director's Office, (A) General Administration, (1) General Administration - Amortization Equalization Disbursement	**Total**	**$14,270,203**	**$0**	**$15,434,290**	**($150,463)**	**($150,463)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$9,481,824	$0	$10,212,938	($150,463)	($150,463)
	CF	$27,697	$0	$549,843	$0	$0
	RF	$4,108,133	$0	$2,233,354	$0	$0
	FF	$652,549	$0	$2,438,155	$0	$0
01. Executive Director's Office, (A) General Administration, (1) General Administration - S.B. 06-235 Supplemental Equalization Disbursement	**Total**	**$14,269,957**	**$0**	**$15,434,290**	**($150,463)**	**($150,463)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$9,480,362	$0	$10,212,938	($150,463)	($150,463)
	CF	$27,769	$0	$549,843	$0	$0
	RF	$4,108,947	$0	$2,233,354	$0	$0
	FF	$652,879	$0	$2,438,155	$0	$0
11. Division of Youth Services, (B) Institutional Programs, (1) Institutional Programs - Personal Services	**Total**	**$63,103,613**	**$0**	**$67,931,223**	**($3,032,670)**	**($3,032,670)**
	FTE	961.0	0.0	961.0	(4.0)	(4.0)
	GF	$63,103,613	$0	$67,931,223	($3,032,670)	($3,032,670)
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0
11. Division of Youth Services, (B) Institutional Programs, (1) Institutional Programs - Operating Expenses	**Total**	**$4,833,937**	**$0**	**$4,962,937**	**($41,800)**	**($41,800)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$3,356,124	$0	$3,485,124	($41,800)	($41,800)
	CF	$70,000	$0	$70,000	$0	$0
	RF	$1,392,668	$0	$1,392,668	$0	$0
	FF	$15,145	$0	$15,145	$0	$0
11. Division of Youth Services, (B) Institutional Programs, (1) Institutional Programs - Medical Services	**Total**	**$13,188,930**	**$0**	**$13,188,930**	**($789,112)**	**($789,112)**
	FTE	84.2	0.0	84.2	0.0	0.0
	GF	$13,188,930	$0	$13,188,930	($789,112)	($789,112)
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department Priority: R-09
Request Detail: Align Youth Services Facilities with Caseload

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$149,419,483*	*$174,749,038*	*($4,721,930)*	*($4,721,930)*
FTE	1,045.2	1,045.2	(4.0)	(4.0)
General Fund	$122,438,760	$141,563,365	($4,721,930)	($4,721,930)
Cash Funds	$636,407	$3,673,024	$0	$0
Reappropriated Funds	$21,890,100	$15,466,455	$0	$0
Federal Funds	$4,454,216	$14,046,194	$0	$0

Summary of Request

The Department of Human Services proposes a reduction of $4,721,930 total funds/General Fund in FY 2021-22 and beyond to (1) cease operations at the Clear Creek Youth Services Center (YSC) on the Campus at Lookout Mountain ($2.5M) (2) close one living unit each at the Mount View Youth Services Center ($427K) and at the Pueblo Youth Services Center ($427K) and (3) revert ongoing vacancy savings in behavioral health and medical staff ($1.4M). These reductions are largely driven by projections for a smaller caseload, and do not reflect a change in operational strategy. Youth will continue to receive trauma informed programming, education, nutrition, medical, and family engagement within the COVID-19 health standards. The Department chose reductions where the least amount of impact to services to youth and their families would be sustained.

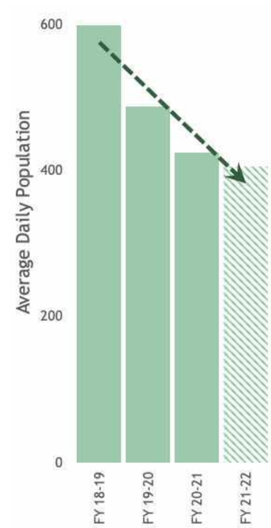
Current Program:

The Department's Division of Youth Services operates twelve state-owned secure youth centers for detention and commitment. In addition, the State also places youth in a state-owned, privately operated youth center located in Watkins, Colorado as well as across the State with multiple private residential care providers. The expenditures listed in the summary are funded from the General Fund in multiple line items, including Institutional Programs Personal Services, Institutional Programs Operating expenses, and Institutional Programs Medical Programs.

Problem or Opportunity:

Decline in Caseload

The Department's funding for the Purchase of Contract Placements line item is driven by the Average Daily Population (ADP) of committed youth. The General Assembly used the December 2019 Legislative Council Staff juvenile commitment forecast for FY 2019-20 as a basis for the current FY 2020-21 appropriation, resulting in a projected ADP of 452.0 youth. While no updated forecast is available until December 2020, the Division is projecting a continued decrease due to a reduction in the commitment population and increase in parolees as a result of COVID-19 and legislative changes.



<u>The Division is forecasting a committed ADP of 405.6 which is a decline of 46.4 youth, or 10.3%, from budgeted levels for FY 2020-21.</u> As the overall committed population continues to fall, placement in State facilities will remain stable, resulting in a declining need for contracted residential facility placements.

Though a major driving factor of these reductions is COVID-19, the Division has seen an ongoing reduction in commitment and detention populations over the past few years, as seen in the graph on the right. As previously stated, the Division's projected ADP for FY 2020-21 is 405.6, down 33% from an ADP of 600 in FY 2018-19. This is due to increases in the number of youth being served through diversion programs and alternative means of incarceration (i.e. residential placements and probation) and a focus on ensuring that youth are served in the least restrictive placements possible. These reductions also mirror national youth population trends; since 2000, the number of youth in confinement has fallen by 60% in the U.S.

Proposed Solution:

The Department chose reductions where the least amount of impact to services to youth and their families would be sustained. The following table depicts the various reductions, with the elimination of operations at the Clear Creek Youth Services Center on the Campus at Lookout Mountain being the largest of the items.

Table 1: Proposed Reductions

FTE	Unit	Cost	Source
0	Clear Creek YSC *	$ (2,476,267)	Table 3
0	Mount View YSC	$ (426,895)	Table 4
0	Pueblo YSC	$ (426,895)	Table 5
	Nurse vacancy	$ (345,863)	Table 6
	Contracted Services CHP	$ (210,000)	Assumptions/ Calculations
	General Contracts	$ (221,000)	Assumptions/ Calculations
-4	Clinical Trainers	$ (365,363)	Table 7
	Behavioral Health Vacancies	$ (249,647)	Table 8
-4	Total	$ (4,721,930)	

* No FTE are shown for the Clear Creek YSC reduction, the Mount View reduction or the Pueblo Reduction, although 44 staff from a contracted services provider will be affected.

Facility initiatives to consolidate capacity and reduce contracted staff are as follows:

- **Cease Operations of the Clear Creek Youth Services Center (Campus at Lookout Mountain):** Clear Creek YSC was set to open in FY 2020-21 serving 16 youth on the Campus at Lookout Mountain; however, as of October 2020, it has not opened. The existing state staff needed for this program is 32.0 FTE. These FTE positions would be retained and transferred to the Mount View YSC. In turn, the staffing provided by the contracted vendor would be reduced accordingly at Mount View. The Department also determined that savings could be acquired from this move, while still ensuring the Department had appropriate state-secure capacity. This reduction allows the Department to maintain status quo operations at the YSCs on the Campus at Lookout Mountain with no reduction to programs and services for youth.
- **Close One Living Unit at the Mount View YSC:** This reduction preserves three units at Mount View and more clearly aligns state capacity with the historic average daily population (ADP) for these facilities. Mount View has the capacity to provide services to 108 youth (18 detention and 90 commitment). There are currently 99 youth at Mount View and the ADP for FY 2019-20 was 90.6. This proposed reduction will change the capacity from 108 to 92. Due to the above reduction, a living unit for up to sixteen youth at the Mount View YSC will be taken off line and six FTE positions would be reduced from the contracted vendor.
- **Close One Living Unit at Pueblo YSC:** Pueblo currently operates three living units providing services for up to 12-14 youth in each unit. There are currently 14 youth at Pueblo and the FY 2019-20 ADP was 13.4 youth. The facility has the capacity to provide services to 28 detained youth. This proposed reduction will change the capacity from 28 to 16 youth which is more closely aligned to the yearly ADP of 13.4. The Department notes that operating this facility with two

living units may be problematic in attempting to appropriately split youth by gender, age, size, and other criteria. The Department is configuring a plan to mitigate the effects of this reduction. Six FTE positions will be transferred to Mount View and the vendor contract will be reduced by six positions.

- **Eliminate Unfilled Positions for Direct Care Medical Services**: This will not impact the medical care the youth receive as, on average, 3.5 FTE positions have remained vacant for the past few fiscal years. The historical vacancy rate for Nurse I categories suggests that approximately 3.5 Nurse I positions go unfilled annually due to turnover. Although it is unknown if this trend will continue to occur, the Division may deliberately hold them open to leverage vacancy savings.
- **Contracted Services Caseload Savings**: The Division contracts with a single vendor who provides medical and psychiatric oversight as well as negotiates on behalf of the Division to procure best pricing on pharmacy and medical claims. The Division may experience lower claims and pharmacy costs in the future based on serving a lower youth population total, reducing the need for contracted negotiation and oversight.
- **Eliminate Unfilled Clinical Training Positions:** The Division received funding for four (4) Health Professional IV clinical trainers to oversee the practice and adherence to model fidelity for the direct care behavioral health workers in facilities that were not yet filled. This request eliminates funding for these vacant positions.
- **Reduction to Consulting Services**: Behavioral Health Services has some minimal consulting contracts that could be reduced or eliminated. One example is consulting on implementing a Trauma Informed Environment.

Anticipated Outcomes:

The Department recognizes in finding the reductions, the proposals outlined have the least impact to internal and external stakeholders overall; positively or negatively. Staff in programmatic areas may absorb the functions of vacant positions to achieve all necessary services to youth and their families. However, the Department does anticipate that these reductions may result in additional challenges.

If not for the severe financial situation for the State, the Department would be pursuing the concept of smaller programs and campuses and would be moving toward opening the Clear Creek YSC facility as another small program rather than continuing to run its largest multi-purpose facilities. As smaller facilities provide for enhanced security, a more effective treatment environment, and improved relationships between staff and youth, the Department continues to be committed to transitioning to this approach when financially feasible. The Department does not anticipate that any State staff would be displaced or laid-off due to these actions. In addition to the already mentioned contract staff reduction, the Division experiences a significant amount of turnover. Even if the turnover diminishes in light of the current COVID-19 related unemployment scenario, the Department anticipates that there will be sufficient savings and/or open positions so that no employee would be negatively affected. The Division experiences an average of 28.7 separations per month in the

Youth Security Specialist I and II categories with a 37.42% turnover rate for the period of March 2019 to March 2020. Medical job classifications in DYS have a turnover rate of 27% for the first three quarters of FY 2019-20, which, if sustained, are likely to generate vacancy savings. While achieving these savings will not require layoffs, limiting DYS' ability to fully staff its medical teams could have downstream impacts on youth wellbeing. As youth must have 24- hour access to medical care if needed, it is critical that DYS have sufficient staff available.

No impact will occur to any staff due to the elimination of the Health Professional IV trainers. These positions are currently not filled and as such, no displacement or impact to services will occur. DYS will not move to hire these positions in FY2020-21 in anticipation of this needed reduction.

Assumptions and Calculations:

Table 2: Proposed reduction by appropriation:

			11) B) Institutional Programs				
FTE	**Unit**	**Cost**	**Personal services**	**Operating**	**Medical Programs**	**Exec Dir (POTS)**	**Total**
	Clear Creek YSC *	$ (2,476,267)	$ (1,948,176)	$ (30,400)		$ (497,691)	$ (2,476,267)
-6	Mount View YSC	$ (426,895)	$ (330,983)	$ (5,700)		$ (90,212)	$ (426,895)
-6	Pueblo YSC	$ (426,895)	$ (330,983)	$ (5,700)		$ (90,212)	$ (426,895)
	Nurse vacancy	$ (345,863)			$ (280,595)	$ (65,268)	$ (345,863)
	Contracted Services CHP	$ (210,000)			$ (210,000)		$ (210,000)
	General Contracts	$ (221,000)	$ (221,000)				$ (221,000)
-4	Clinical Trainers	$ (365,363)			$ (298,517)	$ (66,846)	$ (365,363)
	Behavioral Health Vacancies	$ (249,647)	$ (201,528)			$ (48,119)	$ (249,647)
-16	Total	$ (4,721,930)	$ (3,032,670)	$ (41,800)	$ (789,112)	$ (858,348)	$ (4,721,930)

General reductions in savings for Contracted Services are estimated at $210,000 in cost of claims and pharmacy expense in the Correctional Health Partners Contract. In addition, multiple other contracts are being scaled back for an additional savings of $221,000.

FTE Savings Calculations by action/ initiative are included in the tables that follow.

Table 3: Clear Creek Youth Services Center Elimination

CLEAR CREEK YSC ELIMINATION					
Expenditure Detail		FY 2021-22		FY 2022-23	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
CORR/YTH/CLIN SEC OFF I	$1,857	16.0	$772,416	16.0	$ 772,416
CORR/YTH/CLIN SEC OFF II	$2,047	7.0	$372,540	7.0	$ 372,540
CORR/YTH/CLN SEC SPEC III	$2,256	3.0	$175,968	3.0	$ 175,968
SOCIAL WORK/COUNSELOR II	$2,183	2.0	$113,496	2.0	$ 113,496
YOUTH SERV COUNSELOR III	$2,610	1.0	$67,872	1.0	$ 67,872
Admin Assistant III	$1,661	1.0	$43,188	1.0	$ 43,188
Program Manager III	$3,527	1.0	$91,704	1.0	$ 91,704
Clinical Team lead	$3,725	1.0	$96,840	1.0	$ 96,840
Total Base Salary for benefits			$1,734,024		$1,734,024
PERA			$189,009		$189,009
AED			$86,701		$86,701
SAED			$86,701		$86,701
Medicare			$25,143		$25,143
STD			$2,948		$2,948
Health-Life-Dental			$321,341		$321,341
Subtotal Personal Services		32.0	**$2,445,867**	32.0	**$2,445,867**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	$500	32.0	$16,000	32.0	$16,000
Telephone Expenses	$450	32.0	$14,400	32.0	$14,400
PC, One-Time	$1,230	0.0	$0	-	
Office Furniture, One-Time	$3,473	0.0	$0	-	
Subtotal Operating Expenses			**$30,400**		**$30,400**
TOTAL REQUEST		32.0	**$2,476,267**	32.0	**$2,476,267**

Note that for purposes of cost savings, the state classifications have been used but the actual savings will be realized in contracted services which are currently in place at the Mount View YSC. State positions that are no longer needed due to Clear Creek YSC not opening will be transferred to Mount View and the reduction of resources will occur in the contract.

Table 4: Mount View Living Unit Closure

MOUNTVIEW LIVING UNIT CLOSURE						
Expenditure Detail			FY 2021-22		FY 2022-23	
Personal Services:						
Classification Title	Biweekly Salary	FTE		FTE		
CORR/YTH/CLIN SEC OFF I	$1,857	5.0	$241,380	5.0	$	241,380
CORR/YTH/CLIN SEC OFF II	$2,047	1.0	$53,220	1.0	$	53,220
Total Base Salary for benefits			$294,600			$294,600
PERA			$32,111			$32,111
AED			$14,730			$14,730
SAED			$14,730			$14,730
Medicare			$4,272			$4,272
STD			$501			$501
Health-Life-Dental			$60,251			$60,251
Subtotal Personal Services		6.0	**$421,195**	6.0		**$421,195**
Operating Expenses:						
		FTE		FTE		
Regular FTE Operating Expenses	$500	6.0	$3,000	6.0		$3,000
Telephone Expenses	$450	6.0	$2,700	6.0		$2,700
PC, One-Time	$1,230	0.0	$0	-		
Office Furniture, One-Time	$3,473	0.0	$0	-		
Subtotal Operating Expenses			**$5,700**			**$5,700**
TOTAL REQUEST		6.0	**$426,895**	6.0		**$426,895**

Note that for purposes of cost savings, the state classifications have been used but the actual savings will be realized in contracted services which are currently in place at the Mount View YSC.

Table 5: Pueblo Youth Services Center Living Unit Reduction

PUEBLO YSC LIVING UNIT REDUCTION					
Expenditure Detail		FY 2021-22		FY 2022-23	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
CORR/YTH/CLIN SEC OFF I	$1,857	5.0	$241,380	5.0	$ 241,380
CORR/YTH/CLIN SEC OFF II	$2,047	1.0	$53,220	1.0	$ 53,220
Total Base Salary for benefits			$294,600		$294,600
PERA			$32,111		$32,111
AED			$14,730		$14,730
SAED			$14,730		$14,730
Medicare			$4,272		$4,272
STD			$501		$501
Health-Life-Dental			$60,251		$60,251
Subtotal Personal Services		6.0	**$421,195**	6.0	**$421,195**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	$500	6.0	$3,000	6.0	$3,000
Telephone Expenses	$450	6.0	$2,700	6.0	$2,700
PC, One-Time	$1,230	0.0	$0	-	
Office Furniture, One-Time	$3,473	0.0	$0	-	
Travel	$2,800	0.0	$0	-	$0
Subtotal Operating Expenses			**$5,700**		**$5,700**
TOTAL REQUEST		6.0	**$426,895**	6.0	**$426,895**

Note that for purposes of cost savings, the state classifications have been used but the actual savings will be realized in contracted services which are currently in place at the Mount View YSC. Positions which are no longer required at the Pueblo YSC will be transferred to the Mount View YSC- reducing the contracted services in place at that facility.

Table 6: Nurse I Vacancy Estimate

NURSE I VACANCY ESTIMATE						
Expenditure Detail		FY 2021-22		FY 2022-23		
Personal Services:						
Classification Title	Biweekly Salary	FTE		FTE	$ -	
Nurse I	$2,712	3.5	$246,792	3.5	$ 246,792	
Total Base Salary for benefits			$246,792		$246,792	
PERA			$26,900		$26,900	
AED			$12,340		$12,340	
SAED			$12,340		$12,340	
Medicare			$3,578		$3,578	
STD			$420		$420	
Health-Life-Dental			$40,168		$40,168	
Subtotal Personal Services		3.5	**$342,538**	3.5	**$342,538**	
Operating Expenses:						
		FTE		FTE		
Regular FTE Operating	$500	3.5	$1,750	3.5	$1,750	
Telephone Expenses	$450	3.5	$1,575	3.5	$1,575	
PC, One-Time	$1,230	0.0	$0	-		
Office Furniture, One-Time	$3,473	0.0	$0	-		
Travel	$2,800	0.0	$0	-	$0	
Subtotal Operating Expenses			**$3,325**		**$3,325**	
TOTAL REQUEST		3.5	**$345,863**	3.5	**$345,863**	

Note: The above table does not represent an elimination of any Nurse I positions but instead simply captures the anticipated vacancy savings experienced in this classification throughout the Division. The savings amount was calculated using the entry level salary for the positions.

Table 7: Clinical Trainers Elimination

CLINICAL TRAINERS BHMS						
Expenditure Detail		FY 2021-22		FY 2022-23		
Personal Services:						
Classification Title	Biweekly Salary	FTE		FTE		
HP IV	$2,522	4.0	$262,320	4.0	$	262,320
PERA			$28,593			$28,593
AED			$13,116			$13,116
SAED			$13,116			$13,116
Medicare			$3,804			$3,804
STD			$446			$446
Health-Life-Dental			$40,168			$40,168
Subtotal Personal Services		4.0	**$361,563**	4.0		**$361,563**
Operating Expenses:						
		FTE		FTE		
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	$0	-		
Office Furniture, One-Time	$3,473	0.0	$0	-		
Travel	$2,800	0.0		-		
Other						
Other						
Other						
Subtotal Operating Expenses			**$3,800**			**$3,800**
TOTAL REQUEST		4.0	**$365,363**	4.0		**$365,363**

Note: This represents an actual elimination of the 4 positions in this classification. Calculations are based on an entry level salary.

Table 8: Behavioral Health & Medical Services Vacancy Estimate- Mental Health Treatment

Social Worker Counselor III Vacancy estimate						
Expenditure Detail		FY 2021-22		FY 2022-23		
Personal Services:						
Classification Title	Biweekly Salary	FTE		FTE		
SOCIAL WORK/COUNSELOR III	$2,346	2.9	$176,923	2.9	$	176,923
PERA			$19,285			$19,285
AED			$8,846			$8,846
SAED			$8,846			$8,846
Medicare			$2,565			$2,565
STD			$301			$301
Health-Life-Dental			$30,126			$30,126
Subtotal Personal Services		2.9	**$246,892**	2.9		**$246,892**
Operating Expenses:						
		FTE		FTE		
Regular FTE Operating	$500	2.9	$1,450	2.9		$1,450
Telephone Expenses	$450	2.9	$1,305	2.9		$1,305
PC, One-Time	$1,230	2.9	$0	-		
Office Furniture, One-Time	$3,473	0.0	$0	-		
Travel	$2,800	0.0		-		
Subtotal Operating Expenses			**$2,755**			**$2,755**
TOTAL REQUEST		2.9	**$249,647**	2.9		**$249,647**

Note: The above table does not represent an elimination of any treatment positions but instead simply captures the anticipated vacancy savings experienced in this classification throughout the Division. Calculations are based on an entry level salary for the positions.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-10 Align Youth Parole Services with Caseload

Dept. Approval By: Clint Woodruff

OSPB Approval By: Ashley Clark

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
X	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$4,961,248**	**$0**	**$4,961,248**	**($2,000,000)**	**($2,000,000)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$4,961,248	$0	$4,961,248	($2,000,000)	($2,000,000)
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
11. Division of Youth Services, (C) Community Programs, (1) Community Programs - Parole Program Services	**Total**	**$4,961,248**	**$0**	**$4,961,248**	**($2,000,000)**	**($2,000,000)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$4,961,248	$0	$4,961,248	($2,000,000)	($2,000,000)
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department Priority: R-10
Request Detail: Align Youth Parole Services with Caseload

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$4,961,248*	*$4,961,248*	*($2,000,000)*	*($2,000,000)*
FTE	0.0	0.0	0.0	0.0
General Fund	$4,961,248	$4,961,248	($2,000,000)	($2,000,000)
Cash Funds	$0	$0	$0	$0
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$0	$0	$0	$0

Summary of Request

The Department of Human Services requests an ongoing reduction of $2,000,000 total funds/General Fund in the Community Programs Parole and Transition Programs line item for FY 2021-22 and beyond. The Department does not anticipate negative impacts to youth outcomes as a result of this reduction. The decrease in the appropriation is commensurate with the decline in parole Average Daily Population (ADP). The Department will continue to have the resources to back-in transition and parole services at 90 days pre-parole, thereby ensuring youth have the services they need to successfully reintegrate into their home communities. This is a 40.3% reduction from the baseline of $4,961,248 General Fund in FY 2020-21.

This request is not considered on the State's evidence continuum as it is a reduction of funding to align the appropriation with projected caseload related expenditures.

Current Program:

The Division of Youth Services Parole and Transition Services program assists youth with a successful transition from commitment to parole and successful completion of parole. Client managers and Juvenile Parole Officers are responsible for the supervision of committed youth released to parole including the development, implementation, and monitoring of a parole plan. The services purchased for transition and parole are almost wholly spent with private providers, these include but are not limited to outpatient substance use treatment, individual and group therapy, employment and job coaching, tutoring, and general transition counseling. These providers are generally managed through a Provider Managed Network with whom the Division has a contract. Services may be provided to youth while still in a State facility or contracted placement in advance of parole.

Transition and parole services are "backed-in" to the residential setting. This includes both State-operated facilities and contract residential providers. The Department has typically had these services begin no earlier than 90 days prior to the youth's transition to parole.

Problem or Opportunity:

The average daily population (ADP) of youth committed to the Department of Human Services and consequently, those on parole, has decreased significantly since FY 2010-11, illustrated in Table 1.

Table 1: ADP and Appropriation Comparison

Fiscal Year	Parole ADP	Appropriation
FY 2010-11	443.2	$5,863,847
FY 2019-20	200.3	$4,961,248
Reduction		($2,000,000)
FY 2021-22	184	$2,961,248
% Decrease	(58.4%)	(49.4%)

In FY 2010-11, the General Assembly reduced the appropriation by $1,600,000, to approximately $4,300,000. Later, the Department requested and was funded for additional services that include enhanced apprehension capabilities and an Intensive Parole Services model that totaled approximately $600,000.

With the requested $2,000,000 decrease in the appropriation, the decrease in Parole Program Services funds over this time period totals 49.4%, commensurate with the proportional decrease in ADP.

There are several issues contributing to the discrepancy between the appropriation amount and the decline in parole ADP. These include the increasing costs of providing non-residential services, the increasing complexity of youth in the Division of Youth

Services system requiring greater use of the Intensive Parole Services Model, and a "drift" in the use of these funds as transitional backed-in services have slowly been instituted far earlier in the residential stay.

The Department has identified the drop in the ADP of parolees, and a limitation on backed-in services to 90 days pre-parole as factors allowing for significant savings in this appropriation. Over the past several years, the Department has requested and received an increase in behavioral health positions in State-operated facilities. This increase is the foundation for the provision of a broader range of services, allowing for the limitation on transition services to the 90 days pre-parole.

Proposed Solution:

The State faces a probable revenue shortfall for FY 2021-22 in relation to the COVID-19 outbreak and resulting impact on the economy. The Department proposes an ongoing reduction in the Division of Youth Services Parole and Transition Services program of $2.0 million General Fund. The Department is proposing this reduction in an effort to make General Fund available for other critical needs.

Anticipated Outcomes:

This proposal will reduce the Parole Program Services Line Item by $2.0 million from $4,961,248 to $2,961,248. The Department does not anticipate negative impacts to youth outcomes as a result of this reduction. The decrease in the appropriation is commensurate with the decline in parole ADP. The Department will continue to have the resources to back-in transition and parole services at 90 days pre-parole, thereby ensuring youth have the services they need to successfully reintegrate into their home communities.

Assumptions and Calculations:

Table 2 illustrates projected costs for parole when considering base services only. The Division would not be able to provide additional services for youth in the six months prior to their parole. The forecasts currently available from both the Legislative Council Staff and the Division of Criminal Justice show paroled ADP as continuing to decline. This is likely to continue given the continued lower ADP for committed youth.

Table 2: Projected Parole and Transition Costs for FY 2021-22

Projected Parole ADP (LCS December 2019)		184
verage Cost per ADP for Parole Services	$	10,246
Costs for direct services	$	1,885,264
Intensive Services Parole Program	$	538,667
Apprehension Services Estimate	$	537,317
Total Need	$	2,961,248

The total need includes costs for apprehension of youth which is also funded in this appropriation.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-11 Preserve Mindsource Core Purpose

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:19:35 -06'00'

OSPB Approval By: Ashley Carter

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$3,037,113**	**$0**	**$3,937,113**	**($900,000)**	**$0**
	FTE	1.5	0.0	1.5	0.0	0.0
	GF	$0	$0	$450,000	($450,000)	$0
	CF	$3,037,113	$0	$3,037,113	$0	$0
	RF	$0	$0	$450,000	($450,000)	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
09. Services for People with Disabilities, (C) Older Blind Grants and Traumatic Brain Injury Trust, (1) Older Blind Grants and Traumatic Brain Injury Trust - Traumatic Brain Injury Trust Fund	**Total**	**$3,037,113**	**$0**	**$3,487,113**	**($450,000)**	**$0**
	FTE	1.5	0.0	1.5	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$3,037,113	$0	$3,037,113	$0	$0
	RF	$0	$0	$450,000	($450,000)	$0
	FF	$0	$0	$0	$0	$0

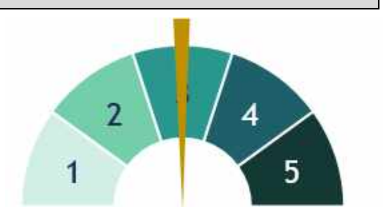
Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	**$0**	**$0**	**$450,000**	**($450,000)**	**$0**
09. Services for People with Disabilities, (C) Older Blind Grants and Traumatic Brain Injury Trust, (1) Older Blind Grants and Traumatic Brain Injury Trust - Colorado Brain Injury Trust Fund	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$450,000	($450,000)	$0
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department Priority: R-11
Request Detail: Preserve Mindsource Core Purpose

Summary of Funding Change for FY 2021-22				
	Totals		**Incremental Change**	
	FY 2020-21 Appropriation	**FY 2021-22 Base**	**FY 2021-22 Request**	**FY 2022-23 Request**
Total Funds	*$3,037,113*	*$3,987,113*	*($900,000)*	*$0*
FTE	1.5	1.5	0.0	0.0
General Fund	$0	$450,000	($450,000)	$0
Cash Funds	$3,037,113	$3,037,113	$0	$0
Reappropriated Funds	$0	$450,000	($450,000)	$0
Federal Funds	$0	$0	$0	$0

Summary of Request



The Department requests a one-time $900,000 total funds / $450,000 General Fund reduction to the Colorado Brain Injury Trust Fund line item in the Services for People with Disabilities, Brain Injury Program Fund section of the Long Bill in FY 2021-22. This action will result in $450,000 less General Fund in this line item in FY 2021-22 which will assist with the State's efforts to balance the budget. It will also result in $450,000 less in Reappropriated Funds for MINDSOURCE – Brain Injury Network for programming this year. The program's services are currently a Step 3 on the State's evidence continuum.

With reduced funding MINDSOURCE will experience some changes to programming including a minimal reduction in services, not expanding services to those with non-TBI, and a reduction in research and community grants. However, MINDSOURCE will still be able to maintain the level of research, education and client services to meet its statutory requirements.

Current Program:

MINDSOURCE – Brain Injury Network (MINDSOURCE), formerly known as the Colorado Brain Injury Program, serves as the umbrella entity for three programmatic functions: : managing the Colorado Brain Injury Trust Fund (Trust Fund), providing training and technical assistance regarding brain injury for public and private entities, and managing Colorado's federal traumatic brain injury grants.

There is a significant need in Colorado for research, education and services for individuals with brain injury as there is a higher prevalence of brain injury in Colorado than was once understood. Current research, which was funded by MINDSOURCE and conducted by Craig Hospital, demonstrates that there are approximately one million Coloradans living with a history of brain injury, half of whom are also living with a disability.

The Trust Fund was created in 2002 with programming beginning in 2004. Revenue for the Trust Fund comes from surcharges on DUI/DWAI, speeding, and minor helmet law infractions. Per Section 26-1-309(4), C.R.S., the "trust fund revenue and its reserves shall be used solely for the purposes and in the manner described in sections 26-1-304 to 26-1-307." The purposes outlined in those sections of statute include: services for people with brain injuries, education about brain injuries, research related to the treatment of brain injuries, and administration of the program.

To achieve its statutory requirements, MINDSOURCE awards and manages competitive research and education grants as well as contracts with a local service provider to deliver services and training for Coloradans of all ages with brain injury. As a result of a competitive bid process, MINDSOURCE currently contracts with the Brain Injury Alliance of Colorado (BIAC) to provide these services. BIAC utilizes evidence-based tools and methods to support individuals with brain injury, including a person-centered approach. Service goals include greater independence, increased self-advocacy, skill development, and a reduction in isolation. The services provided by BIAC also address areas of need such as employment, education, housing, transportation, as well as physical and mental health. More detailed information about the impact and outcomes of the services provided is available in the *BIAC Annual Report to MINDSOURCE for FY 2019-20* available on the MINDSOURCE website at mindsourcecolorado.org.

Problem or Opportunity:

The economic impact of the COVID-19 pandemic has left the State with an anticipated revenue shortfall. To assist with balancing the State budget for FY 2021-22, the Department has identified this one-time $450,000 General Fund reduction in the Colorado Brain Injury Trust Fund line item this year to help address the revenue gap.

The addition of $450,000 General Fund to the Trust Fund line item was the result of a bill that was passed in 2019. HB19-1147 made several revisions to statute pertaining to the Trust Fund including removing "traumatic" from the titles of the program and Trust Fund so that the program had the ability to expand services to individuals with brain injuries resulting from causes other than a traumatic incident. The bill appropriated $450,000 General Fund in FY 2019-20 to the Trust Fund and reappropriated that amount from the Trust Fund for use by MINDSOURCE that year. The bill did not include the appropriation of ongoing funding.

On March 4, 2020, the Joint Budget Committee established an ongoing $450,000 General Fund appropriation to the Trust Fund and reappropriated from the Trust Fund for use by MINDSOURCE for FY 2020-21 and ongoing. However, due to the need to address the economic impact of the COVID-19 pandemic and its impact on the State budget, the Joint Budget Committee voted on May 9, 2020 to approve the staff recommendation for a one-time reduction of the $450,000 General Fund appropriation to the Trust Fund and the reappropriation of that amount for use by MINDSOURCE in FY 2020-21. To further assist the with budget balancing efforts for the State, the Department is proposing in this request to extend that reduction by one more year.

Proposed Solution:

The Department proposes a one-time reduction in the Colorado Brain Injury Trust Fund line item appropriation by $900,000 total funds including $450,000 General Fund and $450,000 reappropriated funds in FY 2021-22. This action will result in $450,000 less General Fund in this line item in FY 2021-22 which will assist with the State's efforts to balance the budget. It will also result in $450,000 less in reappropriated funds for MINDSOURCE – Brain Injury Network for programming this year. With reduced funding MINDSOURCE will experience some changes to programming including a minimal reduction in services, not expanding services to those with non-TBI, and a reduction in research and community grants. However, MINDSOURCE will still be able to maintain the level of research, education and client services to meet its statutory requirements.

The current services provided by MINDSOURCE through its contract with BIAC are at a Step 3 of the State's evidence continuum. BIAC assesses outcomes of its programs and services in a variety of ways. More detailed information about the evaluation methods used and outcomes of the services provided is available in the BIAC Annual Report to MINDSOURCE for FY 2019-20 available on the MINDSOURCE website at mindsourcecolorado.org.

As part of the changes made in statute as part of HB19-1147 as well as the addition of $450,000 General Fund for MINDSOURCE, the intention was to support a shift towards Step 4 on the Evidence-Based Program Continuum by increasing the level and type of evaluation conducted. In particular, the decision to expand services through legislation that incorporated the $450,000 General Fund included a logic model, contracted evaluation services, a literature review, and research. This movement along the Continuum will need to be delayed for another year given this request to reduce the MINDSOURCE funding by $450,000 in FY 2021-22. However, the goal is for MINDSOURCE to include requirements in its contract for services within the next contract cycle to shift to Step 4 of the State's evidence continuum. MINDSOURCE previously operated without the $450,000 and can pause the expansion of services and associated increase in evaluation methods while still upholding the original intent of the statute.

Anticipated Outcomes:

Since the start of the COVID-19 pandemic, revenue from surcharges to the Trust Fund has declined by approximately 20 percent. As a result, MINDSOURCE and the Trust Fund Board have already made some changes to the grant making process, services and contracts to address the anticipated decrease in revenue for MINDSOURCE this year. Specifically, MINDSOURCE will not issue requests for proposals for any new research or community grants for FY 2020-21 and there have been modifications made to how services are administered by the contractor to help prevent waitlists from being generated and ensure clients' needs are able to be met.

Relative to the $450,000 General Fund reduction proposed in this request, MINDSOURCE had anticipated including the expansion of services to non-traumatic brain injury population in its upcoming request for proposals (RFP) being issued this year that will be for services beginning in FY 2021-22. However, with the reduction in this proposal, MINDSOURCE will need to delay the expansion of services to non-traumatic brain injury individuals until at least FY 2022-23.

Assumptions and Calculations:

The Department believes that it can maintain an appropriate level of services for individuals with brain injury with a reduction of $450,000 in General Fund appropriation for FY 2021-22. See Logic Model related to the expansion and evaluation of services on the MINDSOURCE website.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-12 CCCAP Early Childhood Educator Salary Increase

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:19:07 -06'00'

OSPB Approval By: Ashley Carter

		Supplemental FY 2020-21
		Budget Amendment FY 2021-22
	X	**Change Request FY 2021-22**

Summary Information	**Fund**	**FY 2020-21** Initial Appropriation	**FY 2020-21** Supplemental Request	**FY 2021-22** Base Request	**FY 2021-22** Change Request	**FY 2022-23** Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$10,651,143**	**$0**	**$10,684,480**	**$3,000,000**	**$3,000,000**
	FTE	2.8	0.0	3.0	0.0	0.0
	GF	$4,454,426	$0	$4,454,426	$0	$0
	CF	$385	$0	$385	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$6,196,332	$0	$6,229,669	$3,000,000	$3,000,000

Line Item Information	**Fund**	**FY 2020-21** Initial Appropriation	**FY 2020-21** Supplemental Request	**FY 2021-22** Base Request	**FY 2021-22** Change Request	**FY 2022-23** Continuation
06. Division of Early Childhood, (A) Division of Early Care and Learning, (1) Division of Early Care and Learning - Child Care Grants for Quality, Availability and Fed. Targets	**Total**	**$10,651,143**	**$0**	**$10,684,480**	**$3,000,000**	**$3,000,000**
	FTE	2.8	0.0	3.0	0.0	0.0
	GF	$4,454,426	$0	$4,454,426	$0	$0
	CF	$385	$0	$385	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$6,196,332	$0	$6,229,669	$3,000,000	$3,000,000

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department Priority: R-12
Request Detail: CCCAP Early Childhood Educator Salary Increase

Summary of Funding Change for FY 2021-22				
	Totals		**Incremental Change**	
	FY 2020-21 Appropriation	**FY 2021-22 Base**	**FY 2021-22 Request**	**FY 2022-23 Request**
Total Funds	$10,651,143	$10,684,480	$3,000,000	$3,000,000
FTE	2.8	3.0	0.0	0.0
General Fund	$4,454,426	$4,454,426	$0	$0
Cash Funds	$385	$385	$0	$0
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$6,196,332	$6,229,669	$3,000,000	$3,000,000

Summary of Request

The Colorado Department of Human Services (CDHS) requests an increase of $3 million Federal Funds from the Child Care and Development Fund in FY 2021-22 and ongoing in order to offer monetary incentives to support increased wages for early childhood teachers and assistant early childhood teachers employed by eligible licensed child care providers. Eligible providers include those with paid staff that are actively serving families in the Colorado Child Care Assistance Program (CCCAP) who are rated a Colorado Shines Level 3-5. This program will further incentivize child care providers to accept CCCAP while also raising the wages and job stability of approximately 2,400 child care workers at approximately 375 eligible child care providers with a CCCAP authorization, based on data pulled in October 2020. This request falls on Step 3 of the evidence continuum given that pay is a key factor in early educator retention; however, the proposed evaluation included in this request would move this to a Step 4. Studies have revealed that workers leave the early childhood sector because of low pay, and studies also reveal that higher pay leads to higher job satisfaction, which in turn contributes to retention.

Current Program:

Colorado researchers, experts, and industry leaders have highlighted the need to improve workforce compensation for early childhood professionals in order to address the shortage of qualified professionals in several studies and reports, including *Colorado's Early Childhood Workforce 2020 Plan* and the *Colorado Senate Bill 19-063 Infant and Family Child Care Action Plan*. Furthermore, the state has established, through the *Colorado Shines Brighter: Opportunities for Colorado's Early Childhood System Needs Assessment*, a shortage of child care, particularly infant-toddler care. Additional studies have shown that early childhood teachers are some of the lowest-paid professionals in the education field. According to the Bureau of Labor Statistics, the median wage for child care workers in Colorado is $13.79/hour, which translates to an annual income of $28,683 compared to median annual income of $43,189 for a kindergarten teacher.[1] One in three early childhood educators report receiving subsidies from public assistance programs to make ends meet.[2] Attracting and retaining staff with experience and higher levels of education is difficult, given the low wages the field earns, often at or near poverty levels. Factors such as unlivable wages are outweighing the incentives for staying in the field.[3] Low pay is also an equity issue given that women of color are overly represented within the early childhood workforce. And given that COVID-19 has forced so many providers to close their doors, women and women of color in particular, have been disproportionately negatively impacted.[4]

In addition, findings from a recent report highlights the importance for Colorado to adopt effective strategies to address early childhood educator recruitment, retention, and professional development in order to target its early childhood investments effectively.[5] The study findings demonstrate the need to widen the field's approaches to recruiting, retaining and promoting job growth among early childhood education professionals. An economic analysis of early childhood education in Colorado estimated that reducing a provider's turnover rate by 10% can save that program approximately $6,500 annually.[6]

Problem or Opportunity:

According to the Center for American Progress, early childhood programs often operate on tight budgets. Most are small, independent businesses that cannot charge what it fully costs to provide high-quality care without in-kind or philanthropic support. Analyses of early childhood

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[1] Kindergarten teacher annual income assumes a 9-month work schedule whereas the Child care annual income assumes a 12-month work schedule. https://www.bls.gov/oes/tables.htm

[2] Schaak, D. & Le, V. (2017). *Colorado Early Childhood Workforce Survey 2017 Final Report: Brief 3*. Denver, Colorado: University of Colorado Denver.

[3] LeBoeuf, W. A., Perrin, P., & Kennedy, S. (2020). Colorado's Early Care and Education Professionals: 2019 Snapshot Report (Report No. 19-02A). Denver, CO: Colorado Evaluation and Action Lab at the University of Denver.

[4] Elise Gould and Valerie Wilson, "Black workers face two of the most lethal preexisting conditions for coronavirus—racism and economic inequality,: Economic Policy Institute, (June 1, 2020), https://www.epi.org/publication/black-workers-covid/; Emily Barone, "Women Were Making Historic Strides in the Workforce. Then the Pandemic Hit," *Time*, (June 10, 2020), https://time.com/5851352/women-labor-economy-coronavirus/.

[5] LeBoueuf, W. A., Perrin, P., & Kennedy, S. (2020). Colorado's Early Care and Education Professionals: 2019 Snapshot Report (Report No. 19-02A). Denver, CO: Colorado Evaluation and Action Lab at the University of Denver.

[6] Franko, M., Brodsky, A., Wacker, A., & Estrada, M. (2017). Bearing the cost of early care and education in Colorado: An economic analysis. Denver: Butler Institute for Families, Graduate School of Social Work, University of Denver. Retrieved from https://earlymilestones.org/wp-content/uploads/2020/01/Bearing-the-Cost-of-ECE-in_Colorado.pdf.

program budgets find that the workforce is the largest expense, accounting for 60 to 80 percent of total program expenses.[7]

Low wages in any employment sector contribute to higher rates of turnover and make the field less attractive to potential workers. With the early childhood profession being one of the lowest paid, the field suffers from heavy turnover: 21% annually in the field in Colorado, about 30% nationally, and 28% within specific jobs in Colorado. Early childhood educators and workers are paid too little, especially when compared to other professional educators and caregivers. In 2019, early childhood educators in Colorado earned 49% of the wages that a kindergarten teacher earns ($13.79 versus $27.86).[8] A recent study found that approximately 70% of center directors report that finding qualified educators is a top challenge they face.[9] Retention of high-quality early childhood educators is a struggle and research has shown that high teacher turnover can significantly influence student engagement and academic performance.[10] Many research studies have found that low wages are a key factor that contributes to increased early educator turnover and better pay supports retention efforts. High turnover in the field exacerbates the workforce shortage and hinders child care quality.[11,12,13,14]

These challenges are expected to worsen. The Colorado Department of Labor and Employment expects early childhood program demand to grow 33-43% through 2025. These projections do not take into account current efforts to expand early childhood programs through the implementation of universal preschool, if passed by voters. The growing demand for early childhood educators in Colorado means the problems created by low pay will only worsen the early childhood education crisis.

Proposed Solution:

To mitigate the negative impacts that educator shortages and turnover has on program and families, the Department will implement a grant program as a mechanism to support increased compensation for assistant early childhood teachers and early childhood teachers employed by Colorado Shines high-quality programs (Levels 3-5) that enroll children participating in the Colorado Child Care Assistance Program (CCCAP), Colorado's child care subsidy program. This program will further incentivize child care providers to continue to accept CCCAP while also raising the wages of approximately 2,400 early childhood teachers at approximately 375 eligible child care providers. The aim of the program is to increase compensation for these professionals by approximately 3% in the first year of the program and design the program in a way that

[7] Where Does Your Child Care Dollar Go?, Simon Workman. Center for American Progress. 2018. https://www.americanprogress.org/issues/early-childhood/reports/2018/02/14/446330/child-care-dollar-go/#fn-446330-4

[8] Bureau of Labor Statistics, Occupational Employment Statistics, https://www.bls.gov/oes/tables.htm

[9] Schaack, D. & Le, V. (2017). Colorado's Early Childhood Workforce Survey, 2017 final report. Denver, CO: University of Colorado Denver.

[10] Henry, G.T., & Redding, C. (2020). The consequences of leaving school early: The effects of within-year and end-of-year teacher turnover. *Education and Finance Policy, 15(2),* 332-356.

[11] What effect does teacher compensation have on retention? Center for Education Reform. https://www.nnstoy.org/download/compensation-and-staffing/Research%20Synthesis%20Q%20A6.pdf

[12] Ahmad Shaheen (2016). Successful Employee Retention Strategies in Childcare Centers. *Walden University*. https://scholarworks.waldenu.edu/cgi/viewcontent.cgi?article=4108&context=dissertations

[13] Casey J. Totenhagen, Stacy Ann Hawkins, Deborah M. Casper, Leslie A. Bosch, Kyle R. Hawkey & Lynne M. Borden (2016) Retaining Early Childhood Education Workers: A Review of the Empirical Literature, Journal of Research in Childhood Education, 30:4, 585-599, DOI: 10.1080/02568543.2016.1214652

[14] M. Elida Garcia. (2011). A study of early childhood education teachers' level of education, compensation, work environment and retention. Pepperdine University. https://digitalcommons.pepperdine.edu/cgi/viewcontent.cgi?article=1207&context=etd;%20http://ceelo.org/wp-content/uploads/2016/04/ceelo_policy_report_ec_teach_education_policies_final_for_web_2016_04.pdf;

incentivizes retention as well as to determine impact to the field. If the grant program elicits applications from less than 290 eligible programs, the wage increases will be delivered in a tiered fashion. A randomly selected portion of applicants will receive the roughly 3% raise while a smaller proportion of applicants will be randomly selected to receive a more substantial raise (between 10-12%). This approach to a tiered wage increase will present the opportunity to rigorously evaluate the impact of a meaningful wage increase on key outcomes of interest.

This effort will include an evaluation component to inform the impact of the grant program and to inform the program design in future years. The requested budget for the evaluation would allow for a pre-post examination of changes in recruitment and retention of eligible early childhood educators after the wage increase is implemented. The $75,000 for evaluation will also examine whether more providers seek higher Colorado Shines rating levels, as well as accepting CCCAP, after the grants program is implemented. If fewer than 290 programs apply for the grant program and a tiered wage increase can be implemented, $350,000 in additional philanthropic funds will be sought for a rigorous evaluation. These additional funds will be used to assess the causal impact of the more substantial raise on outcomes relative to those receiving the lower wage increase as well as a matched comparison group of eligible but not participating early childhood educators. This rigorous evaluation would use the Linked Information Network of Colorado (LINC) to connect data from the Department's Office of Early Childhood, Colorado Department of Labor and Employment, and public assistance programs to assess the causal impact of wage increases on recruitment, retention, as well as reductions in those leaving the field for higher paying jobs. Another factor that will be explored is how these wage increases impact eligibility for other critical public assistance programs like Medicaid, SNAP, and TANF. This rigorous evaluation will also produce a cost-benefit analysis of dollars saved as a result of this grants program.

Anticipated Outcomes:

Movement towards more appropriate compensation and some measure of economic security are essential for attracting and retaining skilled early childhood educators, which also positively affects the quality of early childhood programs and resulting child and family outcomes. While the estimated wage increases are not enough to fully bring early educator pay in line with that of kindergarten teachers they represent an important investment step forward as they contribute to an increase in ongoing, dependable raises. The Department also expects the program will further incentivize child care providers to accept CCCAP.

In addition, through funding from the Preschool Development Grant, the Department is enhancing the Colorado Shines Professional Development Information System, which serves as the workforce registry for Colorado's early childhood educators. This rebuild will allow for the robust collection of quality, comprehensive workforce data to inform the program design and ongoing policy development. These efforts will both test the effectiveness of and improve the overall program design to address compensation for early childhood educators in future years.

Assumptions and Calculations:

The 2019 data compiled in the Occupational Employment Statistics from the U.S. Bureau of Labor Statistics reports the median wage for Child care workers as $13.79/hour.[15] Assuming $150,000 for a contracted program administrator and $75,000 for evaluation of this program, the program will have $2,775,000 for wage increases.

[15] Occupational Employment Statistics. Bureau of Labor Statistics. https://www.bls.gov/oes/tables.htm

Early Childhood Teacher and Assistant Early Childhood teachers in eligible programs will each receive approximately \$1,000-\$1,200 per professional with an aim to increase median wages for these professionals by 3% (based on the current median wage of \$13.79/hour) for the approximate 2400 eligible participants. The Department will update the eligible population with real-time data as the program launches and adjust grant amounts accordingly, if necessary.

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle	
Request Title	
	R-13 Adjustment to Funding for Older Coloradans

Dept. Approval By:	Clint Woodruff		Supplemental FY 2020-21
OSPB Approval By:	Ashley Clark		Budget Amendment FY 2021-22
		X	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	Total	$47,155,729	$0	$47,155,729	$3,390,204	$3,390,204
	FTE	7.0	0.0	7.0	0.0	0.0
	GF	$12,760,649	$0	$15,760,649	($7,020,044)	$0
	CF	$19,087,462	$0	$16,087,462	$7,020,044	$0
	RF	$1,000,000	$0	$1,000,000	$0	$0
	FF	$14,307,618	$0	$14,307,618	$3,390,204	$3,390,204

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
10. Adult Assistance Programs, (D) Community Services for the Elderly, (1) Community Services for the Elderly - Administration	Total	$770,055	$0	$770,055	$362,212	$362,212
	FTE	7.0	0.0	7.0	0.0	0.0
	GF	$191,654	$0	$191,654	$90,635	$90,635
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$578,401	$0	$578,401	$271,577	$271,577
10. Adult Assistance Programs, (D) Community Services for the Elderly, (1) Community Services for the Elderly - Older Americans Act Programs	Total	$17,574,052	$0	$17,574,052	$3,344,155	$3,344,155
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$765,125	$0	$765,125	$225,528	$225,528
	CF	$3,079,710	$0	$3,079,710	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$13,729,217	$0	$13,729,217	$3,118,627	$3,118,627

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	$28,811,622	$0	$28,811,622	($316,163)	($316,163)
10. Adult Assistance Programs, (D) Community Services for the Elderly, (1) Community Services for the Elderly - State Funding for Senior Services	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$11,803,870	$0	$14,803,870	($7,336,207)	($316,163)
	CF	$16,007,752	$0	$13,007,752	$7,020,044	$0
	RF	$1,000,000	$0	$1,000,000	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department of Human Services

FY 2021-22 Funding Request

November 1, 2020

Jared Polis
Governor

Michelle Barnes
Executive Director

Department Priority: R-13
Request Detail: Adjustment to Funding for Older Coloradans

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$47,155,729*	*$47,155,729*	*$3,390,204*	*$3,390,204*
FTE	7.0	7.0	0.0	0.0
General Fund	$12,760,649	$15,760,649	($7,020,044)	$0
Cash Funds	$19,087,462	$16,087,462	$7,020,044	$0
Reappropriated Funds	$1,000,000	$1,000,000	$0	$0
Federal Funds	$14,307,618	$14,307,618	$3,390,204	$3,390,204

Summary of Request

This request contains four changes to three line items located within the Community Services for the Elderly section of the Long Bill in FY 2021-22: State Funding for Senior Services, Older Americans Act Programs, and Administration.

The Long Bill lines impacted in this request are relevant to Area Agencies on Aging (AAAs). AAAs support Coloradans age 60 and over through services such as: congregate meals, home delivered meals, transportation, assisted transportation, homemaker, chore, personal care, caregiver services, legal assistance and ombudsman services. This budget request will not impact the types of services provided.

The four actions included in this request are:

- Department requests a one-time, net-zero adjustment to the State Funding for Senior Services (SFSS) Long Bill line item that includes an increase of $7,020,044 cash funds and an associated decrease of $7,020,044 General Fund in FY 2021-22.
- Second, in connection with this, the Department requests a reduction in previously-approved spending authority in the State Funding for Senior Services line item of $3 million cash funds for FY 2021-22 through FY 2023-24 for a total of approximately $9 million. During the 2019 legislative session the General Assembly approved the Department's request (R-33) for spending authority of roughly $14,999,183 in the Older Coloradans Cash Fund that was the result of a transfer of funds not needed for the Senior Property Tax Exemption Program in 2018. Specifically, the Department was appropriated $3 million per year in cash funds for four years beginning in FY 2019-20 and $2,999,183 for the fifth year.

However, due to budget actions taken during the 2020 Legislative Session as well as efforts outlined in this request relative to this funding to address State budget shortfalls, the Department is requesting the elimination of the appropriation for the last three years, or $3 million per year in FY 2021-22 and FY 2022-23 and $2,999,183 in FY 2023-24.

- The Department also requests a net-zero technical adjustment of the Older Americans Act Programs, Administration, and State Funding for Senior Services line items under the Community Services for the Elderly section of the Long Bill. This adjustment will allow the Department to drawdown more federal funds.
- The Department requests the removal of the “M” headnote associated with these line items. The “M” headnote implies that the General Fund portion of these lines will go down as the Federal Funds increase. However, the General Fund is a required match in these line items and must increase as the Federal Funds increase or the Department will not be able to access the available amount of Federal Funds.

Furthermore, the net impact of this budget request is listed by fiscal year below.

Fiscal Year	FY 2021-22 Budget Request Impact on Cash Funds	FY 2021-22 Budget Request Impact on Federal Funds	Net Impact
2021-22	-$3,000,000*	+$3,390,204	+$390,204
2022-23	-$3,000,000*	+$3,390,204	+$390,204
2023-24	-$1,020,044*	+$3,390,204	+$2,370,204
Total	-$7,020,044*	+$10,170,612	+$3,150,612

*The cash fund reduction will be realized entirely in FY2021-22. AAAs anticipated receiving a total of $7M in Older Coloradans Cash Fund allocated over three years. Despite the $7M reduction in FY 2021-22, AAAs only anticipated $3M. At the same time, this budget request will increase federal funds on an on-going basis by $3.4M. The net impact of this budget request is an increase of $390K for AAA services in FY 2021-22.

The Department believes the services provided by the Area Agencies on Aging (AAAs) are a Step 2 on the State’s evidence continuum. The Department currently tracks output data and some self-reported data on the impact of services on participants.

Current Program:

The Department receives both federal and State funding for the provision of services for older adults in Colorado. The federal funding is provided per Title III of the Older Americans Act (OAA) and State funding is comprised of General Fund, reappropriated funds and cash funds reflected in the State Funding for Senior Services line item. Both the federal and State funding are distributed to the 16 Area Agencies on Aging (AAAs) across the State based on an intra-state funding formula that is part of Colorado’s four-year State Plan on Aging, which is approved by the U.S. Department of Health and Human Services, Administration for Community Living. In addition, statute outlines the distribution process and formula for funds in the Older Coloradans Cash Fund (Cash Fund). Specifically, "the program shall provide moneys to Area Agencies on Aging to provide grants to provide community-based services to persons sixty years of age or older to assist such persons to live in their own homes and communities for as long as possible." (Section 26-11-205.5(1), C.R.S.)

Each year, when the Department allocates this State and federal funding, the AAAs in turn contract with local service providers to deliver services to older adults in their communities. Services provided include congregate meals, home delivered meals, transportation, assisted transportation, homemaker, chore, personal care, caregiver services, legal assistance and ombudsman services. Anyone in Colorado age 60 years and older is eligible for these critical services and last year the AAAs served more than 55,000 older Coloradans. Services provided by the AAAs help older Coloradans to age-in-place in their communities and in some cases they are a factor in postponing or avoiding more costly placements for them such as assisted living facilities or nursing homes. In fact, over 93 percent of AAA clients that responded to a survey last year reported that the services they received helped them maintain or improve their independence. The following information from national studies underscores the importance of these services in assisting older adults to remain healthy and live in the communities of their choice. References for these studies can be found in the Assumptions and Calculations section.

- The majority of OAA clients report that services help them remain in their homes and communities.[1]
- The majority of caregivers report that National Family Caregiver Support Program services help them remain in their caregiver roles.[2]
- A study found that individuals who began receiving in-home OAA services were less likely to move to a nursing home, require emergency room care, and die than individuals who remained on waitlists for in-home OAA services.[3]
- Research suggests that OAA clients receiving multiple services are more likely to remain in their homes and communities longer than clients only receiving only one service.[4]

Problem or Opportunity:

<u>Older Coloradans Cash Fund</u>

The State is experiencing severe reductions in revenue as a result of the COVID-19 pandemic and has requested the Department identify areas for potential General Fund savings in FY 2021-22. The Department has identified an opportunity to help address the State budget issues with funding from the Cash Fund.

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[1] Mathmatica Policy Research. 2010. Aging in Place: Do Older Americans Act Title III Services Reach Those Most Likely to Enter Nursing Homes? Available at: https://acl.gov/sites/default/files/programs/2017-01/AoA_1_NursingHomes_041311.pdf

[2] Mathmatica Policy Research. 2011. Supporting Family Caregivers Through Title III of the OAA. Available at: https://acl.gov/sites/default/files/programs/2017-01/AoA5_SupportFamilyCaregvrs.pdf

[3] Michigan Area Agency on Aging 1-B. 2014.What Happens to Those on In-Home Service Wait Lists? Available at: https://www.aaa1b.org/wp-content/uploads/2016/08/Wait-List-Report-2014.pdf

[4] Westat. 2011. Risk Factors for Nursing Home Placement Among OAA Service Recipients: Summary Analysis of Data from Five Sources. Available at: https://acl.gov/sites/default/files/common/Risk_Factors.pdf

HB 12-1326 created Section 39-3-207(6), C.R.S., which required the excess General Fund that was set aside but not distributed in a given year for the Senior Property Tax Exemption Program (Program) to be transferred to the Cash Fund. The bill required the funds to be appropriated to the Department for distribution to the AAAs for the provision of senior services. (Section 26-11-205.5(5), C.R.S.) In August 2018, $14,999,183 was transferred to the Cash Fund from the funds not needed for the Program that year. In August 2019, an additional transfer of approximately $16 million was made to the Cash Fund from the funds not needed for the Program that year.

Table 1 shows how the funding that has been transferred to the Cash Fund from the Program since HB 12-1326 passed has been appropriated. The first transfer from the Program took place in FY 2015-16 and was appropriated for and expended in FY 2016-17. Then, following the transfer of almost $15 million in August 2018, the General Assembly approved the Department's request (R-33) for spending authority for approximately $3 million per year for five years beginning in FY 2019-20 to provide additional funding to the AAAs for the provision of senior services. And, during the 2020 legislative session, several actions were taken by the General Assembly to appropriate an additional $18 million of this funding from the Cash Fund. 1) The Department's request (BA-2) was approved for a one-time refinancing of $3 million General Fund with $3 million from the Cash Fund in FY 2020-21. 2) HB 20-1387 (Transfers from Unexpended County Reimbursements) eliminated the statutory transfers that cause the excessive build-up in the Cash Fund balance and transferred $13 million from the Cash Fund to the General Fund. 3) An additional reduction of $2 million from the Cash Fund for FY 2020-21 occurred. Based on these actions, as of July 1, 2021, the amount of the funding in the Cash Fund from the Program will be $7,020,044.

Table 1: Summary of Transfers from the Senior Property Tax Exemption Program to the Older Coloradans Cash Fund and Appropriations of those Funds FY 2015-16 through FY 2020-21						
Fiscal Year	Transfers from the Program to Cash Fund	Appropriation made during 2016 legislative session	Appropriations made during 2019 legislative session	Appropriation made during 2020 legislative session	Total Appropriations made to date	Remaining Balance
FY 20-21	$0	$0	$3,000,000	$18,000,000	$21,000,000	$7,020,044
FY 19-20	$16,020,861	$0	$3,000,000	$0	$3,000,000	$28,020,044
FY 18-19	$14,999,183	$0	$0	$0	$0	$14,999,183
FY 17-18	$0	$0	$0	$0	$0	$0
FY 16-17	$0	$1,519,482	$0	$0	$1,519,482	$0
FY 15-16	$1,519,482	$0	$0	$0	$0	$1,519,482

Long Bill Line Item True Up and Access to Federal Funds

Federal funds in the OAA Program and Administration line items are “I” noted and require periodic true-ups to reflect current federal funding allocations to Colorado by the U.S. Department of Health and Human Services, Administration for Community Living. The Long Bill has not been updated for these programs to keep pace with the changes in federal funding levels. At this time, the amount of funding listed in these line items does not reflect the current federal allocations. Consequently, there is not sufficient General Fund in those lines to provide as match for the available federal funds. A transfer from the State Funding for Senior Services line item to the OAA Program and Administration line items is necessary to cover the minimum match requirements needed to receive the maximum amount of federal funds available for Colorado.

The 2020 reauthorization of the OAA at the federal level included raising the minimum allocation that states will receive for administering the OAA programs in FFY 2021-22. The State is required to match these administration funds at 25% in order to draw down the allocated federal dollars. The current Long Bill amount for Administration does not reflect this minimum amount, which means that Colorado will not be able to access the federal funding that is available for administration of the OAA. If this is not addressed, Colorado will receive a lower OAA allocation than much less populated states such as Wyoming or Alaska to administer the same programs. Overall, the Department is at risk of losing the ability to access $3,118,627 in federal funds in the Older Americans Act Programs line and $271,577 in the Administration line item.

<u>"M" Headnote</u>

The Department requests the removal of the "M" headnote for these line items as the headnote conflicts with the ability to draw down all available federal funds because the General Fund match must increase when the federal funds increase, not the other way around as indicated by the "M" headnote. Where the "M" headnote appears directly to the right of a General Fund figure, that General Fund is used to support a federally supported program and is the maximum amount of General Fund moneys that may be expended in that program. In the event that additional federal funds are available for the program, the General Fund that is "M" noted shall be reduced by the amount of federal funds earned or received in excess of the figure shown in the "federal funds" column for that program. Where General Fund is required as a condition for the acceptance of federal funds and the state matching requirements are reduced, the combined General Fund noted as "M" shall be reduced proportionately. These provisions do not apply to these lines because when the federal funds increase, as is the case with the Older Americans Act reauthorization, the General Fund must also increase proportionately to satisfy the minimum match requirement. The "M" headnote provides for the reduction in General Fund, but not the increase that is needed in this case.

Proposed Solution:

This request contains four changes to line items located within the Community Services for the Elderly section of the Long Bill in FY 2021-22 to address these issues. The first two proposed changes have to do with the funds from the Senior Property Tax Exemption Program (Program) in the Cash Fund. The third proposed change relates to the Long Bill Line Item True Up and the fourth change addresses the concerns identified with the "M" headnote.

First, the Department proposes a one-time refinance of $7,020,044 General Fund with $7,020,044 from the Cash Fund in the State Funding for Senior Services line item in FY 2021-22. The $7,020,044 from the Cash Fund in this request is part of the approximately $31 million in unexpected transfers to the Cash Fund from the Program in August 2018 and August 2019.

Second, due to budget actions taken in the 2020 Legislative Session relative to this funding as well as efforts in this request to address State budget shortfalls, the Department is requesting the elimination of the previously-appropriated funds from the Program in the Cash Fund consisting of $3 million per year in FY 2021-22 and FY 2022-23 and $2,999,183 in FY 2023-24.

Table 2 illustrates the adjustments included in this request in FY 2021-22, FY 2022-23 and FY 2023-24. This action would reduce the total amount of funding in the State Funding for Senior Services line item for those three years to $25,811,622, which is what it was in FY 2018-19.

Table 2: State Funding for Senior Services Line Item with Changes Proposed in this Request FY 2020-21 through FY 2023-24				
	Total	**General Fund**	**Cash Funds**	**Reappropriated Funds**
FY 2020-21 Appropriation	$28,811,622	$11,803,870	$16,007,752	$1,000,000
FY 2021-22 Funding Request	$25,811,622	$7,803,870	$17,007,752	$1,000,000
Impact of FY 2021-22 Funding Request in FY 2022-23	$25,811,622	$14,803,870	$10,007,752	$1,000,000
Impact of FY 2021-22 Funding Request in FY 2023-24	$25,811,622	$14,803,870	$10,007,752	$1,000,000

The third part of this request aligns the Department's annual federal appropriation, which is for informational purposes, with its annual federal grant award. As demonstrated in Tables 3 through 5, the proposed decrease in General Fund in the State Funding for Senior Services line item will be more than made up for with the federal match obtained by the Department in the OAA Programs line. Thus there will be a net gain to the funding available for services to older Coloradans provided by the AAAs.

Table 3 illustrates the current funding amount listed in the Long Bill for the Administration line item, the projected amount of future funding, as well as the needed General Fund in the amount of $90,635 to access the new level of federal funding.

Table 3: Administration Line Item Funding			
Fiscal Year	**Total**	**General Fund**	**Federal Funds**
FY 2020-21	$770,055	$191,654	$578,401
FY 2021-22 Requested*	$1,132,267	$282,289	$849,978
Difference (requested GF)	**$362,212**	**$90,635**	**$271,577**
*This amount reflects the projected increase in the federal funding level for Colorado per the reauthorization of the Older Americans Act.			

Table 4 illustrates the current funding through the Older Americans Act Programs line item, projected amount of future funding, and the needed General Fund in the amount of $225,528 to access these funds.

Table 4: Older Americans Act Programs Line Item Funding				
Fiscal Year	**Total**	**General Fund**	**Cash Funds**	**Federal Funds**
FY 2020-21	**$17,574,052**	$765,125	$3,079,710	$13,729,217
FY 2021-22 Requested*	**$20,918,207**	$990,653	$3,079,710	$16,847,844
Difference (requested GF)	**$3,344,155**	**$225,528**	**$0**	**$3,118,627**
* This amount reflects the projected increase in the federal funding level for Colorado per the reauthorization of the Older Americans Act.				

Table 5 shows the General Fund transfers requested from the State Funding for Senior Services line item in the amount of $316,163 to be refinanced to the Older Americans Act and Administration line items under the Community Services for the Elderly section of the Long Bill.

Table 5: State Funding for Senior Services line item Transfer of General Fund to Address Needed Match		
	Total	**General Fund**
FY 2020-21 Funding	**$28,811,622**	**$11,803,870**
Older Americans Act Requested Funding	$(225,528)	$(225,528)
Administration Requested Funding	$(90,635)	$(90,635)
Total General Fund Transfer Requested	**$(316,163)**	**$(316,163)**
FY 2021-22 and Beyond Request	**$28,495,459**	**$14,487,707**

The fourth item the Department is requesting is for the “M” headnote for these line items to be removed since these are informational-only amounts and the “M” headnote creates a conflict with the Department’s ability to draw down available federal funds. The conflict results when the General Fund must increase when the federal funds increase, not decrease as indicated by the “M” headnote.

Removing the “M” headnote would affect the following Long Bill line items under Community Services for Elderly: Administration and Colorado Commission on Aging. These M headnotes are not needed once the line items have been true-ed up to reflect the current figures as they prevent the Department from being able to access the awarded federal dollars as funding changes. In their place, a footnote would be included that says if additional federal funds are available in future years, SFSS General Fund may be accessed as needed match.

The Department believes the services provided by the AAAs are a Step 2 on the Evidence Continuum. The Department currently tracks output data and some self-reported data on the impact of services on participants. As described in the Current Program section of this document, last year Colorado's AAAs served more than 55,000 older adults with a variety of programs and services. Over 93 percent of AAA clients that responded to a survey last year reported that the services they received helped them maintain or improve their independence. In addition, national studies conducted on these services indicate that the outcomes they have on the older adults served. The Department does not currently have evaluation data and methods in place that determine for each individual served and for each service provided whether the services achieve the identified objectives. However, the Department is currently working on efforts to move to Step 3 of the Evidence Continuum for these programs and services.

Anticipated Outcomes:

Utilizing $7,020,044 less General Fund in this line item in FY 2021-22 will contribute to the State's efforts to balance the budget without significantly impacting the amount of total State funding available for services for older adults this year. However, it is important to note that the use of funds in the Cash Fund in FY 2019-20 through FY 2021-22 for the purposes of assisting with balancing the State budget means that those funds will not be available in the Cash Fund in future years to be appropriated to the Department and distributed to the AAAs for the provision of senior services. As a result, the AAAs will not be able to increase the level of services provided, establish innovative service delivery models, build capacity, and do other initiatives that they had hoped to use those funds for in future years. Further, the adjustment in this line item requested for FY 2021-22 will result in the use of the remaining balance of funds transferred to the Cash Fund from the Program. In addition, there will no longer be transfers made to the Cash Fund from the Program effective in FY 2020-21 due to the passage of HB 20-1387 which repealed Section 39-3-207(6), C.R.S.

Providing the transfer of $316,163 General Fund beginning in FY 2021-22 and beyond from the SFSS line item to the Administration line item and the OAA Programs line item ensures Colorado has the necessary match to draw down their full federal funding. Since funding from the State Funding for Senior Services and the OAA Programs line items both go to fund services provided by the AAAs, the transfer of General Fund to the OAA Programs line item will not impact the funding available for services for older adults. The $90,635 proposed to be transferred from the General Fund in State Funding for Senior Services to the Administration line item will be used for administration of the program, therefore not be used for services. However, the additional federal match amount that will be drawn down in the OAA Programs line item from this request will far exceed that amount. As a result, funding for services for older adults will have an overall net increase as a result of this request.

This adjustment will allow the Department to drawdown more federal funds for these services to reflect current and projected federal funds and allow for the necessary matching funds for the State to receive the maximum amount of federal funds available. This request aligns the Department's annual federal appropriation, which is for informational purposes, with its annual federal grant award by reallocating existing General Fund from the State Funding for Senior Services line item to the Older Americans Act and Administration line items.

Assumptions and Calculations:

The following three tables show the FY 2020-21 Appropriation, FY 2021-22 Base and the Incremental Change requested for FY 2021-22 and FY 2022-23. These tables add up to the Summary Table on Page 1 of this request.

Community Services for the Elderly - Administration				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	$770,055	$770,055	$362,212	$362,212
FTE	7.0	7.0	0.0	0.0
General Fund	$191,654	$191,654	$90,635	$90,635
Cash Funds	$0	$0	$0	$0
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$578,401	$578,401	$271,577	$271,577

Older Americans Act Programs				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	$17,574,052	$17,574,052	$3,344,155	$3,344,155
FTE	0.0	0.0	0.0	0.0
General Fund	$765,125	$765,125	$225,528	$225,528
Cash Funds	$3,079,710	$3,079,710	$0	$0
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$13,729,217	$13,729,217	$3,118,627	$3,118,627

State Funding for Senior Services				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	$28,811,622	$28,811,622	($316,163)	($316,163)
FTE	0.0	0.0	0.0	0.0
General Fund	$11,803,870	$14,803,870	($7,336,207)	($316,163)
Cash Funds	$16,007,752	$13,007,752	$7,020,044	$0
Reappropriated Funds	$1,000,000	$1,000,000	$0	$0
Federal Funds	$0	$0	$0	$0

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-14 Nurse Home Visitor's Program Spending Authority

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:18:20 -06'00'

OSPB Approval By: Ashley Clark

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$25,184,132**	**$0**	**$25,184,132**	**$513,801**	**$1,246,045**
	FTE	3.0	0.0	3.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$23,420,795	$0	$23,420,795	$513,801	$1,246,045
	RF	$0	$0	$0	$0	$0
	FF	$1,763,337	$0	$1,763,337	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	**$25,184,132**	**$0**	**$25,184,132**	**$513,801**	**$1,246,045**
06. Division of Early Childhood, (B) Division of Community and Family Support, (1) Division of Community and Family Support - Nurse Home Visitor Program	FTE	3.0	0.0	3.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$23,420,795	$0	$23,420,795	$513,801	$1,246,045
	RF	$0	$0	$0	$0	$0
	FF	$1,763,337	$0	$1,763,337	$0	$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department Priority: R-14
Request Detail: Nurse Home Visitor Program Spending Authority

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	$25,184,132	$25,184,132	$513,801	$1,246,045
FTE	3.0	3.0	0.0	0.0
General Fund	$0	$0	$0	$0
Cash Funds	$23,420,795	$23,420,795	$513,801	$1,246,045
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$1,763,337	$1,763,337	$0	$0

Summary of Request

The Colorado Department of Human Services (CDHS) requests an increase of $513,801 in total funds/cash funds from the Nurse Home Visitor Program Fund (NHVPF) in FY 2021-22 and an increase of $1,246,045 in FY 2022-23. Aligned with the legislative intent behind House Bill 16-1408, this request increases cash fund spending authority to support the higher costs of the program despite declining tobacco revenue to ensure the continuation of services. The NFP is a public health program that funds nurse home-visits to first-time mothers living in poverty to educate them on parenting, share resources, and perform health checks. Decades of evidence has demonstrated this intervention creates significant improvements in the lives of first-time mothers and their children living in poverty and falls as a Step 5 on the State's evidence continuum. For every $1 invested, the Colorado NFP saves $7.90 in future costs for the highest-risk families served.

Current Program:

Until FY 2021-22, the Tobacco MSA funds have directly and entirely funded the Nurse Home Visitor Program (NHVP), which is more universally known outside Colorado as the Nurse-Family Partnership (NFP). The NFP is a public health program with decades of evidence showing it creates significant improvements in the lives of first-time mothers and their children living in poverty, including better parent-child interactions and reduced incidences of child abuse and neglect. For every $1 invested, the Colorado NFP saves $7.90 in future costs for the highest-risk families served. The evidentiary foundations of the model are among the strongest available for preventive interventions offered for public investment given that the randomized controlled trials were relatively large, resulted in outcomes of public health importance, and were conducted with populations of at-risk families in local community health settings. All NFP sites have an implementation plan to ensure that they are meeting researched benchmarks. On a quarterly basis NFP site progress is reviewed by the Colorado Coordination team. The NFP is rated at a Step 5 on the State's evidence continuum.

Program numbers in FY 2019-20:

- Total number of eligible mothers in Colorado: 7,709 (2019 first time births paid for by Medicaid, Colorado Health Index Dataset)
- Number of mothers served: 4,049
- The average cost per mother served: $5,187 (total funding for sites $21,004,045 for FY 2019-20 divided by 4,049)
- Number of service entities in Colorado: 22
- Number of counties served: 64 (every county)

House Bill 16-1408, which took effect in FY 2016-17, increased the annual percentage of Tobacco MSA direct funding allocated to the NFP and directed the full balance of unspent funds each year to be retained in the Nurse Home Visitor Program Fund for future use starting in FY 2021-22.

The legislative intent of that bill sought to account for the declining Tobacco MSA revenue, ensure the annual appropriation was sufficient to support the current scope of the program, and extend the solvency of the program by building the cash fund balance to cover revenue shortages in future fiscal years.

The declining tobacco revenue means that, while the NHVP continues to receive 26.7 percent of MSA revenue, the percentage is drawing from a shrinking overall pie. The NHVP Fund was created to make up for the shortages that would impact the NHVP beginning in FY 2021-22. To date, the Department has been able to carry forward unspent funds from the sites every year into the cash fund to support program sustainability and has not drawn down any of the accruing balance in the NHVP fund.

Most recently, House Bill 20-1380 transferred $4,237,375 from the NHVP Fund to the General Fund to support FY 2020-21 budget balancing. While there were no immediate programmatic impacts associated with this transfer, such as a reduction in services, this one-time transfer will have sustainability impacts on the NHVP fund. However, Invest in Kids (IIK), the state intermediary for the NHVP, is working on plans of how to secure the future of the NHVP. IIK worked with the legislature to first secure Tobacco MSA funding for the NHVP and then more recently on HB 16-1408 to sustain funding using unspent funds to prevent future shortages until

2024. As part of its work, IIK will also continue to take part in federal health care conversations with the aim of expanding supports for families.

The current fund balance has grown and is approximately $14,419,963, but starting in FY 2021-22, the MSA will not cover 100 percent of expenses as a result of a decrease in revenue, as well as an increase in health care expenses and required national program licensing fees.

Table 1: Nurse Home Visitor Program Fund Sustainability Projection

Fund Balance Changes	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
Beginning Fund Balance	$14,419,963	$13,267,286	$11,179,025	$8,519,072
Tobacco MSA Distribution	$20,400,000	$20,400,000	$20,500,000	$20,000,000
Budgeted Expenditures	$(23,009,643)	$(23,934,596)	$(24,569,411)	$(25,967,789)
Estimated Contractual Underspending	$1,095,600	$1,141,848	$1,177,421	$1,208,392
Estimated Interest (2.8% of balance)	$361,366	$304,487	$232,037	$105,271
Ending Fund Balance	**$13,267,286**	**$11,179,025**	**$8,519,072**	**$3,864,946**

In previous years, NHVP sites did not fully use the entire allocation of MSA dollars due to nursing vacancies and the underspending of an Interagency Agreement with HCPF for Medicaid-covered services. The underspending of Medicaid resulted from changes in Medicaid billing, which has prevented NHVP nurses from requesting reimbursement at the project levels. The Department fully allocates this funding in contracts with approved providers. These programs experience staff turnover, as well as delays in hiring, especially because Colorado is experiencing a public health nursing shortage.

Despite anticipated underspending, the OEC must encumber the funding to keep all 22 sites whole for the fiscal year. Underspending occurs every year as a result of staff turnover among the nurses, but it is not possible to predict when and where there will be a vacancy. It takes a long time to recruit and hire public health nurses because they are in demand and can earn more income elsewhere. It also takes months to train nurses and certify them in the national NFP model so vacancies can last for several months. Although length of time varies by region, in rural and resort areas it can take months. For example, Las Animas County has had an opening for three years. Once hired, the onboarding process takes 9 months for a nurse to be trained and build a full caseload.

In order to be strong stewards of this funding and discourage one-time spending on extraneous costs, OEC does not allow agencies to repurpose the vacancy savings for other uses. Instead, these funds remain unspent in the contract and revert to the fund balance as intended by HB 16-1408. Additionally, since the program model serves families for two years, the sustainability of program revenue is essential to ensure families are able to complete the program and realize the intended positive outcomes.

Problem or Opportunity:

In FY 2021-22, the costs necessary to operate the NHVP program are projected to increase, and the program will require additional spending authority from the NHVP fund to support program operations without decreasing services. The expenses have increased because the national NFP operating expenses cannot be held flat. For example, there is an increase in the NFP National Service Office licensing fees. NFP sites must also pay increases for mandatory training fees for the Dyadic Assessment of Naturalistic Caregiver-Child Experiences (DANCE) as well as fringe benefit costs due to increasing health insurance costs. In many cases, health insurance and benefit costs have increased by as much as 20 - 30% on an annual basis. Without increasing contract funding to support these costs and allow the NFP sites to fund an adequate benefit package, the program will struggle to maintain nurses and services to families will be disrupted.

Additionally, the annual distribution of Tobacco MSA funds will no longer cover the entire cost of the NFP. Without additional spending authority from the cash fund balance, OEC will have to decrease site budgets and therefore ask sites to decrease the number of families served. Without the spending authority request of $513,801, about 99 clients (at $5,187 each) would go without services, translating to 8 visits per month or two per week. Each nurse carries a caseload of 25, so denial of the spending authority would also mean a reduction of four FTE.

If the spending authority is not increased, site budgets will be reduced, dropping the overall capacity for serving clients during this challenging time of a global pandemic and recession when these services are more needed than ever. Steady funding is all the more crucial so that families are served by the program in both FY 2021-22 and FY 2022-22.

Proposed Solution:

The Department requests a cash fund spending authority increase of $513,801 for the NFP. Additionally, given that FY 2021-22 is the first to require use of the cash fund balance as predicted by legislative planning, the Department requests use of the NHVP Fund for its intended use to cover the gap in funding which the Tobacco MSA direct funding will no longer support.

Anticipated Outcomes:

The Department anticipates that, with the cash fund spending authority increase, the NHVP will be able to maintain services to the 4,049 mothers served in FY 2021-22, despite increasing programmatic expenses and declining Tobacco MSA revenues. If the request is approved, the program will continue to meet the proven evidence-based outcomes in all Colorado counties. Every $1 invested in Colorado NFP saves $7.90 in future costs for the highest-risk families served.

Assumptions and Calculations:

Table 2 details the budgeted costs for the NHVP through FY 2022-23, and highlights the expected increases in licensing fees and mandatory training costs. The increases in personnel costs account for the rising costs of health insurance and increases related to filling vacant positions, and not across the board salary increases.

As the result of holding salaries and other direct service contract costs flat for FY 2020-21, the budgeted expenditures for the NHVP are $411,152 less than the appropriation. This savings will offset the impact of the requested $513,801 increase for FY 2021-22 on the NHVP fund balance.

Table 2: Nurse Home Visitor Program Budgeted Expenditures			
Cost Category	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**
NFP NSO Licensing Fees	$359,961	$558,866	$578,932
Mandatory Training (DANCE)	$30,967	$31,896	$32,853
Personnel Costs*	$15,609,249	$16,101,216	$16,584,253
Other Direct Service Contract Costs	$1,948,355	$1,948,355	$1,948,355
Contract Indirect Costs	$3,733,487	$3,866,639	$3,974,018
OEC Administration	$325,000	$325,000	$335,000
HCPF Medicaid Costs	$300,000	$400,000	$500,000
Univ of CO/Invest in Kids - State Intermediary	$702,624	$702,624	$713,429
Total Budgeted Expenditures	$23,009,643	$23,934,596	$24,706,840
FY 2020-21 Long Bill Spending Authority	$23,420,795	$23,420,795	$23,420,795
Difference/Budget Request	**($411,152)**	**$513,801**	**$1,246,045**

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-15 Reduction to Community Behavioral Health Services

Dept. Approval By:	Clint Woodruff		Supplemental FY 2020-21
OSPB Approval By:	Ashley Clark		Budget Amendment FY 2021-22
		X	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	Total	$40,263,970	$0	$41,597,549	($2,833,334)	$2,833,334
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$27,370,658	$0	$27,647,129	($1,500,000)	$1,500,000
	CF	$4,653,735	$0	$5,710,843	($1,333,334)	$1,333,334
	RF	$0	$0	$0	$0	$0
	FF	$8,239,577	$0	$8,239,577	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
08. Behavioral Health Services, (B) Mental Health Community Program, (1) Community Program - Mental Health Community Programs	Total	$35,610,235	$0	$35,886,706	($1,500,000)	$1,500,000
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$27,370,658	$0	$27,647,129	($1,500,000)	$1,500,000
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$8,239,577	$0	$8,239,577	$0	$0
08. Behavioral Health Services, (B) Mental Health Community Program, (1) Community Program - Mental Health Services for Juvenile and Adult Offenders	Total	$4,653,735	$0	$5,710,843	($1,333,334)	$1,333,334
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$4,653,735	$0	$5,710,843	($1,333,334)	$1,333,334
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department Priority: R-15
Request Detail: Reduction to Community Behavioral Health Services

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$40,263,970*	*$41,597,549*	*($2,833,334)*	*$2,833,334*
FTE	0.0	0.0	0.0	0.0
General Fund	$27,370,658	$27,647,129	($1,500,000)	$1,500,000
Cash Funds	$4,653,735	$5,710,843	($1,333,334)	$1,333,334
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$8,239,577	$8,239,577	$0	$0

Summary of Request:

The Department requests a one-time reduction of $2,833,334 total funds, including reductions of $1,500,000 General Fund and $1,333,334 cash funds for FY 2021-22. This reduction represents a 16% change from the FY 2020-21 appropriation. However, the Department has submitted an annualization request to reverse the FY 2020-21 budget balancing action, which would restore nearly all of this budget request. The requested year-over-year change would be a net decrease of $554,188, or 3%, as compared to the FY 2020-21 funding level.

As a result of the COVID-19 economic downturn, this reduction will assist with balancing the state budget for FY 2021-22, by maintaining the budget balancing cuts taken in FY 2020-21 plus taking a relatively small additional cut. This budget cut will result in lower contract awarded values to service providers in the upcoming year, and therefore a potential reduction of services to the criminal justice population both in the community and in jails. This requested reduction will have no out year impact as it is a one-time reduction.

Current Program:

Mental Health Services for Juvenile and Adult Offenders or the Offender Behavioral Health Services program (OBHS) addresses Colorado's continued growth in the demand for community-based mental health services for individuals with mental illness involved in local and state criminal justice systems. This program provides services through community mental health centers and originated through SB 07-097. The current fiscal year spending authority for this program is $4,653,735.

The Jail Based Behavioral Health Services (JBBS) program supports county sheriffs in providing screening, assessment, and treatment for substance use disorders and co-occurring substance use and mental health disorders to people who need such services while they are in jails. The money is also used to support the transition back into the community via connection to services. The current FY spending authority for this program is $13,232,185.

- OBH contracts with county sheriff departments to partner with local community providers to provide behavioral health services in jail and to coordinate services upon release.
- JBBS has existed since 2011 for Substance Use Disorders (SUD) services and mental health services beginning in FY 2018-19.
- SB 18-250 allocated additional funding to the JBBS program to address gaps in services for mental health disorder screening, assessment, diagnosis, and treatment. Priority was given to rural and frontier counties.
- Additionally, competency enhancement services were added through SB 19-223.
- Pre-sentence coordinators were added to the JBBS program through approved decision items funded by the Correctional Treatment cash fund.

JBBS is important because it works to provide appropriate behavioral health services to inmates while supporting continuity of care within the community after release from incarceration. This approach works to reduce jail sentences and decreased recidivism through better identification and treatment of behavioral health needs.

Problem or Opportunity:

Given the forecasted economic downturn, the Department is proposing to reduce funding for two behavioral health program areas:

- **Mental Health Services for Juvenile and Adult Offenders: This** line item funds community based behavioral health services for justice-involved individuals (i.e. treatment, case management, residential treatment, jail transitions, co-responder programs) based upon local community needs. These services sometimes overlap with services paid by parole and/or probation. Reductions in this area could result in the shifting of cost to judicial districts and community corrections.
- **Underutilized Funding in the Jail-Based Behavioral Health Line Item:** Reductions in this area are based upon reversions that were tied to service start-up for this program in

FY 2019-20. In FY 2020-21 the Division fully obligated funds for jails which included contracts with many new rural jails. The purpose of these funds is to support behavioral health screening and treatment as clients are booked into jails and ensure adequate staffing, and psychiatric services for clients with significant behavioral health needs. Reductions to this area could result in counties having to offset the reduction to ensure healthcare services for clients booked into jails and prioritize those with the highest treatment needs.

Proposed Solution:

This proposal is intended to target modest reductions to target program services with recent year funding reversions (see Table 2). This reduction is a one-time adjustment, assuming that the State budget will recover in FY 2022-23.

Evidence Continuum Step

Step 3 - Collect and evaluate data on whether the desired objectives are achieved

Why this Step?

OBH initiated several evidence-based actions to ensure that services for the JBBS program are delivered as intended. Internal evaluation activities consist of monthly data collection for client-level information (e.g., demographics, diagnosis, screening, services provided, and treatment engagement after discharge). Annual reports of the JBBS program are published on the Department's website[1]. In addition, two external evaluations have been conducted. In 2016, Health Management Associates examined both process elements of how the program is implemented across the counties, as well as the outcomes and impact of the services provided using a survey, key informant interviews, and claims data analysis.

In 2019, the University of Colorado Denver's Department of Family Medicine partnered with OBH to provide targeted technical assistance to support mental health and substance use disorder improvement in jail settings. In a report scheduled to be released in 2021, the University conducted an evaluation of the technical assistance efforts using pre- and post-assessments in the form of semi-structured key informant interviews. While we are requesting a reduction of funds for this effort, we will continue to undertake internal evaluation activities.

Anticipated Outcomes:

There will be a 16% reduction in funds available for behavioral health services provided in jails and communities. However, assuming the Departments annualization request to restore the current year's budget balancing cuts of 13% is approved, the net decrease will be a more modest reduction of 3% from the FY 2020-21 funding level.

According to the September 2020 report by the Division of Criminal Justice, the number of individuals in jails declined by 28% (11,698 to 8,455) from January 1 to April 1 and again by 15% (8,455 to 7,196) from April 1 to July 1. The total decline from January 1 to July 1 was 38%.

[1] https://www.colorado.gov/pacific/cdhs/publications-reports

Although not forecasting jail population, the Division of Criminal Justice does forecast a declining prison population is expected throughout the majority of FY 2021, followed by somewhat robust growth through the end of FY 2022. Therefore, a 3 percent reduction in funding for Jail based treatment represents a conservative estimate.

In FY 2019-20, jails were provided with technical assistance to improve the delivery of behavioral health care and increase utilizations of the Jail-Based Behavioral Health funds. It is anticipated that the amount reverted will decrease in current and future fiscal years due to the technical assistance provided.

Assumptions and Calculations:

Calculations were based on historical reversions of prior years and funding from other criminal justice funding sources. FY 2019-20 reversion figures for the three line items in Table 1 will be finalized upon the close of the fiscal year.

Table 1: Office of Behavioral Health Community Programs Proposed Budget Reductions				
Long Bill line items	FY 2020-21 Appropriation	FY 2021-22 Total Reduction	FY 2021-22 General Fund	FY 2021-22 Cash Funds
Jail-Based Behavioral Health line item	$13,232,195	($1,500,000)	($1,500,000)	$0
Mental Health Services for Juvenile and Adult Offenders	$4,653,735	($1,333,334)	$0	($1,333,334)
Total	$17,885,930	($2,833,334)	($1,500,000)	($1,333,334)

Table 2: Office of Behavioral Health Community Programs 5-Year Comparative Figures					
Long Bill line items	FY 2017-18 Expenditure	FY 2018-19 Expenditure	FY 2019-20 Expenditure	FY 2020-21 Appropriation	FY 2021-22 Request
Jail-Based Behavioral Health line item Appropriation	$5,256,185	$6,724,277*	$12,454,233**	$13,232,195	$12,954,233***
Expenditure	$4,996,061	$5,686,086	$9,112,250	$13,232,195	$12,954,233
Reversion	$260,124	$1,038,191	$3,341,983		
FY 2021-22 Annualization request ***					$1,222,038
FY 2021-22 Decision Item Budget request					($1,500,000)
Net Budget Request					($277,962)
Mental Health Services for Juvenile and Adult Offenders Appropriation	$5,519,298	$5,574,491	$5,710,843	$4,653,735	$4,377,509***
Expenditure	$5,142,439	$5,530,355	$5,604,786	$4,653,735	$4,377,509
Reversion	$376,859	$44,136	$106,057		
Annualization request***					$1,057,108
Decision Item Budget request					($1,333,334)
Net Budget Request					($276,226)

*This appropriation received a $1.0 million budget reduction.

**This appropriation received $2.0 million reduction in spending authority in FY 2019-20 for cash preservation.

*** It is assumed that the FY 2020-21 “JBC Deeper Cut” will be restored in FY 2021-22 as part of the Annualization process which was requested previously in the budget process.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-16 Transition Single-District Program

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:17:32 -06'00'

OSPB Approval By: Ashley Clark

___	Supplemental FY 2020-21
___	Budget Amendment FY 2021-22
X	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	Total	$16,763,179	$0	$18,122,677	($1,015,325)	($1,015,325)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$15,607,936	$0	$16,958,057	($1,015,325)	($1,015,325)
	CF	$0	$0	$0	$0	$0
	RF	$505,216	$0	$505,216	$0	$0
	FF	$650,027	$0	$659,404	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
11. Division of Youth Services, (C) Community Programs, (1) Community Programs - Purchase of Contract Placements	Total	$10,516,257	$0	$11,861,073	$423,597	$423,597
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$9,397,480	$0	$10,732,919	$423,597	$423,597
	CF	$0	$0	$0	$0	$0
	RF	$468,750	$0	$468,750	$0	$0
	FF	$650,027	$0	$659,404	$0	$0
11. Division of Youth Services, (C) Community Programs, (1) Community Programs - Managed Care Pilot Project	Total	$1,285,674	$0	$1,300,356	($1,472,222)	($1,472,222)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,249,208	$0	$1,263,890	($1,472,222)	($1,472.222)
	CF	$0	$0	$0	$0	$0
	RF	$36,466	$0	$36,466	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
11. Division of Youth Services, (C) Community Programs, (1) Community Programs - Parole Program Services	Total	$4,961,248	$0	$4,961,248	$33,300	$33,300
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$4,961,248	$0	$4,961,248	$33,300	$33,300
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department Priority: R-16
Request Detail: Transition Single-District Program

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$16,763,179*	*$18,122,677*	*($1,015,325)*	*($1,015,325)*
FTE	0.0	0.0	0.0	0.0
General Fund	$15,607,936	$16,958,057	($1,015,325)	($1,015,325)
Cash Funds	$0	$0	$0	$0
Reappropriated Funds	$505,216	$505,216	$0	$0
Federal Funds	$650,027	$659,404	$0	$0

Summary of Request

The Department requests a reduction of $1,015,325 total funds/General Fund in FY 2021-22 and beyond to discontinue the Department's contract with the Boulder IMPACT Program. This proposal is based upon the long-term decline in youth committed to the Department of Human Services, Division of Youth Services (DYS), statewide and specifically, from the 20th Judicial District (Boulder County). The 20th Judicial District currently maintains an average daily population of approximately 4.0 committed youth. This proposal returns the fiscal, decision-making, and case management responsibility for each committed youth back to the Division of Youth Services. Youth in the 20th Judicial District will continue to receive the same level of service provision. A portion of the funds for the IMPACT program will be used to supplement the purchase of contract placements as well as provide parole and transition services for these youth.

Current Program:

Boulder County IMPACT was developed as a pilot program by the General Assembly in the mid-1990's. The pilot was intended to demonstrate that the juvenile justice and child welfare populations could be served more effectively and efficiently in a managed-care model where agencies pooled resources and were allowed to "roll-over" surplus funds at the end of each fiscal year to invest in prevention services. The collaborative includes local housing and human services, the public health department, the community mental health center, the school district, and state agencies including the 20th Judicial District Court, Probation, and the Division of Youth Services.

The IMPACT agreement is for administering services to Boulder County youth entering the system through the juvenile justice or child welfare avenues. In relation to the Department of Human Services, IMPACT focuses on maintaining a low rate of commitments to the custody of the Department. The agreement caps the number of youth who may be committed from the 20th Judicial District (Boulder County) and also allocates and caps state funding to provide services to those same Boulder youth.

IMPACT is currently funded at $1,472,222 General Fund and $36,566 reappropriated funds. Boulder IMPACT currently pays directly for placement of their youth in contracted placements as well as providing case management and parole and transition services. Additionally, IMPACT utilizes DYS State facilities for youth requiring state secure placement. IMPACT has an agreement with DYS to utilize the Ridge View Youth Services Center for up to two youth, one youth in the Marler Program at Mount View Youth Services Center plus up to an additional fourteen youth throughout DYS State Facilities at no charge.

Boulder utilizes both the Boulder Juvenile Assessment Center and the Platte Valley Youth Services Center for detained youth.

The money is appropriated directly by the General Assembly in the annual Long Bill. The project has received more than $25 million over 19 years for the exclusive use of Boulder County. No other counties or judicial districts have been included in the appropriation.

Problem or Opportunity:

Since FY 2014-15, there has been a significant decline in the number of youth in the overall commitment system and specifically, a decline in the number of youth committed from Boulder County. The number of committed youth for May 2020, year to date, is a 73% reduction from FY 2013-14. Table 1 shows the decline in average daily population (ADP) for the 20th Judicial District since FY 2013-14.

Table 1: Boulder IMPACT/20th Judicial District Commitment Average Daily Population*

Fiscal Year	ADP
FY 2019-20 YTD	3.9
FY 2018-19	3.8
FY 2017-18	8.4
FY 2016-17	9.6
FY 2015-16	13.5
FY 2014-15	9.8
FY 2013-14	14.1

*Data from Division of Youth Services Juvenile Detention
Screening and Assessment Guide Monthly Reports

Boulder IMPACT/20th Judicial District is the only district in the State that holds an agreement with the Department that allows them to pool the General Fund appropriation intended for the purchase of contract placements for committed youth to serve youth at all stages of the juvenile justice process. The current agreement allows IMPACT to keep and reinvest any General Fund savings in other local human services programs.

The Department has identified the decline in ADP as an opportunity to eliminate this agreement, which is unique to Boulder County, in order to end the practice of reinvesting General Fund in Boulder County. In the future, committed youth from the 20th Judicial District will receive the same services youth across the State receive through DYS and their Judicial Districts, only directly through DYS. In addition, the State faces a probable revenue shortfall for FY 2021-22 in relation to the COVID-19 outbreak and resulting impact on the economy. The Department is proposing this reduction in an effort to direct General Fund to other State needs.

Proposed Solution:

The Department proposes a total reduction in the funding allocated to Boulder IMPACT/20th Judicial District of $1,472,222 total funds/General Fund. This is a discontinuance of the Department's agreement with the Managed Care Project and an increase in the Purchase of Contract Placement and Parole Program Services to account for the resulting small increase in the DYS ADP.

The Division estimates the termination of the agreement will result in some increased costs in other DYS line items in order to provide residential placement and parole services. The caseload is low enough that DYS can absorb it within the existing caseload of current client managers. The increased cost to Purchase of Contract Placements for 5.3 ADP is $423,597 and the cost of Parole & Transition Services for 3.25 youth is $33,300. The Department believes these estimates are very conservative and the savings could be significantly more to the Department if these costs are lower. There is no change in reappropriated funds as these costs would be expended in the Purchase of Contract Placements instead. The reappropriated funds provide for mental health treatment for youth in contracted placements.

If this proposed request is not approved, Boulder IMPACT/20th Judicial District will continue to be the only County receiving funding like this from DYS, and the current level of funding despite a decreasing number of youth served.

This program does not fall on the OSPB evidence-based continuum. The Department is unaware of any research related to long-term outcomes of community managed care type initiatives. Boulder County does collect and analyze data; however, the Department is unaware of peer reviewed research, or attempts at replication.

Anticipated Outcomes:

Defunding the Boulder IMPACT/20th Judicial District Department of Human Services appropriation would result in a cost savings to the State.

Boulder IMPACT currently has 1.25 FTE located in the 20th Judicial District probation office who are assigned the DYS committed youth caseload. The 1.25 FTE are not CDHS employees.

Case management services would be absorbed into the Department of Human Services' Division of Youth Services Northeast Region. The Division of Youth Services would manage commitments from the 20th Judicial District in the same manner as the remaining 21 judicial districts.

Without the structure of Boulder IMPACT, the number of commitments from the 20th Judicial District may increase. There is no method for anticipating the level of increase. The 20th Judicial District has maintained a very low commitment rate. They have been the lowest in the State in three of the six fiscal years between Fiscal Year 2012-13 and Fiscal Year 2017-18. The 20th's rate is well below the State rate. See Table 2.

Table 2: 20th Judicial District Commitment Rate vs. State Rate*

Fiscal Year	20th Judicial District Rate	State Rate
2012-13	3.8	15.3
2013-14	4.6	14.1
2014-15	3.1	12.8
2015-16	4.2	11.8
2016-17	2.9	10.8
2017-18	2.5	10.5
2018-19	1.2	9.7

*Data from Evaluation of the SB91-94/CYDC Program, Infinite Frontiers Consulting

The data in Table 2 must be viewed in context with the District's average daily population (ADP) of committed youth depicted in Table 1. Boulder IMPACT has been successful in keeping their commitment rate low, and as the overall number of youth in the system declines, the Department anticipates that the 20th Judicial District's commitment rate may increase. Yet with the continued decline in overall population, this increase will be absorbed by the Division through both case management services and through the current funding in the purchase of contract placements line item. It is also important to note that Boulder IMPACT has been allotted an allocation of secure beds in DYS facilities. Therefore, a portion of the ADP shown in Table 1 represents youth in State-operated facilities and does not impact the Purchase of Contract Placements Line Item.

Commitments from Boulder County continue to decline, following the state and national trends for juvenile commitment. While it could be argued that this is a sign of success for the program, the funding for youth has never been adjusted for the pure caseload of youth being served. An actual number is not available at this time, but reasonable approximations are shown in Tables 3 & 4.

Table 3: Average Daily Population Decline Comparison between 20th JD and State total for Committed Youth

Committed Youth	20th ADP	State
FY 18-19	3.8	577.6
FY 08-09	19.7	1229.2
Reduction	15.9	651.6
Reduction %	81%	53%

Table 4: Average Daily Population Decline Comparison between 20th JD and State total for Detained Youth

Detained Youth	20th ADP	State
FY 18-19	7.1	253.9
FY 08-09	15.2	398.7
Reduction	8.1	144.8
Reduction %	53%	36%

While Boulder is experiencing a larger decrease than the State in both committed youth and detained youth, the funding level has remained the same since its inception. With the overall number of youth needing to be served in the juvenile justice system, the program has become small enough to absorb without any undue stress on other functions within DYS.

Assumptions and Calculations:

Since the impact to committed youth is unknown, but it is acknowledged that the number of committed youth in Boulder may increase, DYS has estimated the cost impact of providing services to the youth through a conservative lens ensuring that enough funding is in place to serve the youth. Calculations take the average ADP for the last three full years, and further assume that all of those committed youth would require contracted placement, the Division has very aggressively allocated funds which may be needed for purchasing contracted placements. In reality, IMPACT has used little to no private provider placements at all over the last several years and almost exclusively uses the DYS state facilities at no cost. Youth in these state facilities are already factored into overall DYS capacity and staffing plans. There is no funding set aside for additional treatment for committed youth, as this is already staffed and provided for youth in state facilities. If this request is accepted, eventually the youth served by IMPACT would simply become part of the Purchase of Contracted Placements annual caseload adjustment.

Additionally, DYS is estimating that these youth will also require the average annual cost for a youth on parole.

The estimated savings due to the elimination of the program are shown in Table 5.

Table 5: Boulder IMPACT Cost Savings

Boulder Impact Program	$	(1,472,222)
Less hold back for		
Residential placements expenditure		
Avg ADP from FY2017-20 YTD		5.30
for a full year		365.00
at current residential rate per day		218.97
	$	423,597
Expenditures for Parole & Transition services		
Boulder Paroled ADP FY2018-19		3.25
average annual cost per youth paroled	$	10,246
	$	33,300
Net Savings from discontinuing program	$	(1,015,325)

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle	
Request Title	
	R-17 Adjustment to Colorado Youth Detention Continuum

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:17:00 -06'00'

OSPB Approval By: Ashley Clark

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
X	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	Total	$15,148,659	$0	$15,401,676	($1,326,913)	$1,326,913
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$12,100,547	$0	$12,332,876	($1,326,913)	$1,326,913
	CF	$3,048,112	$0	$3,068,800	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
11. Division of Youth Services, (C) Community Programs, (1) Community Programs - S.B. 91-94 Juvenile Services	Total	$15,148,659	$0	$15,401,676	($1,326,913)	$1,326,913
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$12,100,547	$0	$12,332,876	($1,326,913)	$1,326,913
	CF	$3,048,112	$0	$3,068,800	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact

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Department Priority: R-17
Request Detail: Adjustment to the Colorado Youth Detention Continuum

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$15,148,659*	*$15,148,659*	*($1,326,913)*	*$1,326,913*
FTE	0.0	0.0	0.0	0.0
General Fund	$12,100,547	$12,100,547	($1,326,913)	$1,326,913
Cash Funds	$3,048,112	$3,048,112	$0	$0
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$0	$0	$0	$0

Summary of Request

The Department of Human Services requests a one-time reduction of $1,326,913 in the SB 91-94 Program line item, also referred to as the Colorado Youth Detention Continuum (CYDC). This is a 10% reduction from the baseline of $13,269,131 General Fund in FY 2019-20. This one-time reduction is not related to caseload; although, the average daily population in secure detention has declined since the start of the COVID-19 pandemic. These reductions will have an impact on the quality and availability of services. As the number of youth referred to detention declines, the quality and availability of services may remain stable as the system recalibrates to accommodate fewer youth. The reduction will have a differential impact on judicial districts, based upon the size of the district, the size of the district's allocation, and the structure of the judicial district's juvenile service plan.

Current Program:

The SB 91-94 Program also referred to as the Colorado Youth Detention Continuum (CYDC), was introduced and adopted during the 1991 Legislative Session. One provision of the bill provided for the establishment of a Juvenile Services Fund that would provide resources to local jurisdictions on or after July 1, 1993 to fund alternatives to incarceration services described in local juvenile services plans developed by each jurisdiction. Plans were to include, but not be limited to, services such as intervention, treatment, supervision, lodging, assessment, bonding programs, and family services. These services are designed for Senate Bill 91-94 youth as viable alternatives to placement in State-funded detention and commitment youth services centers.

Problem or Opportunity:

The State faces a probable revenue shortfall for FY 2021-22 in relation to the COVID-19 outbreak and resulting impact on the economy. The Department is proposing this reduction in an effort to make General Fund available for other critical purposes.

Proposed Solution:

The Department proposes to reduce General Fund as a 10% reduction from the FY 2019-20 appropriation from HB 20-1248. The General Assembly reduced the FY 2020-21 funding by $1,000,000 as a one-time reduction.

The CYDC "program" is in fact, a set of twenty-two (Judicial Districts') locally determined service plans, and programs. Each judicial district creates a plan that represents the juvenile detention needs of their community and how these funds will be targeted to meet those needs. Statute requires each district perform certain tasks, such as screening youth for the appropriate level of supervision, assessing youth, and providing community supervision options. In addition, districts provide some degree of treatment services to youth who are in the preadjudicated phase of the court process.

A 10% reduction in the CYDC General Fund appropriation will have various impacts on judicial districts. This variability is based on several factors that include but are not limited to the size of the district and therefore the size of the district's allocation, the manner in which the district allocates their funding (e.g. some are FTE heavy, some use contracts to a greater extent, and some districts approach the use of their allocation through a unique philosophical lens), and on-going shifts in the size of the detention population. Districts will be in a position to make their own decisions about how to absorb a 10% funding reduction. Some will cut FTE, and increase the caseloads of other staff, while some may have to reduce the level of treatment services available.

These reductions will impact the youth served either through a reduction in quality or availability of services. However, these statements must be qualified by acknowledging that the detention average daily population has continued to fall to very low levels. The average daily population of youth in detention centers has, at times, fallen well below the level established as a result of the Governor's Executive Order D 2020 034 and extended by Governor's Executive Order D 2020 206. As the number of youth referred to detention declines, the quality and availability of services may remain stable as the system recalibrates to accommodate fewer youth.

The types of statutorily mandated services, including screening, assessment, and supervision, are typically not researched as to their effectiveness. There is scant information on the effectiveness of these component services from a purely scientific perspective, though CYDC serves as a major referral mechanism to additional treatment services, such as multi-systemic therapy, that are evidence-based and well-supported in their efficacy. CYDC further contracts with an independent entity to conduct an annual evaluation, per a legislative request for information. CYDC's outcomes in ensuring youth served are present for their court hearings, do not acquire new charges while under supervision, and have a positive or neutral leave reason have demonstrated decades long success rates in the 90% range.

Anticipated Outcomes:

CYDC funds serve two primary purposes. The first is to carry out an array of "pre-adjudication" functions aimed at ensuring youth are placed in the appropriate level of care along the detention continuum. This includes screening and assessing youth referred by law enforcement, and providing supervision services to those who do not require secure placement. Screening, assessment, and supervision services are statutory mandates and would not be impacted by this proposed reduction.

The second primary function of CYDC is to provide treatment services to youth and families during the period between entry into the detention system and case disposition. Youth under CYDC supervision are primarily sentenced to juvenile probation, and CYDC involvement often ends at this time. To create continuity of care, the treatment services provided by CYDC are frequently assumed by juvenile probation. This reduction will limit the availability of treatment services in some judicial districts during the pre-adjudication phase.

While other avenues exist for youth to receive treatment services while on probation, these services would not substantially mitigate the effects of the proposed reduction in CYDC services. This proposal, while feasible, will either limit or delay the provision of treatment services.

Assumptions and Calculations:

This is a straight 10% reduction in the appropriation from the FY 2019-20 amount from HB 20-1248.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-18 Adjust Market Rate Study Frequency

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date 2020.10.28 17:16:34 -06'00'

OSPB Approval By: Ashley Clark

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$75,000**	**$0**	**$75,000**	**($55,000)**	**($55,000)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$55,000	$0	$55,000	($55,000)	($55,000)
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$20,000	$0	$20,000	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
06. Division of Early Childhood, (A) Division of Early Care and Learning, (1) Division of Early Care and Learning - Child Care Assistance Program Market Rate Study	**Total**	**$75,000**	**$0**	**$75,000**	**($55,000)**	**($55,000)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$55,000	$0	$55,000	($55,000)	($55,000)
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$20,000	$0	$20,000	$0	$0

Auxiliary Data			
Requires Legislation?	YES		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department of Human Services

FY 2021-22 Funding Request

November 1, 2020

Jared Polis
Governor

Michelle Barnes
Executive Director

Department Priority: R-18
Request Detail: Adjust Market Rate Study Frequency

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	$75,000	$75,000	($55,000)	($55,000)
FTE	0.0	0.0	0.0	0.0
General Fund	$55,000	$55,000	($55,000)	($55,000)
Cash Funds	$0	$0	$0	$0
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$20,000	$20,000	$0	$0

Summary of Request

The Colorado Department of Human Services (CDHS) requests a reduction of $55,000 General Fund / total funds in FY 2021-22 and ongoing. The Department requests that the Joint Budget Committee make this technical statutory adjustment to modify the Colorado Child Care Assistance Program (CCCAP) market rate survey requirements (26-2-803 C.R.S.) to require the Department to conduct a rate-setting study once every three years, as per federal guidelines, instead of the current State requirement of conducting a market rate study every year. The Department also respectfully requests renaming the Long Bill line item to the Child Care Assistance Program Rate Setting Study. This study helps inform the child care reimbursement rates for providers that accept families enrolled in the Colorado Child Care Assistance Program. As market rate surveys can be highly time-intensive for both child care providers and Department staff, this change streamlines the process for child care providers, while enabling the Department to be nimble in addressing other priorities related to early care and learning as needed in the years that a market rate study is not required.

Current Program:

Section 26-2-803 C.R.S. requires the Department to conduct this market rate study annually. The federal requirement, however, is to conduct a market rate survey or an alternative methodology (45 CFR 98.45(c)(2)) to inform provider reimbursement rates every three years. Section 26-2-802 (2)(b), C.R.S. also addresses a "goal of the seventy-fifth percentile of each county's market rate" to help guide the state in setting the reimbursement rates, which is consistent with the federally-set goal.

Section 658E(c)(4) of the Child Care and Development Block Grant (CCDBG) Act, 42 U.S.C. § 9858c(c)(4), requires lead agencies to certify that their payment rates are sufficient to ensure equal access for eligible children that are comparable to child care services provided to children whose parents are not eligible for the federal Child Care and Development Fund (CCDF). The act also requires lead agencies to provide a summary of the facts used to determine that their payment rates are sufficient to ensure equal access. Shifting the market rate survey from once per year to once every three years will keep the State in line with federal requirements.

Problem or Opportunity:

There is an opportunity to align State and federal requirements concerning the timing of the market rate survey. The State currently conducts the market rate studies more frequently than is practical or required by federal guidelines. Provider reimbursement rates are also only changed every three years in line with the federally-approved market rate survey.

Moving to this less frequent schedule will not only save State funds; it also allows the Department to dedicate its time to other important issues related to child care cost and operations and efforts toward building quality early care and learning.

Proposed Solution:

The Department proposes a reduction of $55,000 General Fund and a revision to statute to allow the Department to conduct the analysis of market rates once every three years instead of annually. The Department will continue to produce the annual Request for Information for the Joint Budget Committee on the projected costs of the CCCAP program.

Anticipated Outcomes:

The Department anticipates that the proposed statutory change will increase government efficiency by conducting the CCCAP rate-setting survey once every three years instead of annually, which will also result in $55,000 General Fund savings. Staff will no longer spend unnecessary time procuring and conducting redundant studies, and the accuracy and equitability of reimbursement rate setting will not be damaged.

Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-19 Adjust Public Awareness Campaigns

Dept. Approval By: Clint Woodruff

OSPB Approval By: Ashley Clark

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
x	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$1,517,339**	**$0**	**$1,622,454**	**($134,520)**	**$134,520**
	FTE	1.0	0.0	1.0	0.0	0.0
	GF	$1,139,111	$0	$1,210,486	($114,000)	$114,000
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$378,228	$0	$411,968	($20,520)	$20,520

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
05. Division of Child Welfare, (A) Division of Child Welfare, (1) Division of Child Welfare - Foster and Adoptive Parent Recruitment, Training, & Support	**Total**	**$1,517,339**	**$0**	**$1,622,454**	**($134,520)**	**$134,520**
	FTE	1.0	0.0	1.0	0.0	0.0
	GF	$1,139,111	$0	$1,210,486	($114,000)	$114,000
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$378,228	$0	$411,968	($20,520)	$20,520

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Jared Polis
Governor

Michelle Barnes
Executive Director

Department Priority: R-19
Request Detail: Adjust Public Awareness Campaigns

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$1,517,339*	*$1,622,454*	*($134,520)*	*$134,520*
FTE	1.0	1.0	0.0	0.0
General Fund	$1,139,111	$1,210,486	($114,000)	$114,000
Cash Funds	$0	$0	$0	$0
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$378,228	$411,968	($20,520)	$20,520

Summary of Request

The Department of Human Services requests a one-time reduction of $134,520 total funds, $114,000 General Fund, and $20,520 federal funds to the Foster and Adoptive Parent Recruitment, Training and Support (Recruitment and Retention) line item in Fiscal Year 2021-22. The reduction represents approximately a 10% reduction to the General Fund appropriation as compared to Fiscal Year 2020-21.

This reduction will impact the funding available to counties for mini-grants; however, counties may use other child welfare funding for this purpose. In addition, this reduction will result in a smaller advertising buy for the marketing initiative. These reductions protect other priorities such as funding for child welfare block and county level child welfare staffing.

The Recruitment and Retention initiatives fall as a Step 2 on the State's evidence continuum. As noted in the description of the current program, data is collected on the program's outputs and used to measure success.

Current Program:

Funding for the Recruitment and Retention program was first appropriated in FY 2003-04 and provides assistance to county departments to recruit, develop, and retain foster care and adoptive home resources to provide availability of sufficient, appropriate, and necessary placements.

The current Recruitment and Retention programs integrate four initiatives to recruit and retain foster, kinship and adoptive parents. These initiatives support and overlap each other.

1. **Colorado Heart Gallery:** A traveling photography display and website featuring children waiting to be adopted. Result: 1.9 million website views from more than 90,000 visitors; displayed in 32 locations throughout Colorado.
2. **Retention:** Mini grants awarded to counties and child placement agencies to support local retention and recruitment efforts. Frequently, the mini-grants engage current foster/kinship/adoptive parents through retention events and potential foster/kinship/adoptive parents through new events and advertising. Result: Through this program, 97 mini-grants were awarded for recruitment and retention and placement stabilization (in response to COVID-19).
3. **Marketing:** Community outreach, advertising, public relations and recognition events that publically highlight exceptional, long-term foster/adoptive parents as well as families of color and LGBTQ+ families. Result: More than 2.3 million advertising impressions; 23 news stories, primarily human interest stories profiling families.
4. **Diligent recruitment and technical assistance:** This involves the collection of recruitment and retention plans from all 64 Colorado counties and all child placement agencies that are licensed in Colorado to provide foster care. These plans are then collected to identify the needs within communities and agencies to help Colorado focus efforts to increase the number of foster parents in Colorado. Along with these efforts, there are quarterly meetings to share strategies and provide technical assistance to those who attend. The Division of Child Welfare also provides technical assistance to county departments of human services and child placement agencies on an as-needed basis and when these plans are submitted to assure counties and child placement agencies have technical assistance as needed.

The Division of Child Welfare Ongoing Services and the Office of Children, Youth and Families Communication teams work collaboratively to develop and execute a state-level recruitment and retention strategy. By working together, these teams can integrate diligent recruitment practices into mass media marketing and make spending more efficient.

The current spending authority for the Recruitment and Retention program is $1,517,339 total funds, $1,139,111 General Fund, and $378,228 federal funds. The federal funds are Title IV-E of the Social Security Act.

Problem or Opportunity:

The State faces a probable revenue shortfall for Fiscal Year 2021-22 in relation to the COVID-19 outbreak and resulting impact on the economy. The Department is proposing this reduction in an effort to make General Fund available for other critical purposes.

Proposed Solution:

The Department proposes to reduce the Recruitment and Retention budget by $134,520 total funds as a one-time reduction to maximize state General Fund utilization. With this reduction, the program will decrease the amount for recruitment and retention activities for foster and adoptive families that provide support and technical assistance to county departments to recruit and retain foster and adoptive families.

Despite the ongoing need for foster parents, Colorado has implemented many nationally recognized best practices for the recruitment and retention of foster and adoptive parents. By continuing these efforts in FY 2021-22, a one-year reduction may be easier to sustain.

The recruitment and retention initiatives fall as a Step 2 on the State's evidence continuum. As noted in the description of the current program, data is collected on the program's outputs and used to measure success.

Anticipated Outcomes:

A reduction to the Recruitment and Retention fund for the Division of Child Welfare will maximize General Fund dollars and does not reduce the child welfare services provided directly to families.

All current recruitment and retention programs will be affected by this reduction but the largest reduction will be to the mini-grants that provide counties and child placement agencies with flexible funding and allow for creative and new ways to recruit foster and adoptive parents. Mini-grants supplement funding provided to counties through the Child Welfare Block allocation. The impact of a reduction will vary based on individual county and child placement agency recruitment and retention budgets.

Assumptions and Calculations:

Assumptions and calculations are not applicable to this Decision Item. A one-time 10% reduction to the Recruitment and Retention budget is appropriate because it does not have a major impact on the program itself, and allows the Department to propose reductions across multiple line items.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-20 Adjust Veteran Community Living Center Reserves

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 12:11:42 -06'00'

OSPB Approval By: Ashley Clark

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	Total	$56,147,805	$0	$56,147,805	$0	$0
	FTE	577.3	0.0	577.3	0.0	0.0
	GF	$0	$0	$2,669,922	($2,669,922)	$0
	CF	$34,716,005	$0	$32,046,083	$2,669,922	$0
	RF	$0	$0	$0	$0	$0
	FF	$21,431,800	$0	$21,431,800	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
09. Services for People with Disabilities, (D) Veterans Community Living Centers, (1) Veterans Community Living Centers - Fitzsimons Veterans Community Living Center	Total	$24,506,708	$0	$24,506,708	$0	$0
	FTE	236.4	0.0	236.4	0.0	0.0
	GF	$0	$0	$965,580	($965,580)	$0
	CF	$12,993,508	$0	$12,027,928	$965,580	$0
	RF	$0	$0	$0	$0	$0
	FF	$11,513,200	$0	$11,513,200	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	**$12,558,427**	**$0**	**$12,558,427**	**$0**	**$0**
09. Services for People with Disabilities, (D) Veterans Community Living Centers, (1) Veterans Community Living Centers - Florence Veterans Community Living Center	FTE	135.0	0.0	135.0	0.0	0.0
	GF	$0	$0	$513,096	($513,096)	$0
	CF	$8,187,327	$0	$7,674,231	$513,096	$0
	RF	$0	$0	$0	$0	$0
	FF	$4,371,100	$0	$4,371,100	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	**$8,688,170**	**$0**	**$8,688,170**	**$0**	**$0**
09. Services for People with Disabilities, (D) Veterans Community Living Centers, (1) Veterans Community Living Centers - Homelake Veterans Community Living Center	FTE	95.3	0.0	95.3	0.0	0.0
	GF	$0	$0	$567,049	($567,049)	$0
	CF	$5,747,670	$0	$5,180,621	$567,049	$0
	RF	$0	$0	$0	$0	$0
	FF	$2,940,500	$0	$2,940,500	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	**$10,394,500**	**$0**	**$10,394,500**	**$0**	**$0**
09. Services for People with Disabilities, (D) Veterans Community Living Centers, (1) Veterans Community Living Centers - Rifle Veterans Community Living Center	FTE	110.6	0.0	110.6	0.0	0.0
	GF	$0	$0	$624,197	($624,197)	$0
	CF	$7,787,500	$0	$7,163,303	$624,197	$0
	RF	$0	$0	$0	$0	$0
	FF	$2,607,000	$0	$2,607,000	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department Priority: R-20
Request Detail: Adjust Veterans Community Living Center Reserves

Summary of Funding Change for FY 2021-22 Direct Pay				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$56,147,805*	*$56,147,805*	*$0*	*$0*
FTE	577.3	577.3	0.0	0.0
General Fund	$0	$2,669,922	($2,669,922)	$0
Cash Funds	$34,716,005	$32,046,083	$2,669,922	$0
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$21,431,800	$21,431,800	$0	$0

Summary of Funding Change for FY 2021-22 Cash Fund Transfer				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds			*$0*	
FTE			0.0	
General Fund			$5,000,000*	
Cash Funds			($5,000,000)*	
Reappropriated Funds			$0	
Federal Funds			$0	

* The Cash Fund Transfer does not impact the FY 2021-22 appropriations for the Veterans Community Living Centers, so no appropriation figures are shown.

Summary of Request

The Department requests a one-time decrease of $2,669,992 General Fund and a corresponding increase of $2,669,992 cash funds in the Veterans Community Living Centers (VCLCs) line item of the Services for People with Disabilities section of the Long Bill in FY 2021-22. The amount of this refinancing is based on the General Fund appropriation made for the VCLCs' direct care staff wage increase in the FY 2019-20 Long Bill. Using $2,669,922 less General Fund in this line item this year will contribute to the State's efforts to balance the budget.

In addition, the Department requests a one-time transfer of $5,000,000 cash funds from the VCLCs Cash Fund to the General Fund in FY 2021-22. The amount of the transfer is based on the projected cash balance in the VCLCs Cash Fund, also called the Central Fund, as of July 1, 2021 as well as the amount of funding the Department has determined is necessary to maintain as a balance in the Central Fund for future needs. Providing this amount from the Central Fund to the General Fund this year will also contribute to the State's efforts to balance the budget. These two adjustments will not impact services provided to the residents at the VCLCs.

This request is not considered on the State's evidence continuum as it is a refinancing of General Fund and transfer of cash funds to the General Fund.

Current Program:

The Veterans Community Living Centers consist of four Department-operated state veteran homes and one state veteran home operated by the Walsenburg local hospital district. The five VCLCs provide long-term care, short-term rehabilitation, domiciliary cottages, memory care services and end-of-life care to honorably discharged veterans, veterans' spouses and Gold Star parents. The VCLCs are located throughout the State in Aurora (Fitzsimons), Florence (McCandless), Monte Vista (Homelake), Rifle and Walsenburg (Spanish Peaks). Per Section 26-12-108(1)(b)(A), the "money in the central fund is continuously appropriated to the state department for the direct costs of the operation and administration of the veterans centers and for capital construction in connection with the veterans centers."

Problem or Opportunity:

The State is experiencing severe reductions in revenue as a result of the COVID-19 pandemic and has requested the Department identify areas for potential General Fund savings in FY 2021-22. Due to revenues consistently exceeding expenditures in aggregate for the VCLCs over the past several years, the Central Fund has grown from a balance of $18.9 million in FY 2014-15 to $26.2 million in FY 2018-19. As of July 1, 2020, the Central Fund balance was roughly $27.6 million. As a result, the Department requests to utilize $2,669,922 from the VCLC cash fund, known as the Central Fund, to offset that same amount in General Fund in the VCLCs line items in the Long Bill in FY 2021-22. In addition, the Department requests a one-time transfer of $5,000,000 cash funds from the VCLCs Cash Fund to the General Fund in FY 2021-22.

Table 1 shows the Department's projections for expenditures from the Central Fund from July 1, 2020 to July 1, 2022. With the two proposed reductions in the Central Fund in FY 2021-22 of $2,669,922 and $5,000,000, the Department projects that the Central Fund will have $9,179,258 remaining on July 1, 2022.

Table 1: Veterans Community Living Center Central Fund Projections FY 2020-21 Through FY 2021-22	
Central Fund Balance - July 1, 2020	**$27,560,612**
Projected Cash Outflow from Operation Loss in FY 2020-21	-$4,609,923
Refinance Direct Care Staff Pay Increase in FY 2020-21	-$2,669,922
Approved Capital Projects in FY 2020-21	-$2,210,704
Estimated Cost of Needs Assessment Project including RFP process	-$2,000,000
Projected Central Fund Balance - July 1, 2021	**$16,070,063**
Projected Cash Outflow from Operation Income in FY 2021-22	$779,117
Refinance Direct Care Staff Pay Increase in FY 2021-22*	-$2,669,922
Cash Fund transfer to General Fund in FY 2021-22*	-$5,000,000
Projected Cash Fund Balance on July 1,2022	**$9,179,258**
***These items are included in this request.**	

Proposed Solution:

To assist with the State's budget balancing efforts, the Department proposes to fund the direct care staff wage increase for the VCLCs in FY 2021-22 with funds from the Central Fund, which will result in a decrease of General Fund in the VCLCs line items of $2,669,922 in FY 2021-22. The pay increase affected 344 direct care staff positions in the VCLCs. In addition, the Department proposes a one-time transfer of $5,000,000 from the Central Fund to the General Fund in FY 2021-22. The VCLC Commission is aware of possible transfers of funds to assist with State budgetary shortfalls and understand everyone is doing their part.

Anticipated Outcomes:

Refinancing the General Fund appropriation for the direct care wage increase with funds from the Central Fund will contribute to the State's efforts to balance the budget for FY 2021-22. This one-time refinancing of $2,669,922 in the VCLCs line item will not impact the services that are provided to the residents at the VCLCs this year. Also, the one-time transfer of $5,000,000 from the Central Fund to the General Fund will assist with the State's budget balancing efforts for FY 2021-22 and will not impact the services that are provided to the residents.

The Department projects that the Central Fund will have $9,179,258 remaining in the Central Fund on July 1, 2022. Maintaining this level of funding in the Central Fund is necessary for a variety of potential uses as well as any other unexpected expenses or reductions in revenue that occur over the next several years. The following are just some of the ways in which this funding may be needed that are not factored into the budget projections in Table 1: unanticipated costs such as unplanned equipment failures that require replacement or capital improvements; greater than expected decreased revenue due to the impact of COVID-19 on the VCLCs population and/or greater than anticipated personnel costs as a result of COVID-19; implementation of recommendations that result from the needs assessment being conducted this year. However, utilizing the funds from the Central Fund for this purpose means those funds will not be available in future years for capital improvements or operating costs at the VCLCs.

Assumptions and Calculations:

The amount of this request is based on General Fund appropriations allocated for direct care wage increase in the FY 2019-20 Long Bill, and the available fund balance on July 1, 2020 in the Veterans Community Living Center Central Fund (See Table 1).

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-21 PACE - State Ombudsman Program Refinance

Dept. Approval By:	Clint Woodruff		Supplemental FY 2020-21
OSPB Approval By:	Ashley Carter		Budget Amendment FY 2021-22
		x	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	Total	$29,571,942	$0	$29,571,942	$0	$0
	FTE	1.0	0.0	1.0	0.0	0.0
	GF	$12,230,768	$0	$15,230,768	$0	$0
	CF	$16,181,041	$0	$13,181,041	$0	$0
	RF	$1,001,800	$0	$1,001,800	$0	$0
	FF	$158,333	$0	$158,333	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
10. Adult Assistance Programs, (D) Community Services for the Elderly, (1) Community Services for the Elderly - State Ombudsman Program	Total	$760,320	$0	$760,320	$163,250	$0
	FTE	1.0	0.0	1.0	0.0	0.0
	GF	$426,898	$0	$426,898	$163,250	$0
	CF	$173,289	$0	$173,289	$0	$0
	RF	$1,800	$0	$1,800	$0	$0
	FF	$158,333	$0	$158,333	$0	$0
10. Adult Assistance Programs, (D) Community Services for the Elderly, (1) Community Services for the Elderly - State Funding for Senior Services	Total	$28,811,622	$0	$28,811,622	($163,250)	$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$11,803,870	$0	$14,803,870	($163,250)	$0
	CF	$16,007,752	$0	$13,007,752	$0	$0
	RF	$1,000,000	$0	$1,000,000	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Department of Human Services

FY 2021-22 Funding Request

November 1, 2020

Jared Polis
Governor

Michelle Barnes
Executive Director

Department Priority: R-21
Request Detail: PACE-State Ombudsman Program Refinance

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$29,571,942*	*$29,571,942*	*$0*	*$0*
FTE	1.0	1.0	0.0	0.0
General Fund	$12,230,768	$15,230,768	$0	$0
Cash Funds	$16,181,041	$13,181,041	$0	$0
Reappropriated Funds	$1,001,800	$1,001,800	$0	$0
Federal Funds	$158,333	$158,333	$0	$0

Summary of Request

The Department requests a net zero adjustment of $163,250 total funds in FY 2021-22 and beyond, which includes an increase of $163,250 General Fund in the State Ombudsman Program Line Item and a decrease of $163,250 in the State Funding for Senior Services Line Item. The purpose of this request is to provide ongoing funding for the State Ombudsman for the Program for All-inclusive Care of the Elderly (PACE). The State PACE Ombudsman position, established as a result of SB16-199, has been funded by a grant from the NextFifty Initiative for the five year period of FY 2016-17 through FY 2020-21. However, the funding from NextFifty Initiative is anticipated to end on June 30, 2021 due to the end of its legal obligation to provide the funding for this position. This request will ensure that PACE participants have methods for having their complaints investigated and resolved going forward and that the Department is able to meet its statutory obligation for a State PACE Ombudsman Program. This program is currently a Step 2 on the State's evidence continuum with data collected and analyzed about the outputs of the program and anecdotal evidence of the program's impact on participants.

Current Program:

The Department contracts with Disability Law Colorado to operate both the State Long Term Care (LTC) Ombudsman program and the State PACE Ombudsman program. These State Ombudsmen are responsible for training, certifying and overseeing local ombudsmen that are hired by Area Agencies on Aging (AAA). There are roughly 70 local LTC ombudsmen and 2 local PACE ombudsmen in the State. Across Colorado, ombudsmen protect and promote rights, quality of care, and quality of life for older adults. Colorado's ombudsmen investigate and resolve complaints on behalf of residents. Ombudsmen provide information and education to residents, families, staff and community professionals on the rights of people living in long-term care settings and older adult participants in PACE programs.

PACE programs in Colorado offer comprehensive medical care and social services to approximately 5,000 people who are 55 years of age and older and who have nursing home level of care needs. The program is designed to maintain older adult’s independence in their home or community of choice for as long as possible by providing the entire continuum of care and services for their chronic care needs.

SB 16-199 established the State PACE Ombudsman Program (Program) to ensure that PACE participants had a mechanism by which complaints could be investigated and resolved. The Program provides free independent advocacy to help PACE participants and their families navigate the complex delivery system and understand their right to quality care.

Over the past four years, the Program has proven to be a valuable service to older adults receiving PACE services. It fills the need for complaint resolution not addressed through any other means. In 2019, the State PACE Ombudsman and local PACE Ombudsmen investigated 565 complaints involving 368 cases. The top complaints expressed by PACE participants included care coordination issues, access to services, enrollment and disenrollment issues, appeals and grievance knowledge and issues with timeliness to service delivery requests. One area in which this Program has proven to be particularly valuable has been in helping to address behavioral and mental health needs of older adults served. PACE organizations continue to struggle with addressing the complex care needs of people who live with behavioral and mental health related issues. The State PACE Ombudsman is working collaboratively with the Department of Health Care Policy and Financing on efforts to improve the quality of these services for PACE participants.

Problem or Opportunity:

NextFifty Initiative is a foundation created in 2016 as a result of Innovage going from nonprofit status to becoming a private company. Innovage operates several PACE programs throughout the State. Due to concerns from stakeholders that this change in status would result in less focus on the health, safety and welfare of the older adults served, the agreement between the Attorney General’s Office and Innovage for this transition included a requirement that NextFifty Initiative fund a PACE Ombudsman for the State for the first five years after the change in status. The five year period for NextFifty Initiative funding ends on June 30, 2021. The Department anticipates that NextFifty Initiative will not choose to continue funding for this program after the required time period expires and will instead choose to use its resources to fund other organizations and projects from the many grant applications they receive each year.

SB 16-199 established in statute the requirement for the Department to contract with a vendor to operate the Program. Specifically, Section 26-11.5-104(4), C.R.S. requires a "state PACE ombudsman office (to be) established in the state long-term care ombudsman program to carry out the duties set forth in section 26-11.5-113". Without the addition of General Fund to the State Ombudsman Program line item, the Department will be unable to meet its statutory obligation for the Program.

In addition, lack of funding for the Program would eliminate PACE participants' only resource for complaint resolution. Sustainable funding needs to be established to meet the growing numbers of PACE participants across a large and diverse geographic area. It is anticipated that the number of participants in the PACE programs across Colorado will continue to expand and, therefore, the number of complaints the State PACE Ombudsman receives will also increase. This funding is imperative for the Program to continue. This request is driven by statute and is an ongoing request.

Proposed Solution:

As shown in Tables 1 and 2, the Department requests an increase of $163,250 General Fund to the State Ombudsman Program Line Item and a corresponding decrease of $163,250 from the State Funding for Senior Services line item in FY 2021-22 and beyond to fund the Program. The Department is making this budget-neutral request for FY 2021-22 and beyond by transferring the needed General Fund from the State Funding for Senior Services line item.

Table 1: Proposed Changes to the State Ombudsman Program Line Item

	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2020-21 (including $163,250 in Cash Funds from Next Fifty for State PACE Ombudsman)	$760,320	$426,898	$173,289	$1,800	$158,333
Requested FY 2021-22 and Beyond General Fund transfer to State Ombudsman line item	$163,250	$163,250	0	0	0
Total FY 2021-22 and Beyond with Requested Amount Transferred	$923,570	$590,148	$173,289	$1,800	$158,333

Table 2: Proposed Changes to the State Funding for Senior Services Line Item				
	Total	General Fund	Cash Funds	Reappropriated Funds
FY2020-21	$28,811,622	$11,803,870	$16,007,752	$1,000,000
Requested FY 2021-22 and Beyond General Fund transfer from State Funding For Senior Services line item	($163,250)	($163,250)	$0	$0
Total FY 2021-22 and Beyond Amount with Requested Amount Transferred	$28,648,372	$14,640,620	$13,007,752	$1,000,000

The Department believes this program is a Step 2 on the Evidence Continuum. This program is an important method of improving quality and maintaining safety of vulnerable adults receiving PACE services. The PACE Ombudsman tracks the number of reports and investigations provided to over 5,000 recipients of PACE services each year and investigated 565 complaints in 2019.While data is collected on the program's activities, there is not currently data collected and evaluated on the outcomes of the program other than anecdotal evidence as reported by program participants that it has positively impacted their lives. As a result, this program would not be identified as Step 3 on the Continuum.

Anticipated Outcomes:

With the requested transfer of $163,250 General Fund to the State Ombudsman Program line item from the State Funding for Senior Services line item for FY 2021-22 and beyond, the Department will be equipped to continue having an impact in the lives of PACE participants by continuing this important Program. In addition, this will not be a significant enough reduction of the General Fund from the State Funding for Senior Services line item to drastically impact services for older adults funded through that line item.

The impact of the Program over the past four years is clear. There are a number of times in which the PACE Ombudsman has assisted participants in addressing communication challenges and delayed service requests. For example, the PACE Ombudsman received a call from a PACE participant indicating that they had been dealing with an infection for the last three months and had reached out to the PACE organization multiple times with no response. The participant has stopped reaching out to the social worker as the participant has had three different social workers in the last year. The participant further indicated that it was difficult to reach out to different departments within the PACE organization and it would be easier if there was one point of contact. The PACE Ombudsman was able to assist participant to have one point of contact with a PACE staff person that the participant felt most comfortable with who became the one that relays and submits all service deliver requests for the participant.

If this request is not approved, the Program will end July 1, 2021 and the Department will be out of compliance with statutory requirements.

Assumptions and Calculations:

Table 3 shows the funding amounts for the State Ombudsman Program line item and the State Funding for Senior Services line item in FY 2020-21 as well as the amounts they would be in FY 2021-22 if the adjustments in this request are made. Because this request is for a net-zero change, the total funding amount of these two line items combined equals the amounts listed in the Summary Table on Page 1 of this request for these fiscal years, even though that table contains the base amount for FY 2021-22.

Table 3: State Ombudsman Program and State Funding for Senior Services					
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 20-21 State Ombudsman Program line item	$760,320	$426,898	$173,289	$1,800	$158,333
FY 20-21 State Funding for Senior Services line item	$28,811,622	$11,803,870	$16,007,752	$1,000,000	$0
FY 20-21 Total Combined	**$29,571,942**	**$12,230,768**	**$16,181,041**	**$1,001,800**	**$158,333**
FY 21-22 State Ombudsman line item Request*	$923,570	$590,148	$173,289	$1,800	$158,333
FY 21-22 State Funding for Senior Services line item Request*	$28,648,372	$14,640,620	$13,007,752	$1,000,000	$0
FY 21-22 Total Combined	**$29,571,942**	**$15,230,768**	**$13,181,041**	**$1,001,800**	**$158,333**

*These amounts reflect the request to move $163,250 General Fund from the State Funding for Senior Services line item to the State Ombudsman Program line item beginning in FY 2021-22.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-22 Adjust Collaborative Management Incentive Funding

Dept. Approval By: Clint Woodruff

OSPB Approval By: Ashley Clark

___		**Supplemental FY 2020-21**
___		**Budget Amendment FY 2021-22**
X		**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$4,500,000**	**$0**	**$4,500,000**	**($750,000)**	**$750,000**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,500,000	$0	$1,500,000	($750,000)	$750,000
	CF	$3,000,000	$0	$3,000,000	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
05. Division of Child Welfare, (A) Division of Child Welfare, (1) Division of Child Welfare - Performance-based Collaborative Management Incentives	**Total**	**$4,500,000**	**$0**	**$4,500,000**	**($750,000)**	**$750,000**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,500,000	$0	$1,500,000	($750,000)	$750,000
	CF	$3,000,000	$0	$3,000,000	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department Priority: R-22
Request Detail: Adjust Collaborative Management Incentive Funding

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$4,500,000*	*$4,500,000*	*($750,000)*	*$750,000*
FTE	0.0	0.0	0.0	0.0
General Fund	$1,500,000	$1,500,000	($750,000)	$750,000
Cash Funds	$3,000,000	$3,000,000	$0	$0
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$0	$0	$0	$0

Summary of Request

The Department requests a one-time General Fund reduction of $750,000 (17% of total funding) to the Collaborative Management Program (CMP) incentives line item in FY 2021-22. This annual appropriation is allocated to counties based on performance measures selected in their Memorandum of Understanding (MOU), as well as any identified social service gaps within their communities. These funds can be used for prevention programs or can be reinvested in services for multi-system involved children and families.

A reduction in CMP incentives will not impact traditional child welfare service delivery such as investigating abuse and neglect allegations or providing support when the safety of a child is of concern.

This is between a Step 3 and Step 4 program on the State's evidence continuum. The outcome evaluation for CMP is in part a non-experimental study, with a quasi-experimental component comparing youth participating in CMP with those who do not. However, as detailed in the Proposed Solutions section, the evaluation assesses the impact of the collaborative structures and services themselves, not the incentive component the Department proposes to reduce.

Current Program:

Funding for the performance-based Collaborative Management Program originated in HB 04-1451 to provide the Department with spending authority for incentives funds to counties. The bill authorized county departments of human and social services to enter into a Memorandum of Understanding with local representatives of various agencies. These MOUs are designed to promote a collaborative system of services to multi-system involved children and families or those at risk for multi-system involvement. If a county department elects to enter into an MOU for the program, participation by local representatives is required.

Parties to each MOU are required to establish collaborative management processes that are designed to reduce duplication and eliminate fragmentation of services; increase the quality, appropriateness, and effectiveness of services; integrate services for multi-system involved children and families; and encourage cost sharing among service providers. Parties to an MOU agree to meet certain performance measures specified by the Department. Funds from the Collaborative Management Incentives program are allocated once the county achieves the agreed-upon performance measures.

In order to be eligible for the incentives, the county must, in addition to submitting a Memorandum of Understanding to CDHS:

1. include all 10 mandatory partners: county departments of human/social services, local judicial districts, health departments, school districts, community mental health centers, behavioral health organizations, probation departments, DYS, domestic violence service providers, and managed service organizations for the treatment of drugs and alcohol;
2. establish a collaborative process that addresses risk sharing, resource pooling, performance expectation, outcome monitoring, and staff training; and
3. implement Individualized Services and Support Teams (ISST) through which integrated services are delivered to children and families who would benefit from integrated multi-agency services.

The current spending authority consists of cash funds from the Performance-based Collaborative Management Incentive Cash Fund created in Section 24-1.9-104 (1) C.R.S. (2020), and through SB 15-241. Cash funds are derived from docket fees in civil actions (petitioner and respondent fees for dissolution of marriage or civil union, legal separation of marriage or civil union, declaration of invalidity of marriage or civil union, and declaratory judgment concerning the status of marriage or civil union), as specified in Section 13-32-101 (1)(a), C.R.S. (2020). In addition to the cash funds, the General Assembly annually appropriates General Fund dollars to the program.

Problem or Opportunity:

The State faces a probable revenue shortfall for FY 2021-22 in relation to the COVID-19 outbreak and resulting impact on the economy. The Department is proposing this reduction in an effort to make General Fund available for other critical purposes.

Proposed Solution:

The Department proposes a reduction to the Collaborative Management Program (CMP) incentives appropriation in the amount of $750,000 total funds/General Fund as a one-time initiative to reduce spending from the General Fund. Although this action will reduce the amount of incentives to be reinvested in services for multi-system involved children and families, it will lessen expenditures from the General Fund by shifting $750,000 away from the Collaborative Management Incentives program back into the General Fund.

This is between a Step 3 and Step 4 program on the State's evidence continuum. As previously noted, the outcomes evaluation is a blend of non-experimental, descriptive research design as well as quasi-experimental study using a comparison pool with propensity score matching. As noted in the following anticipated Outcomes section, even though children involved in this program are at higher risk of multisystem involvement, there are notable positive outcomes (less likely to later experience abuse/neglect, less likely to be involved in the juvenile justice system, and likelier to be connected with services) and decreased child welfare costs when compared with peers with similar backgrounds and challenges.

Of note, the proposed reduction of $750,000 is unlikely to reduce the collaborative management structures themselves. The incentive funds are provided to counties that meet the criteria described in the Current Program section above, but notably do not fund collaborative management as a practice. Instead, the counties receiving incentive funds have wide latitude to use the incentive funds to support any activity that could reduce system involvement. As funds through the Child Welfare Block and Core Services Block may be used for this same purposes, a one-time decrease in CMP incentives is unlikely to cause a significant lasting reduction in these services and programs.

Anticipated Outcomes:

A reduction to the CMP incentives will not impact traditional child welfare service delivery or jeopardize the existing collaborative structures developed by counties under CMP. For instance, investigating abuse and neglect allegations or providing support when the safety of a child is of concern would continue to be the same regardless of a reduction in the CMP incentives.

In FY 2018-19 (the most recent program evaluation)[1], forty-three counties selected child welfare performance measures that would demonstrate positive outcomes from

[1] Social Work Research Center, Colorado State University. 2019. "Collaborative Management Evaluation Report: State Fiscal Year 2019."

the services provided and decreased entry into the child welfare system. These measures were applied to upwards of 6,344 clients that were involved in child welfare and at least one other system, such as juvenile justice and/or behavioral health. The program had high levels of success in various Child Welfare Performance Goals, though not all measures were evaluated using a rigorous methodology or control group (see Table 1). As pre- and post- measures, 94.5% of clients had no substantiated abuse findings after CMP services began; 90.9% of children/youth remained at home; and 88.1% of the clients served had two or fewer placement moves while in out-of-home care. Table 1 illustrates the number of child welfare clients served by each performance measure and the success rates in achieving the performance measure.

Table1: ***Child Welfare Performance Goals***

Performance Measure	Indicator	# Children and Youth with Goal	Percentage Achieving Goal in FY 2018-19
Increase safety of children/youth	Percent of CMP children/youth with no new open involvements in Trails after CMP services began	6,344	94.5%
Decrease number of children/youth involved in child welfare	Percent of CMP children/youth with no substantiated abuse or neglect findings after CMP services began	6,344	93.6%
Increase number of children/youth who remain home	Percent of children/youth who remain in their home (without a removal) during CMP involvement	4,824	90.9%
Increase placement stability of children/youth	Percent of CMP children/youth who experience two or fewer moves while in out of home placement	2,047	88.1%
Increase permanency of children/youth	Percent of CMP children/youth discharged to a permanent home (adoption, reunification, legal guardianship)	2,047	65.9%

In FY 2018-19 the CMP served 4,700 clients in a prevention program and total of 6,582 clients that were involved in multiple systems. The majority of those clients were between the ages of 12 and 16 years of age.

While a reduction of $750,000 could reduce the availability of services paid for with incentive funds, counties may continue to fund these programs using other funding streams such as Medicaid, the Child Welfare Services Block, or the Core Services Block. As noted above, the CMP structures and cross-systems collaborations are unlikely to be affected by this reduction.

Assumptions and Calculations:

The Department proposes a reduction in General Fund totaling $750,000 in order to maintain funding if the cash fund source (i.e., court fees) significantly decreases due to the COVID-19 pandemic.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-23 Align Contracted Youth Services with Caseload

Dept. Approval By:	Clint Woodruff		Supplemental FY 2020-21
OSPB Approval By:	Ashley Clark		Budget Amendment FY 2021-22
		x	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$10,516,257**	**$0**	**$11,861,073**	**($2,374,300)**	**($2,374,300)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$9,397,480	$0	$10,732,919	($2,310,266)	($2,310,266)
	CF	$0	$0	$0	$0	$0
	RF	$468,750	$0	$468,750	$101,896	$101,896
	FF	$650,027	$0	$659,404	($165,930)	($165,930)

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
11. Division of Youth Services, (C) Community Programs, (1) Community Programs - Purchase of Contract Placements	**Total**	**$10,516,257**	**$0**	**$11,861,073**	**($2,374,300)**	**($2,374,300)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$9,397,480	$0	$10,732,919	($2,310,266)	($2,310,266)
	CF	$0	$0	$0	$0	$0
	RF	$468,750	$0	$468,750	$101,896	$101,896
	FF	$650,027	$0	$659,404	($165,930)	($165,930)

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department Priority: R-23
Request Detail: Align Contracted Youth Services with Caseload

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$10,516,257*	*$10,861,073*	*($2,374,300)*	*($2,374,300)*
FTE	0.0	0.0	0.0	0.0
General Fund	$9,397,480	$10,732,919	($2,310,266)	($2,310,266)
Cash Funds	$0	$0	$0	$0
Reappropriated Funds	$468,750	$468,750	$101,896	$101,896
Federal Funds	$650,027	$659,404	($165,930)	($165,930)

Summary of Request

The Department requests an ongoing reduction of $2,374,300 total funds, including a decrease of $2,310,266 General Fund, a decrease of $165,930 federal funds, and an increase of $101,896 reappropriated funds in FY 2021-22. The changes in funding are due to savings incurred based on a lower caseload forecast of committed youth and a reduction in contracted services.

The Division is serving 117.5 youth in contracted residential placements in FY 2020-21 and anticipates serving 88.2 youth in FY 2021-22. This request represents a 24.5% reduction in the General Fund to correspond with the 24.9% reduction in caseload compared to Fiscal Year 2019-2020. The decline in the committed population is being largely realized in the Contracted Placement population as the population being served in the State facilities is relatively constant.

This request is not considered on the State's evidence continuum as it is a reduction of funding to align the appropriation with projected caseload related expenditures

Current Program:

The Division of Youth Services (DYS) is charged with providing residential treatment for youth committed to the custody of the Department. Youth are assessed and classified based upon the need for secure placement, staff-supervised placement, or community-level placement. DYS operates twelve State-owned secure facilities, seven of which serve committed youth. In addition, the State also places youth at a State-owned, privately operated facility located in Watkins, Colorado as well as across the state in multiple private residential provider placements. The expenditures for private, contract providers, including those operating in State-owned facilities, are funded within the Purchase of Contract Placements line. Limited research exists in regard to the efficacy of residential treatment for youth in juvenile correctional settings. Applying elements of such research to a reduction in the Purchase of Contract Placements line would be difficult and of limited value.

Traditionally, the Division adjusts the need for placement with private providers in conjunction with the total commitment population forecast and corresponding State facility capacity.

Problem or Opportunity:

The Department's funding for the Purchase of Contract Placements line item is driven by the commitment Average Daily Population (ADP). The General Assembly used the December 2019 Legislative Council Staff juvenile commitment forecast for FY 2019-20 as a basis for the current FY 2020-21 appropriation, resulting in a projected ADP of 452.0 youth. While no updated forecast is available until December 2020, the Division is forecasting the population in total to continue to decrease. The Division is forecasting a committed ADP of 405.6 which is a decline of 46.4 youth from budgeted levels for FY 2020-21.

The current ADP is forecast and a resulting number of youth are placed in contracted residential placements. While the overall committed population continues to fall, placement in State facilities stays stable, and the result is a declining need for contracted residential provider placements. However, the State capacity has also changed slightly- absorbing 15 fewer youth that will now be placed in contracted placement. The problem (a reduction in Average Daily Population resulting in a surplus in the Purchase of Contract Placements line), is caused by a long-term reduction in the number of youth committed to the custody of the Department by district court judges. This trend has occurred nationwide. Although many theories have been identified, no causal relationships have been established to explain the decrease in juvenile arrests, juvenile court filings and finally, commitments to juvenile corrections systems.

Proposed Solution:

The Department of Human Services requests a decrease in total funds of $2,374,300 including a decrease of $2,310,266 General Fund, a decrease of $165,930 federal funds and an increase of $101,896 reappropriated funds in FY 2021-22 for the Division of Youth Services. The increase in reappropriated funding is due to increased costs per youth for behavioral health treatment which is obtained through Medicaid.

The savings are due to a caseload reduction of 46.4 youth, which is being captured in this line item, and generally does have some impacts elsewhere in DYS. However, the decline in caseload is being realized mainly in contracted residential placements, whereas the ADP for State facilities is fairly constant. Thus, there are not savings to be realized for youth in State facilities in terms of medical needs, etc. The total caseload that is falling will eventually yield a lower caseload in paroled youth in the outyears. The caseload declines experienced over the past years that are now resulting in lower numbers of paroled youth are being accounted for in a separate item to decrease the Parole & Transitions services line item. DYS will continue to monitor this need and will submit a future decision item with a corresponding reduction if appropriate.

The Department is unaware of research regarding reductions in funding for private residential programs for committed populations when such populations decline and the supply of clients no longer exists to fill the placements. There are a number of possible consequences that may be the result of one or more developments across the juvenile justice and human services system. The reduction in committed ADP falls at a time when the Family First Prevention Services Act (Family First) has created dramatic changes for private residential providers. Changes as a result of implementation of Family First may include the reduction of available placement capacity and possibly the closure of private contract placement programs that normally serve both DYS committed youth and youth placed through county departments of human services.

Anticipated Outcomes:

The proposed solution is to match the reduction in the Purchase of Contract Placements line item with the reduction in the ADP of committed youth in contract placements. A greater reliance on State facilities may, if juvenile commitments begin to rise again in the future, limit the available options for placement.

Assumptions and Calculations:

Contract bed requirements (and funding for placement with private residential providers) is determined by subtracting the forecasted Average Daily Population from 95% of the State facility capacity.

State facility capacity in FY 2021-22 is derived using total capacity at 95% as follows:

- Grand Mesa YSC 40.0
- Lookout Mountain YSC 96.0
- Mount View YSC 90.0
- Platte Valley YSC 48.0
- Spring Creek YSC 60.0
    - Total 334.0
    - At 95% 317.3 ADP

Services for substance use programs have been reduced commensurate with the declining committed population.

Table 1: FY 2020-21 Existing Funding Caseload:

FY 2020-21	Commitment ADP	% of Committed ADP
Forecasted ADP	452.0	100%
Less Boulder Impact ADP	-2.0	0%
Less State Capacity @95%	-332.5	74%
Net Contracted Beds	**117.5**	26%

Table 2: FY 2020-21 Existing Funding Cost:

	ADP	Rate	Days	Total	GF	Reapp	Federal
Contract Facilities	**117.5**	$215.87	365	$9,258,125	$9,258,125		
Substance Abuse Programs	55.0	$42.12	365	$ 845,559	$ 845,559		
Medicaid	117.5	$4,011.95	365	$471,404		$471,404	
IV-E Federal	16.5	$109.49	365		($659,404)		$659,404
Provider Rate Decrease				($58,831)	($46,800)	($2,654)	($9,377)
Current Funding				**$10,516,257**	**$9,397,480**	**$468,750**	**$650,027**

Table 3: FY 2021-22 Projected Caseload:

FY 2020-21	Commitment ADP	% of Committed ADP
Forecasted ADP	405.6	100%
Less Boulder Impact ADP[1]	0.0	0%
Less State Capacity @95%	-317.3	76%
Net Contracted Beds	88.3	22%

[1] See FY 2021-22 budget request R-16 Transition Single-District Program to Reflect Caseload

Table 4: FY 2021-22 Projected Cost:

	ADP	Rate	Days	Total	GF	Reapp	Federal
Contract Facilities	88.2	$215.87	365	$6,949,503	$6,949,503		
Substance Abuse Programs	44.1	$42.12	365	$ 677,985	$677,985		
Medicaid	88.2	$6,500.00	365	$573,300		$573,300	
IV-E Federal	12.3	$109.49	365		($493,474)		$493,474
Provider Rate Decrease				($58,831)	($46,800)	($2,654)	($9,377)
Estimated Need				**$8,141,957**	**$7,087,2144**	**$570,646**	**$484,097**
Current Funding				**$10,516,257**	**$9,397,480**	**$468,750**	**$650,027**
Reduction				**($2,374,300)**	**($2,310,266)**	**$101,896**	**($165,930)**

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-24 Administration Efficiency and Vacancy Savings

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.26 17:13:58 -06'00'

OSPB Approval By: Ashley Clark

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
x	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	Total	$144,384,258	$0	$169,865,404	($1,430,375)	($1,430,375)
	FTE	1,056.7	0.0	1,056.7	(13.5)	(13.5)
	GF	$116,328,216	$0	$135,604,412	($1,230,073)	($1,230,073)
	CF	$725,386	$0	$3,762,003	$0	$0
	RF	$22,215,666	$0	$15,792,021	($200,302)	($200,302)
	FF	$5,114,990	$0	$14,706,968	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
01. Executive Director's Office, (A) General Administration, (1) General Administration - Health, Life, And Dental	Total	$39,282,023	$0	$57,319,485	($140,587)	($140,587)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$23,514,845	$0	$36,215,620	($120,186)	($120,186)
	CF	$510,059	$0	$2,486,040	$0	$0
	RF	$12,142,857	$0	$9,539,063	($20,401)	($20,401)
	FF	$3,114,262	$0	$9,078,762	$0	$0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Short-Term Disability	Total	$470,820	$0	$477,883	($1,669)	($1,669)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$313,062	$0	$316,592	($1,427)	($1,427)
	CF	$882	$0	$17,298	$0	$0
	RF	$137,495	$0	$68,016	($242)	($242)
	FF	$19,381	$0	$75,977	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
01. Executive Director's Office, (A) General Administration, (1) General Administration - Amortization Equalization Disbursement	Total	$14,270,203	$0	$15,434,290	($49,071)	($49,071)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$9,481,824	$0	$10,212,938	($41,950)	($41,950)
	CF	$27,697	$0	$549,843	$0	$0
	RF	$4,108,133	$0	$2,233,354	($7,121)	($7,121)
	FF	$652,549	$0	$2,438,155	$0	$0
01. Executive Director's Office, (A) General Administration, (1) General Administration - S.B. 06-235 Supplemental Equalization Disbursement	Total	$14,269,957	$0	$15,434,290	($49,071)	($49,071)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$9,480,362	$0	$10,212,938	($41,950)	($41,950)
	CF	$27,769	$0	$549,843	$0	$0
	RF	$4,108,947	$0	$2,233,354	($7,121)	($7,121)
	FF	$652,879	$0	$2,438,155	$0	$0
11. Division of Youth Services, (B) Institutional Programs, (1) Institutional Programs - Personal Services	Total	$63,103,613	$0	$67,931,223	($328,772)	($328,772)
	FTE	961.0	0.0	961.0	0.0	0.0
	GF	$63,103,613	$0	$67,931,223	($328,772)	($328,772)
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0
11. Division of Youth Services, (B) Institutional Programs, (1) Institutional Programs - Operating Expenses	Total	$4,833,937	$0	$4,962,937	($3,325)	($3,325)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$3,356,124	$0	$3,485,124	($3,325)	($3,325)
	CF	$70,000	$0	$70,000	$0	$0
	RF	$1,392,668	$0	$1,392,668	$0	$0
	FF	$15,145	$0	$15,145	$0	$0
11. Division of Youth Services, (C) Community Programs, (1) Community Programs - Personal Services	Total	$7,604,500	$0	$7,756,091	($848,380)	($848,380)
	FTE	95.7	0.0	95.7	(13.5)	(13.5)
	GF	$6,546,926	$0	$6,698,517	($684,863)	($684,863)
	CF	$82,698	$0	$82,698	$0	$0
	RF	$314,102	$0	$314,102	($163,517)	($163,517)
	FF	$660,774	$0	$660,774	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	$549,205	$0	$549,205	($9,500)	($9,500)
11. Division of Youth Services, (C) Community Programs, (1) Community Programs - Operating Expenses	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$531,460	$0	$531,460	($7,600)	($7,600)
	CF	$6,281	$0	$6,281	$0	$0
	RF	$11,464	$0	$11,464	($1,900)	($1,900)
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department Priority: R-24
Request Detail: Administrative Efficiency and Vacancy Savings

Summary of Funding Change for FY 2021-22				
	Totals		**Incremental Change**	
	FY 2020-21 Appropriation	**FY 2021-22 Base**	**FY 2021-22 Request**	**FY 2022-23 Request**
Total Funds	*$144,384,258*	*$169,865,404*	*($1,430,375)*	*($1,430,375)*
FTE	1,056.7	1,056.7	(13.5)	(13.5)
General Fund	$116,328,216	$135,604,412	($1,230,073)	($1,230,073)
Cash Funds	$725,386	$3,762,003	$0	$0
Reappropriated Funds	$22,215,666	$15,792,021	($200,032)	($200,032)
Federal Funds	$5,114,990	$14,706,968	$0	$0

Summary of Request

The Department requests an ongoing reduction of $1,430,375 total funds, $1,230,073 General Fund, $200,032 reappropriated funds, and a reduction of 13.5 FTE in multiple line items in FY 2021-2022 and beyond. These reductions will include the elimination of the Medical Management Oversight Unit, a reduction in FTE in Client Management staff, a reduction of Administrative Review Division (ARD) personnel, and a reduction in the Division of Youth Services (DYS) Research Unit. These reductions represent several different priorities. The reductions in Client Management positions and in ARD personnel are directly associated with a reduction in caseload, i.e. Average Daily Population (ADP). This will not impact service provision. The elimination of the Medical Management Oversight Unit and the DYS Research position represent efficiencies as other staff will be able to absorb these duties without an impact to the quality of medical care provided in facilities or research. Reducing positions associated with caseload and creating efficiencies are mechanisms to ensure the DYS's core mission, vision, and services are protected.

The proposed General Fund reduction was determined by the Department to have little impact on services to youth in Youth Centers and the least amount of impact to other stakeholders or to outcomes.

This request is not considered on the evidence-based policy continuum as it is a reduction of funding to align the appropriation with administrative support functions to support the DYS programs.

Current Program:

The Department's DYS operates twelve State-owned secure youth centers for detention and commitment. In addition, the State also places youth in a State-owned, privately operated youth center located in Watkins, Colorado as well as across the state in multiple private residential provider placements. The expenditures listed in the summary are funded from the General Fund in multiple line items, including Institutional Programs Personal Services, Community Programs Personal Services, and Community Programs Operating. Research or evidence isn't applicable in the proposal to reduce and/or eliminate certain services based upon a caseload reduction or to create efficiencies.

Problem or Opportunity:

The State faces a probable revenue shortfall for FY 2021-22 in relation to the COVID-19 outbreak and resulting impact on the economy. The Department is proposing this reduction in an effort to make General Fund available for other critical programs.

Proposed Solution:

The proposed General Fund reduction was determined by the Department to have little impact on services to youth in youth centers and the least amount of impact to other stakeholders or to outcomes.

The Department proposes a reduction of $1,430,375 in the multiple line items, which will include the elimination of the Medical Management Oversight Unit (4.0 FTE), a reduction of 6.0 FTE in Client Management staff, a 1.5 FTE reduction of Administrative Review Division personnel, 1.0 FTE in the 24-Hour Monitoring unit, and a 1.0 FTE reduction in DYS Research.

The Department chose these reductions as they are aligned with a caseload reduction and do not represent a reduction in service provision or they represent creating efficiencies in operations that also do not impact service delivery. The Department is not proposing the elimination of a program or process, rather these reductions ensure staffing levels are commensurate with caseload reductions. Table 1 illustrates these reductions.

Table 1: Summary of reductions

FTE	Unit	Total Cost	GF	RF	Source
-6.0	Client Managers	($553,246)	($553,246)		Table 3
-4.0	Medical Management Oversight	($400,604)	($200,302)	($200,302)	Table 4
-1.5	ARD Reviewers	($138,879)	($138,879)		Table 5
-1.0	24 Hour Monitoring Unit	($108,895)	($108,895)		Table 6
-1.0	DYS Research	($154,251)	($154,251)		Table 7
	Community Programs/Client Research Contrac	($74,500)	($74,500)		
-13.5	TOTAL	($1,430,375)	($1,230,073)	($200,302)	

Note: Amounts are calculated based on the average salary of existing employees in similar positions.

Client Managers: DYS is currently using a ratio of 12 youth clients per Client Manager; this reduction will change the caseload to 13 youth clients per Client Manager.

Medical Management Oversight: The existing management structure within the current Behavioral Health & Medical Services program includes two Medical Operations Coordinators, one National Commission on Correctional Health Care (NCCHC) Coordinator, and one Quality Review Coordinator. NCCHC accreditation allows for oversight of medical operations in DYS sites. These existing staff can absorb the critical functions that are currently being performed by the Nurse III positions in Medical Management. The Health Professional IV function in Medical Management has been vacant for over a year and has already been absorbed. The duties of the Health Professional III are largely clerical. DYS is overseen by a third party medical authority (Chief Medical Officer and Psychiatric Medical Director) that makes regular decisions as to DYS medical practice and protocols and conducts an annual review of policies to monitor for changing applicable standards. In addition, a pharmacist conducts quarterly pharmacy audits of all DYS Youth Centers. The compliance review standards and monitoring thereto can be reviewed by the Quality Review Coordinator and NCCHC Coordinator with oversight by the Medical Operations Coordinators (2) on a monthly basis as a replacement for the annual compliance review process.

ARD Reviewers: The DYS caseload has fallen from approximately 400 youth to a current population of an estimated 100 to 115 in contracted residential placements. A standard caseload is estimated at 200 youth per reviewer. The Division is suggesting a 1.5 FTE reduction with one 0.5 FTE remaining to handle the existing caseload.

24 Hour Monitoring Unit: The positions currently associated with this unit are no longer necessary as they are not providing direct care services to youth in youth centers and can be eliminated. The workload of the unit for DYS is related somewhat to the caseload of DYS youth who are placed in contracted placement. This number has declined significantly since the creation of this unit.

DYS Research: DYS' restructure to a Data Management and Analysis (DMA) Unit has absorbed the research functionality and can reduce this area by 1 FTE.

Community Programs/Client Research Contract: This is an outside contracted service for data analysis that can be reduced by half.

Anticipated Outcomes:

The Department recognizes this reduction may produce larger workloads for DYS staff in affected areas. However, these reductions may be absorbed with minimal impact to youth services, and to stakeholders overall, positively or negatively.

Assumptions and Calculations:

The following table is a summary of Long Bill appropriations and the impact of this proposal.

Table 2: Appropriation Impact by Action

	11) B) Institutional Programs		11) C) Community Programs		EDO (POTS)	Total	GF	RF
	Personal Services	Operating	Personal Services	Operating				
Client Managers			$ (446,847)	$ (5,700)	$ (100,699)	$ (553,246)	$ (553,246)	
Medical Mgt Oversight			$ (327,033)	$ (3,800)	$ (69,771)	$ (400,604)	$ (200,302)	$ (200,302)
ARD Reviewers	$ (107,627)	$ (1,425)			$ (29,827)	$ (138,879)	$ (138,879)	
24 Hour monitoring	$ (89,777)	$ (950)			$ (18,168)	$ (108,895)	$ (108,895)	
DYS Research	$ (131,368)	$ (950)			$ (21,933)	$ (154,251)	$ (154,251)	
Client Mgt Research Contract			$ (74,500)			$ (74,500)	$ (74,500)	
	$ (328,772)	$ (3,325)	$ (848,380)	$ (9,500)	$ (240,398)	$ (1,430,375)	$ (1,230,073)	$ (200,302)

The following tables below provide detail on these proposed reductions:

Table 3: Client Manager Reduction

CLIENT MANAGERS					
Expenditure Detail		FY 2021-22		FY 2022-23	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
YOUTH SERV COUNSELOR II	$2,550	6.0	$397,728	6.0	$ 397,728
Total Base Salary for benefits			$397,728		$397,728
PERA			$43,352		$43,352
AED			$19,886		$19,886
SAED			$19,886		$19,886
Medicare			$5,767		$5,767
STD			$676		$676
Health-Life-Dental			$60,251		$60,251
Subtotal Personal Services		6.0	**$547,546**	6.0	**$547,546**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating Expenses	$500	6.0	$3,000	6.0	$3,000
Telephone Expenses	$450	6.0	$2,700	6.0	$2,700
PC, One-Time	$1,230	6.0	$0	-	
Office Furniture, One-Time	$3,473	0.0	$0	-	
Travel	$2,800	0.0		-	
Subtotal Operating Expenses			**$5,700**		**$5,700**
TOTAL REQUEST		6.0	**$553,246**	6.0	**$553,246**

- Salaries are based on compensation table.

Table 4: Medical Management and Oversight Reduction

MEDICAL MANAGEMENT AND OVERSIGHT						
Expenditure Detail			FY 2021-22		FY 2022-23	
Personal Services:						
Classification Title	Biweekly Salary	FTE		FTE		
HP III	$2,346	1.0	$61,008	1.0	$ 61,008	
HP IV	$2,522	1.0	$65,580	1.0	$ 65,580	
Nurse III	$3,163	2.0	$164,496	2.0	$ 164,496	
Total Base Salary for benefits			$291,084		$291,084	
PERA			$31,728		$31,728	
AED			$14,554		$14,554	
SAED			$14,554		$14,554	
Medicare			$4,221		$4,221	
STD			$495		$495	
Health-Life-Dental			$40,168		$40,168	
Subtotal Personal Services		4.0	**$396,804**	4.0	**$396,804**	
Operating Expenses:						
		FTE		FTE		
Regular FTE Operating	$500	4.0	$2,000	4.0	$2,000	
Telephone Expenses	$450	4.0	$1,800	4.0	$1,800	
Subtotal Operating Expenses			**$3,800**		**$3,800**	
TOTAL REQUEST		4.0	**$400,604**	4.0	**$400,604**	

Of the above- 50% is funded through reappropriated funds and 50% is General Fund

- Salaries are based on compensation table.

Table 5: Administrative Review Division Reduction

ADMINISTRATIVE REVIEW DIVISION					
Expenditure Detail		FY 2021-22		FY 2022-23	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
SOC SERVICES SPEC IV	$2,456	1.5	$95,796	1.5	$ 95,796
Total Base Salary for benefits			$95,796		$95,796
PERA			$10,442		$10,442
AED			$4,790		$4,790
SAED			$4,790		$4,790
Medicare			$1,389		$1,389
STD			$163		$163
Health-Life-Dental			$20,084		$20,084
Subtotal Personal Services		1.5	**$137,454**	1.5	**$137,454**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	$500	1.5	$750	1.5	$750
Telephone Expenses	$450	1.5	$675	1.5	$675
PC, One-Time	$1,230	0.0	$0	-	
Office Furniture, One-Time	$3,473	0.0	$0	-	
Travel	$2,800	0.0	$0	-	$0
Subtotal Operating Expenses			**$1,425**		**$1,425**
TOTAL REQUEST		1.5	**$138,879**	1.5	**$138,879**

- Salaries are based on compensation table.

Table 6: 24 Hour Monitoring Reduction

24 HOUR MONITORING					
Expenditure Detail			FY 2021-22		FY 2022-23
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
SOC SERVICES SPEC V	$3,073	1.0	$79,908	1.0	$ 79,908
Total Base Salary for benefits			$79,908		$79,908
PERA			$8,710		$8,710
AED			$3,995		$3,995
SAED			$3,995		$3,995
Medicare			$1,159		$1,159
STD			$136		$136
Health-Life-Dental			$10,042		$10,042
Subtotal Personal Services		1.0	**$107,945**	1.0	**$107,945**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	$500	1.0	$500	1.0	$500
Telephone Expenses	$450	1.0	$450	1.0	$450
PC, One-Time	$1,230	0.0	$0	-	
Office Furniture, One-Time	$3,473	0.0	$0	-	
Travel	$2,800	0.0	$0	-	$0
Subtotal Operating Expenses			**$950**		**$950**
TOTAL REQUEST		1.0	**$108,895**	1.0	**$108,895**

- Salaries are based on compensation table.

Table 7: DYS Research Reduction

DYS RESEARCH						
Expenditure Detail			FY 2021-22		FY 2022-23	
Personal Services:						
Classification Title	Biweekly Salary	FTE		FTE		
Program Manager II	$4,497	1.0	$116,928	1.0	$	116,928
PERA			$12,745			$12,745
AED			$5,846			$5,846
SAED			$5,846			$5,846
Medicare			$1,695			$1,695
STD			$199			$199
Health-Life-Dental			$10,042			$10,042
Subtotal Personal Services		1.0	**$153,301**	1.0		**$153,301**
Operating Expenses:						
		FTE		FTE		
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	$0	-		
Office Furniture, One-Time	$3,473	0.0	$0	-		
Travel	$2,800	0.0		-		
Other						
Other						
Other						
Subtotal Operating Expenses			**$950**			**$950**
TOTAL REQUEST		1.0	**$154,251**	1.0		**$154,251**

- Salaries are based on actual salaries of current employees

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-25 Employment Opportunities with Wages

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:13:14 -06'00'

OSPB Approval By: Ashley Clark

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$0**	**$0**	**$0**	**$3,999,360**	**$3,999,360**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$3,999,360	$3,999,360

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
07. Office of Self Sufficiency, (B) Colorado Works Program, (1) Colorado Works Program - Employment Opportunities with Wages Program	**Total**	**$0**	**$0**	**$0**	**$3,999,360**	**$3,999,360**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$3,999,360	$3,999,360

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department Priority: R-25
Request Detail: Employment Opportunities with Wages

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$0*	*$0*	*$3,999,360*	*$3,999,360*
FTE	0.0	0.0	0.0	0.0
General Fund	$0	$0	$0	$0
Cash Funds	$0	$0	$0	$0
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$0	$0	$3,999,360	$3,999,360

Summary of Request

The Department requests $3,999,360 total funds/federal Temporary Assistance for Needy Families (TANF) funds and 0.0 FTE to support the Colorado Works Employment Opportunities with Wages program (also known as the Colorado Works Subsidized Training and Employment Program (CW STEP)) that was originally created by Senate Bill 17-292 and operated from January 2018 through June 2020. This request is expected to support 576 low-income Coloradans. On average, these individuals are 33 years old with a high school diploma and two children. 83% are single parents and 86% are women. The CW STEP program is designed to place low-income individuals with children who are eligible for TANF Basic Cash Assistance (BCA) into subsidized work experience and training to gain hands-on work experience and marketable skills to help them move to self-sufficiency. This requested appropriation replaces funding that was eliminated in FY 2020-21, reinstating the program in FY 2021-22 through FY 2023-24. Subsidized work experience has had numerous statistically rigrous evaluations, the program is at Step 5 on the State's evidence continuum.

Current Program:

CW STEP funding supplements the employment-focused services that county departments of human and/or social services are providing to clients. Program funds are used for education and training services tied to an apprenticeship program, subsidized employment, on the job training, and supportive services to help individuals stay attached to their training and employment opportunities.

In FY 2019-20 the program operated in thirteen counties across Colorado: ten counties operate the program directly, while vendors operate the program in three additional counties. More than 85% of the funding directly supports individuals in subsidized employment and training activities. The remaining program funding is for program evaluation, data collection, and State-level administrative tasks.

Subsidized employment is a proven approach to enhance skills and increase long-term labor market participation. This strategy ranks high on Pew's Results First Clearinghouse. The initial analysis of the CW STEP program identifies the intended effects, demonstrating dramatic employment and economic impacts from the investment in subsidized employment. More than 75% of program participants obtained unsubsidized employment and/or demonstrated a marketable skill upon exit. In FY 2019-20, more than 51% of participants exiting to employment were paid a living wage, averaging $15.33/hour, which is nearly 28% higher than Colorado's minimum wage. Additionally, the analysis indicates that for every $1 Colorado spends on subsidized employment, $4 dollars of economic activity are generated.

Furthermore, CW STEP directly impacts the State's Work Participation Rate (WPR), the primary federal reporting requirement for the TANF program. The Department estimates that CW STEP contributes about 3.5% increase in the State's WPR. The evaluation funding that is part of the request will be used to identify additional impacts from the program.

Overall, CW STEP is an evidence-based strategy. Early results show increased employment and higher wages. Ultimately, this program supports the State's economy and adds to the tax base. With the unknown duration of the economic recession brought about by the COVID-19 pandemic, programs that support individuals to obtain employment will be critical.

Problem or Opportunity:

In response to the COVID-19 pandemic and corresponding economic downturn, subsidized employment programs offer targeted opportunities for the State to support especially vulnerable Coloradans with children to attach to the labor market. As unemployment increased substantially, from historic lows in the early part of 2020 through the summer, as a result of COVID-19, Coloradans with limited work experience and/or low skills are particularly vulnerable to the labor market's downward shift. Many individuals may need to develop new skills to re-enter the workforce. The CW STEP program enables Colorado to address the employment ramifications of the economic downturn by helping individuals receive subsidized training and employment, while eliminating barriers, like child care and transportation, which prevent individuals from returning to work.

National organizations, like The Center for Law and Social Policy (CLASP), have called for a large-scale subsidized employment program to be included in the response to the COVID-19 crisis. According to a recent CLASP publication, "one key way to fight the long-term harmful effects of unemployment is subsidized and transitional employment programs that use public funds to create temporary job opportunities for people looking for work. These programs provide workers with immediate economic support through work, while also improving their long-term employability by increasing their skills, work experience and networks."[1] At the federal level, this concept has been supported in the proposed Pandemic TANF Assistance Act. However, neither funding nor direction has materialized as of October 2020. In the absence of tangible federal support to the TANF program, Colorado has an opportunity to support struggling families while providing an example to the rest of the nation by helping individuals return to work via the CW STEP program.

Colorado's employment data shows that the State has an opportunity to address employment among low-wage earners, typical among the TANF caseload. Based on data from the non-partisan, nonprofit Opportunity Insights, housed at Harvard University, low-wage earners have suffered more than middle- and high-wage earners as a result of the recession stemming from the COVID-19 public health emergency. Looking at the percent change in employment through the end of July, Colorado saw relatively modest declines among middle- and high-wage earners of 1.4% and 2.3%, respectively. Yet, employment among low-income workers earning less than $27,000/year decreased by 14.3%.[2] Colorado has an opportunity to address this issue through subsidized employment. The CW STEP program uniquely supports very low-income families with children and can help Colorado's economic recovery.

Proposed Solution:

The Department is seeking an appropriation of $3,999,360 total funds/federal TANF funds to reinstate the CW STEP program in FY 2021-22 through FY 2023-24. Program funds will be distributed through the existing county infrastructure, with more than 85% of the program funding going to direct employment services, employment-related supportive services, and local program development. The remaining funds will support the program evaluation and administrative costs at both the Department of Human Services and the Department of Labor and Employment to distribute and administer the funds, data collection and reporting, and any necessary employee costs stemming from those requirements.

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[1] Gilkesson, P., & Lower-Barsch, E. (2020, May 15). Subsidized Employment Must Be a Part of the Recovery. Retrieved July, 2020, from https://www.clasp.org/blog/subsidized-employment-must-be-part-recovery?utm_source=ea

[2] Raj, C., Friedman, J. N., Hendren, N., Stepner, M., & T. (2020). The Opportunity Insights Economic Tracker: Supporting the Recovery from COVID-19. Retrieved October 06, 2020, from https://tracktherecovery.org/

Table 1 illustrates the cost breakdown for the program.

Table 1: CW STEP Program Costs		
A	Subsidized Wages	$2,799,360
B	Program Administration	$ 400,000
C	Evaluation Costs	$ 100,000
D	Local Program Development & Supportive Services	$ 700,000
E	Total	$3,999,360

Subsidized employment has been rigorously evaluated and demonstrated track record of success. The CW STEP program is a 5 on the State's evidence continuum. Additional evidence is available through national research, including a study conducted by the Center on Poverty and Inequality at Georgetown Law which highlighted subsidized employment programs and policies as a tool to raise people out of poverty. The study also found that the programs imbued a wide array of benefits, including decreased reliance on public assistance and better educational outcomes among children of adults enrolled in the program.[3]

The benefits of subsidized employment have been identified in several recent studies. According to the Center on Budget Policies and Priorities, 39 states used approximately $1.3 billion in TANF Emergency Funds (part of the American Reinvestment and Recovery Act) to help adults find temporary employment during the Great Recession through subsidized job training. The analysis of these programs found strong wage returns. In Florida, participants in subsidized employment saw an average annual increase in wages of $4,000 compared to $1,500 for those not in the program. In Florida, Mississippi, Wisconsin, and Los Angeles, the benefits were greater for the long-term unemployed than for those who had experienced shorter unemployment duration.[4] Additionally, transitional jobs and subsidized employment programs continue to rank high as means to increase employment and economic independence.[5] These experiences are echoed in Colorado's subsidized employment experience.

The CW STEP program demonstrated strong returns during its two and a half years of operation. More than 75% of the program participants exited the program to an unsubsidized employment opportunity and/or with marketable skills. More than half

[3] Dutta-Gupta, I., Grant, K., Eckel, M., & Edelman, P. (Spring, 2016). Lessons Learned from 40 Years of Subsidized Employment Programs: A Framework, Review of Models, and Recommendations for Helping Disadvantaged Workers. Retrieved July, 2020, from https://www.georgetownpoverty.org/wp-content/uploads/2016/07/GCPI-Subsidized-Employment-Paper-20160413.pdf

[4] Pavetti, L. (2017, November 15). New Evidence That Subsidized Jobs Programs Work. Retrieved July, 2020, from https://www.cbpp.org/blog/new-evidence-that-subsidized-jobs-programs-work

[5] Transitional jobs. (2015, March 5). Retrieved July, 2020, from https://www.countyhealthrankings.org/take-action-to-improve-health/what-works-for-health/strategies/transitional-jobs

the participants exiting to an unsubsidized job in FY 2019-20 earned, on average, more than three dollars more than the State's minimum wage, averaging about $15.33/hour. The program boasts a higher than average Work Participation Rate when compared to those not in the program. The WPR for those who completed the STEP program was about 30% higher than those not in the program.

The authorizing legislation required an evaluation of the STEP program. That evaluation includes information on participant success in gaining permanent employment, learning new skills, and obtaining credentials that assist with employability. The evaluation also includes analysis on those employed in fields with high worker shortages, those who obtained employment with a living wage, and the short and long-term benefits of the program. After conducting the evaluation, in accordance with statute, the CW STEP program will be identified as a proven program on the evidence continuum.

As the economic effects of the global pandemic take shape, states and the federal government will need to prioritize those tools that are demonstrated to help citizens obtain employment. The Urban Institute has identified some potential options, including subsidized employment and using TANF funds to provide subsidized employment.[6] That analysis references the success of these programs during the Great Recession. In fact, CW STEP's predecessor – HIRE Colorado – was created as an intervention to support struggling Coloradans and employers in the aftermath of the Great Recession. The CW STEP program has already demonstrated strong returns. Its reinstatement would establish Colorado as a leader in employment-based solutions to the COVID-19 pandemic.

Funding for an evaluation is included again in this request. Understanding this program's performance will be critical to future funding or expansion of the program. Additionally, this research will be critical to the still nascent national literature on subsidized employment programs. The existing evaluation approach can easily transition as the evaluation framework for reinstated funding.

Anticipated Outcomes:

The Department anticipates that the CW STEP program will continue to demonstrate strong returns. CDHS program managers anticipate that a high percentage of program participants (nearly 80%) will exit the program to unsubsidized employment at a wage that is higher than the State's minimum wage and/or exit with a marketable skill that will help them obtain employment. Program data will be tracked, and the evaluation will analyze the long-term impact.

[6] Hahn, H. (2020, May 6). How Government Jobs Programs Could Boost Employment: Relaunch a TANF Emergency Fund to subsidize jobs. Retrieved July, 2020, from https://www.urban.org/features/how-government-jobs-programs-could-boost-employment?cm_ven=ExactTarget

Assumptions and Calculations:

The request restores the program to approximately the $4 million funding level that was originally identified through SB 17-292. The following assumptions/calculations derived the cost model:

Wage subsidies will be paid at the prevailing wage for a particular job within an industry sector, as determined by employer hosts and labor market data, on average $12.15/hour. The Department contracted funds directly to CDLE; in turn, Workforce Centers served participants referred from county departments. To streamline the program, the Department may consider moving this contract in house. Counties will not be required to contribute Maintenance of Effort funds in exchange for the use of these federal TANF funds. Tables 2 and 3 provide more details on the estimated program costs.

Table 2: Initial Wage Calculation		
A	Average wage (Family of 4 to be at the federal poverty level)	$12.15
B	Number of estimated participants (maximum of 400 hours)	576
C	Maximum wages to any individual	$4,860
D	Total subsidized employment wages (row B x row C)	$2,799,360

Table 3: Total Program Costs		
A	Subsidized Wages (Table 2, row D)	$2,799,360
B	Program Administration (10% of total appropriation, $4M)	$400,000
C	Evaluation costs (2.5% of total appropriation, $4M)	$100,000
D	Local Program Development & Supportive Services	$700,000
E	**Total Expenditures**	**$3,999,360**

The Department has used the following assumptions in projecting the program's outcomes:

- Average monthly participation in subsidized employment: 360 participants, for an annual total of 720 participants.
- Total adults (work-required) on the Colorado Works caseload: 13,500.
- Total percentage served: 5.3%.
- Increased "employment entry" among the Colorado Works caseload: approximately 3%.
- CW STEP participants have a higher WPR than their non-STEP counterparts. Among the 94 STEP participants sampled for WPR, their compliance rate was nearly 64%, nearly double the 33% statewide average achieved during the same time period.

- If all 720 participants meet the minimum WPR participation requirement, the CW STEP program would increase the statewide average WPR by approximately 5%.

Additionally, the Department included the ongoing program cost in the most recent Request for Information on the State's TANF Long Term Reserve (see Table 4) that was submitted to the Joint Budget Committee in January 2020. In this sense, the ongoing financial impact of this program was budgeted into the Long-Term Reserve. However, unexpected economic circumstances stemming from the COVID-19 public health emergency resulted in additional appropriations from the TANF Long-term Works Reserve (LTR) in FY 2019-20 and FY 2020-21. After accounting for these additional appropriations, the Department projected enough revenue in the LTR to support nearly $12 M funding required to operate CW STEP for three years. However, the R-39 request (Child Welfare Refinance) also draws from the LTR placing additional strain on the available funding. The combined impact results in a projected LTR balance that approaches the $33.9 M floor (see Table 4) by the end of FY 2021-22 and results in a fund balance that is below that threshold in subsequent years. Dropping below this threshold may strain the Colorado Works program as the floor represents funds required to support TANF benefits and system maintenance that are made in the last quarter of the federal fiscal year, after the end of the State fiscal year, yet before new federal grant funds are available.

Table 4: TANF Long-term Reserve (LTR) Analysis

Table 4: TANF Long-term Reserve Analysis			
TANF Funds Available to Appropriate	**FY 2019-20 Actuals As of 08/20**	**FY 2020-21 Long Bill**	**FY 2021-22 Projected**
Prior Grant Year Funds Available (as of June 30)[1]	**$ 148,853,801**	**$ 82,501,839**	**$ 56,784,019**
State Family Assistance Grant[2]	$ 135,607,703	$ 135,607,703	$ 135,607,703
Contingency Fund [3]	$ 16,154,660	$ 12,000,000	$ 12,000,000
Sub-total TANF Funds Available	$ 300,616,164	$ 230,109,542	$ 204,391,722
Less County Reserves (as of June 30)/ Net Change in out year	$ (57,537,014)	$ 1,492,672	
Total TANF Funds Available to Appropriate	**$ 243,079,150**	**$ 231,602,214**	**$ 204,391,722**
TANF Spending/Appropriations			
General & Administrative & Prior Year Adjustments	4,505,615	5,320,184	5,320,184
OIT Common Policy	528,153	972,485	999,101

Colorado Benefits Management System	$2,647,702	$2,688,485	$2,688,485
Colorado Works Administration	$3,461,416	$4,093,608	$4,093,608
County Block Grants	$128,198,357	$128,198,357	$128,198,357
County TANF Transfer Utilization			
Long Bill Initiated Child Welfare GF Refinance		$11,338,408	
State Long Term Utilization (HB 18-1306)	$1,426,107	$2,750,328	$2,750,328
Total TANF Transfers to SSBG (Title XX)	**$1,426,107**	**$2,750,328**	**$2,750,328**
County TANF Transfer Utilization			
State Long Term Utilization (HB 18-1162)	$4,187,884	$3,000,000	$3,000,000
Total TANF Transfers to CCDF[4]	**$4,187,884**	**$3,000,000**	**$3,000,000**
County Training	$335,846	$392,827	$392,827
Domestic Abuse Program	$629,677	$629,677	$629,677
Works Program Evaluation	$488,173	$495,440	$495,440
Workforce Development Council	$76,211	$111,211	$111,211
Subsidized Employment with Wages (CW STEP)	$3,639,189		
Child Support Services Program		$1,819,966	$1,819,966
Refugee Assistance	$2,791,523	$2,759,392	$2,759,392
Electronic Benefits Transfer Service	$46,448	$205,406	$205,406
System Alien Verification for Eligibility	$1,941	$2,421	$2,421
Child Welfare Services (SB 19-258) IV-E Funding	$6,700,000		
SB 19-235 Voter Registration			
Legislative Items			
Senate Bill 20-029		$8,540,000	
County Block Grant Support Fund	$913,067	$1,500,000	
Decision Items:			
R-25 Subsidized Employment with Wages Continuation			$3,999,360
R-29 Refinance Child Welfare Block			$10,000,000
Total TANF Spending/Appropriations	**$160,577,311**	**$174,818,195**	**$167,465,763**

State Long-term Reserve Balance	**$82,501,839**	**$56,784,019**	**$36,925,959**

County Reserves	
Ending Balance as of 6/30/2019	$57,537,014
Ending Balance as of 6/30/2020	$56,044,342
Net Inc/(Dec)	**$ (1,492,672)**

[1]The Long-term Reserve Balance as of 6/30/2020 is included in the amount for Prior Grant Year Funds Available for FY 2019-20 which represents unobligated balances reflected on TANF ACF-196 Financial Reports for any open grant years, the fourth quarter federal award, plus budgeted amounts for the Child Care Development Fund and the Social Services Block Grant (Title XX). The estimated Long-term Reserve Balance for the beginning of FY 2020-21 is based on submitted federal fiscal reports.

[2]The State Family Assistance Grant amount was reduced by 0.33% for federal FY 2019 and 2020 based on direction from Administration of Children and Families. The Department projects amount will return in federal FY 2020.

[3]The federal budget for Contingency Funds is appropriated to $598 million across all states annually. Amounts awarded to individual states fluctuate annually based on a federal calculation of need and the number of states applying and qualifying for funds. The federal government has multiple proposals to reduce or repurpose these funds, so there is no assurance funds will be available. **As there is no guarantee of federal funding of Contingency to continue nor Colorado receiving these funds, program only includes actual amounts awarded.** Since 2009, Colorado has received between $4 million and $15 million annually for Contingency and projects to receive $12,000,000 in each year.

[4]CCDF: Child Care Development Fund

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-26 True-up of CDHS and CDOC Meal Interagency Agreement

Dept. Approval By:	Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:12:35 -06'00'		**Supplemental FY 2020-21**
OSPB Approval By:	Ashley Clark		**Budget Amendment FY 2021-22**
		X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	Total	$8,501,837	$0	$7,942,898	$140,827	$140,827
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$5,068,579	$0	$4,509,640	$0	$0
	CF	$399,905	$0	$399,905	$0	$0
	RF	$3,033,353	$0	$3,033,353	$140,827	$140,827
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
08. Behavioral Health Services, (E) Mental Health Institutes, (2) Mental Health Institutes - Pueblo - Operating Expenses	Total	$8,501,837	$0	$7,942,898	$140,827	$140,827
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$5,068,579	$0	$4,509,640	$0	$0
	CF	$399,905	$0	$399,905	$0	$0
	RF	$3,033,353	$0	$3,033,353	$140,827	$140,827
	FF	$0	$0	$0	$0	$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	Impacts Other Agency

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Department Priority: R-26
Request Detail: True-up of CDHS and CDOC Meal Interagency Agreement

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$8,501,837*	*$7,942,898*	*$140,827*	*$140,827*
FTE	0.0	0.0	0.0	0.0
General Fund	$5,068,579	$4,509,640	$0	$0
Cash Funds	$399,905	$399,905	$0	$0
Reappropriated Funds	$3,033,353	$3,033,353	$140,827	$140,827
Federal Funds	$0	$0	$0	$0

Summary of Request

The Department of Human Services requests $140,827 in reappropriated spending authority in FY 2021-22 and beyond to financially true-up its longstanding Interagency Agreement with the Colorado Department of Corrections (CDOC), to provide nutritional meals for offenders located at San Carlos Correctional Facility (SCCF), La Vista Correctional Facility (LVCF), and Youth Offender System (YOS). This increase represents a 2% change to the FY 2020-21 appropriation. Costs of staffing, food, and operations to meet CDHS obligations under the agreement have continued to rise without a commensurate increase in rates charged to CDOC. This budget request is the result of a collaborative effort between the Department of Corrections and the Department of Human Services. CDOC is supportive of this request.

Current Program:

The Colorado Mental Health Institute at Pueblo (CMHIP) was established in 1879. For over 140 years, the Nutrition Services Department at CMHIP has served tens of thousands of Colorado's most vulnerable population by providing adequate nutrition to clients based on medical, spiritual, ethnic, cultural, and mental health needs. Today, CMHIP's Nutrition Services Department has evolved to become the standard in mental health care and an important aspect of clients' treatment plans. As science continues to gain a better understanding of the benefits of nutrition, the Nutrition Services Department strives to stay at the forefront, keeping up with the evolving dietary and nutritional trends, and provide the most benefits to its clients.

In addition, CDOC takes into account the optimal caloric intake for its clients. The Department uses the average age and average build for each respective population to determine caloric intake. In addition, dieticians rely on multiple resources to ensure nutritional standards of menus. Those sources include: the U.S. Department of Agriculture, MyPlate, and Dietary Guidelines for Americans; recommended dietary allowances as approved by National Academy of Sciences; recommended dietary intakes as approved by the Institute of Medicine; as well as the Academy of Nutrition and Dietetics.

Over the past 20 years, the Nutrition Services Department has witnessed a significant increase in the population at CDOC facilities. Today, the commissary kitchen serves over 5,000 meals daily or 1.8 million meals annually to CMHIP and CDOC clients.
CDHS, through its CMHIP North Kitchen, provides the following nutrition services for the Department of Corrections:

Youth Offender System (YOS):

- Three meals per day averaging 3,200 calories for YOS male offenders; and
- Three meals per day averaging 2,600 calories for YOS female offenders.

San Carlos Correctional Facility:

- Three meals per day averaging 2,700 calories for male offenders.

La Vista Correctional Facility:

- Three meals per day averaging 2,200 calories for both male and female offenders.

The current FY 2020-21 spending authority for meals and staffing from CDOC is $2,634,734. Due to the increase in food costs, minimum wage and fluctuations in the offender census, this amount is no longer sufficient to cover the full cost of services provided by CDHS to CDOC.

Problem or Opportunity:

The Colorado Department of Corrections and the Colorado Department of Human Services have maintained an interagency agreement for more than 20 years, whereby CDHS provides nutritional meals for offenders located at CDOC's San Carlos Correctional Facility (SCCF), La Vista Correctional Facility (LVCF), and Youth Offender System (YOS).

Costs of staffing, food, and operations to meet CDHS obligations under the agreement have continued to rise without a commensurate increase in rates charged to CDOC. The current FY 2020-21 spending authority for meals and staffing from CDOC is $2,634,734 while the projected cost to provide the service is $2,809,073, resulting in a $246,983 deficit. In previous years, the deficit has been addressed by applying under-spent appropriations. Going forward, this solution is not viable due to budget reductions required by the General Assembly.

The Department is also projecting an FY 2021-22 deficit. However, increased food and wage costs are projected to be somewhat offset by a reduction in the La Vista Correctional Facility population, resulting in a deficit of $140,827, calculated by subtracting the FY 2020-21 projection from the FY 2021-22 projection (see Table 1).

Table 1: Number of Meals Served and Billed Amount

	FY 2018-2019 Actuals	FY 2019-2020 Actuals	FY 2020-2021 Projection	FY 2021-2022 Projection
DOC total meals	1,193,018	1,175,319	1,031,557	1,031,577
DOC billed amount	$2,390,320	$2,158,914	$ 2,562,090	$2,702,917*

*Billed amount assumes approval of this request.

Proposed Solution:

The Department is requesting an increase in reappropriated spending authority of $140,827 with a like increase in CDOC's General Fund spending authority. This proposed solution will provide CDHS with adequate funding to provide nutritional meals to CDOC's offender population, allowing it to meet its obligations per the Interagency Agreement.

The Department is also requesting the following change in the Mental Health Institute at Pueblo Long Bill letter note to allow CDHS and CDOC flexibility to reconcile actual costs with invoiced expenses.

Of this amount, $8,147,002 shall be from patient revenues, AN ESTIMATED $2,702,917 shall be transferred from the Department of Corrections, and $148,700 shall be transferred from the Department of Education. For informational purposes only, patient revenues are estimated to include $8,184,362 Medicaid funds transferred from the Department of Health Care Policy and Financing from the Mental Health Institutes line item appropriation.

If this request is not approved, neither CDOC or CDHS will have sufficient spending authority to meet the meal needs of the offender population and funding subsidies by CDHS will continue.

Note: this request is not considered on the State's evidence continuum.

Anticipated Outcomes:

Providing the additional funding and associated spending authority will allow CDOC to meet its interagency agreement obligations as well as eliminate the current subsidy provided by CDHS. If not funded, the Office of Behavioral Health will continue to under collect for the cost of the CDOC meal program and continue to subsidize the program or reduce the number of meals it can provide to the CDOC offender population.

Assumptions and Calculations:

Tables 2 and 3 provide a comparative analysis of the FY 2020-21 and FY 2021-22 Interagency Agreement cost projections by contract category. Inflationary estimates are based on the three year historical average of 4.38%; salary survey increases were projected at 0% for FY 2021-22. The FY 2021-22 deficit is projected to decrease as a result of an expected reduction in the LVCF population, per DOC, from 707 beds to 560 beds.

Table 2: FY 2020-21 Actual Contract Totals vs Projected Costs

Contract Service Values by Category	FY 2020-21 Contract Totals	FY 2020-21 Projected Costs	Difference	By Facility
YOS Food Service	$463,901	$500,048	($36,147)	
YOS Staffing	$101,771	$124,180	($22,400)	($58,556)
SCCF Food Service	$348,381	$375,526	($27,145)	
SCCF Staffing	$60,835	$ 69,382	$ (8,547)	
LVCF Food Service	$1,312,694	$1,414,978	($102,284)	
LVCF Staffing	$261,908	$ 312,357	$ (50,449)	
LVCF Vehicle costs	$12,600	$12,600	$0.00	($188,426)
Total Contract Service Values by Category	**$2,562,090**	**$2,809,073**	**($246,983)**	**($246,983)**

Table 3: FY 2021-22 Projected Contract Totals vs Projected Costs

Contract Service Values by Category	FY 2020-21 Contract Totals	FY 2021-22 Projected Costs	Difference	By Facility
YOS Food Service	$463,901	$567,894	($103,993)	
YOS Staffing	$101,771	$124,181	($22,410)	($126,403)
SCCF Food Service	$348,381	$431,964	($83,583)	
SCCF Staffing	$60,835	$ 69,383	$ (8,548)	
LVCF Food Service	$1,312,694	$1,184,538	$128,156	
LVCF Staffing	$261,908	$ 312,358	$ (50,450)	
LVCF Vehicle costs	$12,600	$12,600	$0.00	($14,424)
Total Contract Service Values by Category	**$2,562,090**	**$2,702,917**	**($140,827)**	**($140,827)**

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

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Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-27 Reduce Child Welfare Public Awareness Campaign

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:11:58 -06'00'

OSPB Approval By: Ashley Chavez

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
X	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	Total	$1,008,890	$0	$1,008,890	($500,000)	$500,000
	FTE	1.0	0.0	1.0	0.0	0.0
	GF	$1,008,890	$0	$1,008,890	($500,000)	$500,000
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
	Total	$1,008,890	$0	$1,008,890	($500,000)	$500,000
05. Division of Child Welfare, (A) Division of Child Welfare, (1) Division of Child Welfare - Public Awareness Campaign for Child Welfare	FTE	1.0	0.0	1.0	0.0	0.0
	GF	$1,008,890	$0	$1,008,890	($500,000)	$500,000
	CF	$0	$0	$0	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department of Human Services

FY 2021-22 Funding Request

November 1, 2020

Jared Polis
Governor

Michelle Barnes
Executive Director

Department Priority: R-27
Request Detail: Reduce Child Welfare Public Awareness Campaign

Summary of Funding Change for FY 2021-22				
	Totals		**Incremental Change**	
	FY 2020-21 Appropriation	**FY 2021-22 Base**	**FY 2021-22 Request**	**FY 2022-23 Request**
Total Funds	*$1,008,890*	*$1,008,890*	*($500,000)*	*$500,000*
FTE	1.0	1.0	0.0	0.0
General Fund	$1,008,890	$1,008,890	($500,000)	$500,000
Cash Funds	$0	$0	$0	$0
Reappropriated Funds	$0	$0	$0	$0
Federal Funds	$0	$0	$0	$0

Summary of Request

The Department of Human Services requests a one-time $500,000 total funds/General Fund reduction to the Public Awareness Campaign in the Division of Child Welfare for FY 2021-22. The Public Awareness Campaign for Child Welfare is the marketing campaign to make the public aware of the statewide Child Abuse Reporting Hotline which is a direct route for the public to report known or suspected child abuse or neglect. This reduction does not reduce the Child Welfare services provided directly to families and allows the Department to retain critical funds for operating the Child Abuse and Neglect Hotline.

This program is on Step 2 of the State's evidence continuum as the marketing efforts are measured to determine which are most effective. However, there is limited empirical evidence to determine strategic effectiveness amongst comparison groups.

Current Program:

The Department implemented the Child Abuse Reporting Hotline in FY 2014-15 in response to HB 13-1271 and as a means for the public to report known or suspected child abuse or neglect. The hotline is available 24 hours per day and seven days per week. The related Public Awareness Campaign was developed through public opinion research to create an evidence-based marketing campaign to promote the hotline.

The current spending authority for the Public Awareness Campaign is $1,008,890 total funds/General Fund. In addition to promoting the hotline phone number, the campaign promotes child abuse prevention messages and services. The funds are used to develop and maintain a brand for the hotline, buy related marketing materials, and advertise through various media outlets including TV commercials, radio, print, and billboards, out-of-home and digital advertising, social media and partner engagement. These methods combine to create a robust, integrated communications strategy. Raising awareness of child abuse and neglect as well as the hotline phone number are the primary goals followed by de-stigmatizing child welfare services and promoting child abuse prevention. The campaign targets Coloradans age 21 and older as well as mandatory reporters of child abuse and neglect, who are required by law to report their concerns. A proposed reduction could be spread across all of these facets of the communications strategy. The most likely reduction with these cuts, however, would be in social media and partner engagement.

Problem or Opportunity:

The State faces a probable revenue shortfall for FY 2021-22 in relation to the COVID-19 outbreak and resulting impact on the economy. The Department is proposing this reduction in an effort to make General Fund available for other priorities. We will evaluate the impact of outreach and determine the necessity of investment moving forward.

Proposed Solution:

The Department proposes to reduce the Public Awareness Campaign budget by $500,000 total funds/General Fund as a one-time initiative to maximize state General Fund. With this reduction the program will reduce the amount of media outreach that is conducted for Colorado’s Child Abuse and Neglect hotline.

Calls to the hotline system gradually increased from 2015 to 2018, with a slight decrease in 2019 followed by a significant drop in 2020 likely due to school and child care closures. One potential negative effect of this proposed reduction, however, is that in order to inspire action, the public must be aware that an issue exists, trust a brand and see a message multiple times. Additionally, a reduction in public awareness funding may reduce our capacity to de-stigmatize child welfare services and establish trust and/or reduce the frequency we are able to deliver our message.

This program falls as Step 2 on the evidence continuum as the marketing efforts are measured to determine which are most effective. However, there is limited empirical evidence based on comparison groups.

Anticipated Outcomes:

A reduction to the Public Awareness Campaign for Child Welfare will maximize General Fund dollars and does not reduce the Child Welfare services provided directly to families. This reduction in public awareness funding however, may lead to fewer calls to the child abuse and neglect hotline. With fewer calls being made, counties may assess fewer concerns about possible child abuse and neglect. For reference, Table 1 shows total *calls* to the hotline since January 2015 and Table 2 shows total *referrals* since January 2010:

Table 1: Colorado Child Abuse and Neglect Hotline Total Calls for January 1, 2015 - September 30, 2020

CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	YTD 2020
208,999	206,107	211,554	221,969	219,478	145,531

Table 2: Colorado Total Child Protection Referrals for January 1, 2010 - September 30, 2020

CY 2010	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	YTD 2020
77,967	78,051	80,973	81,388	82,830	90,775	99,685	104,565	112,995	114,542	78,855

All hotline calls are screened for a concern about the well-being of a child. If there is a concern, it's considered a Referral. Referrals of child abuse and neglect have risen year over year from 2010 (77,967 Referrals) through 2019 (114,542 Referrals). 1-844-CO-4-Kids, Colorado's statewide child welfare hotline, rolled out formally in 2015 and was joined by a public awareness campaign. While it is difficult to correlate directly the effect of the campaign and the rise in referrals, a temporary reduction may provide some insight. The COVID-19 pandemic has resulted in a drastic decrease in referrals, especially in March-May 2020, so the Department may benefit from additional time to gather and evaluate data.

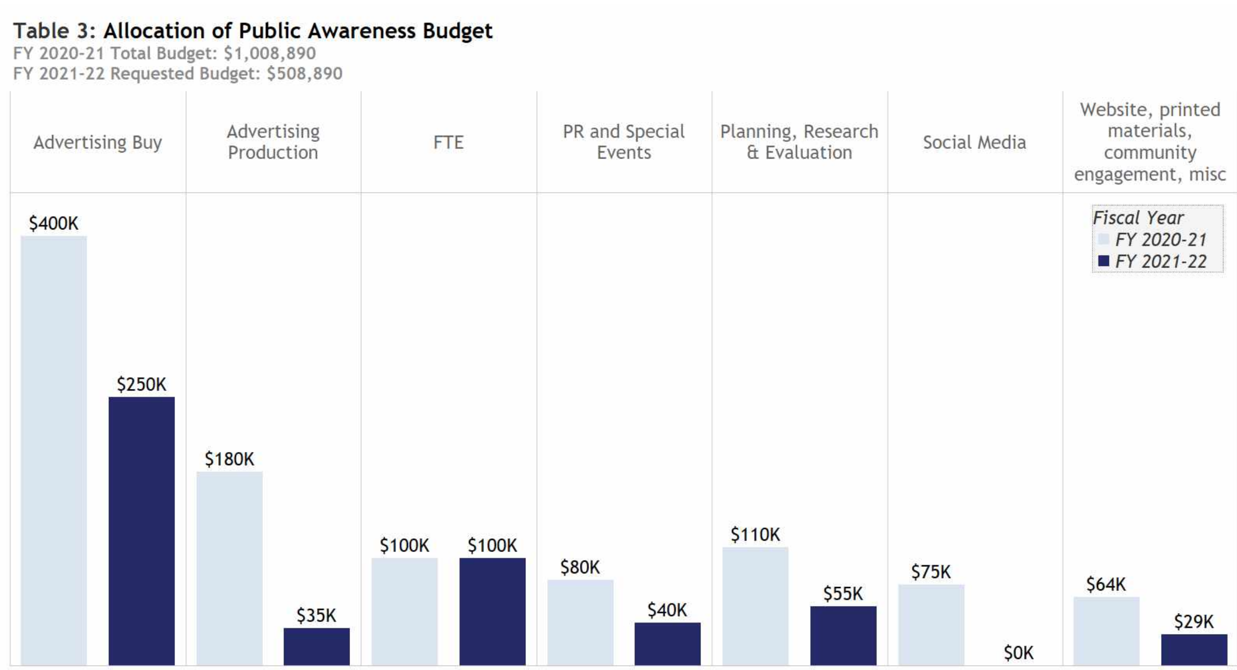
Assumptions and Calculations:

A one-time reduction to the Public Awareness Campaign budget allows the Department to increase availability of General Fund to other State priorities.

In order to realize the one-time budget reduction, the public awareness communication specialist position will be reclassified from a Marketing and Communications Professional III to a Marketing and Communications Professional IV. This reclassification will build capacity within the Office of Children, Youth and Families (OCYF) communications team and reduce the need for some support from the contracted marketing and advertising vendor. Additionally, expenses related to advertising production, particularly video production, will be significantly cut as well as public relations support, community engagement and event planning, and social media engagement. Public awareness messaging related to child abuse and neglect prevention may also be reduced.

Additional savings in FY 2021-22 will be achieved by eliminating new printed materials for counties and partners to distribute. The Department can likely use excess printed materials from previous years. FY 2021-22 advertising will most likely be digital ads, which are most cost effective, rather than traditional out-of-home and/or TV ads. The most effective advertising buy is to purchase a mix of all advertising types.

Table 3 illustrates the current FY 2020-21 allocation and FY 2021-22 anticipated allocation by advertising type.



Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-28 Reduce Appropriation for Child Welfare Funding Model

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:11:29 -06'00'

OSPB Approval By: Ashley Clark

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
X	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	Total	$6,776,580	$0	$6,822,405	($150,000)	$150,000
	FTE	64.2	0.0	64.8	0.0	0.0
	GF	$5,719,001	$0	$5,764,826	($150,000)	$150,000
	CF	$0	$0	$0	$0	$0
	RF	$65,019	$0	$65,019	$0	$0
	FF	$992,560	$0	$992,560	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
05. Division of Child Welfare, (A) Division of Child Welfare, (1) Division of Child Welfare - Administration	Total	$6,776,580	$0	$6,822,405	($150,000)	$150,000
	FTE	64.2	0.0	64.8	0.0	0.0
	GF	$5,719,001	$0	$5,764,826	($150,000)	$150,000
	CF	$0	$0	$0	$0	$0
	RF	$65,019	$0	$65,019	$0	$0
	FF	$992,560	$0	$992,560	$0	$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department Priority: R-28
Request Detail: Reduce Appropriation for Child Welfare Funding Model

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$6,776,580*	*$6,822,405*	*($150,000)*	*$150,000*
FTE	64.2	64.8	0.0	0.0
General Fund	$5,719,001	$5,764,826	($150,000)	$150,000
Cash Funds	$0	$0	$0	$0
Reappropriated Funds	$65,019	$65,019	$0	$0
Federal Funds	$992,560	$992,560	$0	$0

Summary of Request

The Department of Human Services requests a one-time reduction of $150,000 total funds/ General Fund for FY 2021-22. This funding is an ongoing appropriation and is related to the development of a Child Welfare funding model. Due to a delay in the contracting process, the most recent model was completed in FY 2019-20. This means the next model will be required in FY 2022-23; and therefore, these funds are not necessary in FY 2021-22 and may be reallocated to fund other high-priority programs. A reduction for the Child Welfare funding model will maximize State General Fund and does not impact the Child Welfare services provided directly to families.

This program does not fall on the State's evidence continuum as it is funding to develop a funding model for the comprehensive delivery of child welfare services.

Current Program:

Prior to the enactment of SB 18-254, the Child Welfare Allocation Committee and Department staff developed allocation models which considered various metrics including caseload and demographic indicators. The Committee was then required to recommend final allocation formulas to distribute appropriations to counties for Child Welfare Services, County Level Child Welfare Staffing, and the Family and Children's Programs (a.k.a. Core Services).

However, SB 18-254 states that "Beginning with State Fiscal Year 2018-19, and every three years thereafter, the state department shall contract with an outside entity to develop a funding model that must be used to inform the committee, the general assembly, the governor, and the state department of the appropriate level of funding required to fully meet all state and federal requirements concerning the comprehensive delivery of child welfare services."

In FY 2019-20, the Department contracted with a consultant, BerryDunn, to develop a funding model for the Child Welfare program. The Department received $150,000 General Fund in FY 2018-19 to complete the funding model. This funding has annualized into the Department's appropriation.

Problem or Opportunity:

The State faces a probable revenue shortfall for FY 2021-22 in relation to the COVID-19 outbreak and resulting impact on the economy. The Department is proposing this reduction in an effort to make General Fund available for other purposes.

Proposed Solution:

The Department proposes to reduce the funding for the Child Welfare funding model by $150,000 total funds/General Fund in FY 2021-22. Due to a delay in the contracting process, BerryDunn completed the model in FY 2019-20. This means the next model would be required to be completed in FY 2022-23; and therefore, these funds are not necessary in FY 2021-22 and may be reallocated to fund other high-priority activities.

This program does not fall on the evidence continuum as it is funding to develop a funding model for the comprehensive delivery of child welfare services.

Anticipated Outcomes:

A reduction for the Child Welfare funding model will maximize State General Fund and does not impact the Child Welfare services provided directly to families.

Assumptions and Calculations:

The Division of Child Welfare Administration line item is reduced by $150,000 General Fund.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-29 Refinance Child Welfare Block

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:04:32 -06'00'

OSPB Approval By: Ashley Clark

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
x	**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	Total	$353,614,720	$0	$353,614,720	$0	$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$176,963,771	$0	$188,302,179	($10,000,000)	$10,000,000
	CF	$66,020,062	$0	$54,681,654	$0	$0
	RF	$12,977,935	$0	$12,977,935	$0	$0
	FF	$97,652,952	$0	$97,652,952	$10,000,000	($10,000,000)

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
05. Division of Child Welfare, (A) Division of Child Welfare, (1) Division of Child Welfare - Child Welfare Services	Total	$353,614,720	$0	$353,614,720	$0	$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$176,963,771	$0	$188,302,179	($10,000,000)	$10,000,000
	CF	$66,020,062	$0	$54,681,654	$0	$0
	RF	$12,977,935	$0	$12,977,935	$0	$0
	FF	$97,652,952	$0	$97,652,952	$10,000,000	($10,000,000)

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department Priority: R-29
Request Detail: Refinance Child Welfare Services

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$353,614,720*	*$353,614,720*	*$0*	*$0*
FTE	0.0	0.0	0.0	0.0
General Fund	$176,963,771	$176,963,771	($10,000,000)	$10,000,000
Cash Funds	$66,020,062	$66,020,062	$0	$0
Reappropriated Funds	$12,977,953	$12,977,953	$0	$0
Federal Funds	$97,652,952	$97,652,952	$10,000,000	($10,000,000)

Summary of Request

The Department requests net zero adjustment composed of a decrease of $10,000,000 in General Fund and a corresponding increase in federal funds by the same amount in the Child Welfare Services line item, more commonly known as the Block, to refinance funding sources in FY 2021-22. The federal funds are Temporary Assistance for Needy Families (TANF). This is a one-time refinancing transaction that will decrease the TANF Long Term Reserve (LTR) to $36.9 M in FY 2021-22. **This net zero adjustment has no impact on services available to children.** Program refinancing of this nature does not fall on the State's evidence continuum, as all services will continue as planned, albeit with a different funding source. The TANF funds that will be transferred to the Child Welfare Services line are currently unappropriated.

Current Program:

The Child Welfare program provides services that strengthen the ability of the family to protect and care for their own children, minimize harm to children and youth, and ensure timely permanency planning. Services stabilize the family situation and strengthen the family's capacity to care for their children. When safety is not possible within the family, services focus on the child's need for a stable, permanent home as quickly as possible. Child Welfare services include prevention and intervention services for children, youth, and families at risk of involvement with child welfare; youth in conflict services to reduce or eliminate conflicts between youth and their family members or the community when conflicts affect the youth's well-being, the normal functioning of the family, or the well-being of the community. Child protection services are provided to protect children whose physical, mental, or emotional well-being is threatened by the actions or omissions of parents, legal guardians, custodians, or persons responsible for providing out-of-home care.

The Child Welfare Block is the primary source of funding for counties to administer child welfare programs and deliver associated services to children and families. It is largely used for administration and out-of-home placements. These services are funded with approximately 80% General Fund.

Problem or Opportunity:

Colorado faces a probable revenue shortfall for Fiscal Year 2021-22 in relation to the COVID-19 public health emergency and resulting impact on the economy. The Department is proposing this refinance in an effort to make General Fund resources available for other purposes.

Proposed Solution:

The Department requests a decrease of $10,000,000 in General Fund and a corresponding increase in federal Temporary Assistance for Needy Families (TANF) funds as a direct appropriation to the Child Welfare Services line item in FY 2021-22. Federal and State rules allow up to 10% of the annual TANF block grant to be transferred to Title XX programming. This transfer results in a General Fund savings of $10,000,000 in FY 2021-22.

Program refinancing of this nature does not fall on the State's evidence continuum, as all services will continue as planned, albeit with a different funding source. The TANF funds that will be transferred to the Child Welfare Services line are currently unappropriated.

Anticipated Outcomes:

Refinancing a portion of the General Fund appropriation in the Child Welfare Block with funds from TANF allows the State to free up the General Fund dollars for other worthy endeavors due to the COVID-19 pandemic.

This refinance does not create an immediate programmatic impact (FY 2021-22) on the State's Colorado Works (TANF) program. There will be an impact in FY 2022-23 and ongoing. Unexpected economic circumstances stemming from the COVID-19 public health emergency resulted in additional appropriations from the TANF Long Term Reserve (LTR) in FY 2019-20 and FY 2020-21. The Department's projects that this Child Welfare refinance will reduce the LTR balance to $36.9 M (see Table 1) at the end of FY 2021-22, just $3 M shy of the $33.9 million floor, and will drop below this floor in subsequent years. Dropping below the floor may strain the State's TANF program as that floor represents funds required to support TANF benefits and system maintenance that are made in the last quarter of the federal fiscal year, after the end of the State fiscal year, but before new federal grant funds are available.

Assumptions and Calculations:

This request is based on the amount of direct TANF transfer funding available to transfer to the Child Welfare program given other appropriations that factor into the transfer ceiling of $13.6 M. Projections assume there are no changes to revenue (i.e. TANF Block Grant) or existing TANF appropriations.

Table 1: TANF Long-term Reserve Analysis			
TANF Funds Available to Appropriate	**FY 2019-20 Actuals (as of 8/20)**	**FY 2020-21 Long Bill**	**FY 2021-22 Projected**
Prior Grant Year Funds Available (as of June 30)[1]	**$ 148,853,801**	**$ 82,501,840**	**$ 56,784,020**
State Family Assistance Grant[2]	$ 135,607,703	$ 135,607,703	$ 135,607,703
Contingency Fund [3]	$ 16,154,660	$ 12,000,000	$ 12,000,000
Sub-total TANF Funds Available	$ 300,616,164	$ 230,109,543	$ 204,391,723
Less County Reserves (as of June 30)/ Net Change in out year	$ (57,537,014)	$ 1,492,672	
Total TANF Funds Available to Appropriate	**$ 243,079,150**	**$ 231,602,215**	**$ 204,391,723**
TANF Spending/Appropriations			
General, Administrative & Prior Year Adjustments	4,505,615	5,320,184	5,320,184
OIT Common Policy	528,153	972,485	999,101
Colorado Benefits Management System	$2,647,702	$2,688,485	$2,688,485
Colorado Works Administration	$3,461,416	$4,093,608	$4,093,608
County Block Grants	$128,198,357	$128,198,357	$128,198,357
Child Welfare (IV-E) Services (SB 19-258)	$6,700,000		
Long Bill Initiated Child Welfare GF Refinance		$11,338,408	
State Long Term Utilization (HB 18-1306)	$1,426,107	$2,750,328	$2,750,328
Total TANF Transfers to SSBG (Title XX)	**$8,126,107**	**$14,088,736**	**$2,750,328**
State Long Term Utilization (HB 18-1162)	$4,187,884	$3,000,000	$3,000,000
Total TANF Transfers to CCDF[4]	**$4,187,884**	**$3,000,000**	**$3,000,000**
County Training	$335,846	$392,827	$392,827
Domestic Abuse Program	$629,677	$629,677	$629,677
Works Program Evaluation	$488,173	$495,440	$495,440
Workforce Development Council	$76,211	$111,211	$111,211
Subsidized Employment with Wages (CW STEP)	$3,639,189		
Child Support Services Employment Program		$1,819,966	$1,819,966
Refugee Assistance	$2,791,523	$2,759,392	$2,759,392
Electronic Benefits Transfer Service	$46,448	$205,406	$205,406
System Alien Verification for Eligibility	$1,941	$2,421	$2,421
SB 19-235 Voter Registration	$0		
Legisltive Items:			
SB 20-029		$8,540,000	
County Block Grant Support Fund	$913,067	$1,500,000	
Decision Items:			
R-28 Employment Opps with Wages Continuation			$3,999,360
R-38 Refinance Child Welfare Block			$10,000,000
Total TANF Spending/Appropriations	**$160,577,310**	**$174,818,195**	**$167,465,763**
State Long-term Reserve Balance	**$82,501,840**	**$56,784,020**	**$36,925,960**

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

Schedule 13

Department of Human Services

Funding Request for The FY 2021-22 Budget Cycle	
Request Title	
	R-30 Reduction of Central Administrative Staff

Dept. Approval By: Clint Woodruff Digitally signed by Clint Woodruff Date: 2020.10.28 17:03:20 -06'00'

OSPB Approval By: Ashley Clark

	Supplemental FY 2020-21
	Budget Amendment FY 2021-22
x	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
Total of All Line Items Impacted by Change Request	Total	$85,321,271	$0	$91,127,760	($737,266)	($737,266)
	FTE	415.8	0.0	415.8	(7.0)	(7.0)
	GF	$15,030,419	$0	$15,030,419	($339,032)	($339,032)
	CF	$8,658,253	$0	$9,421,041	($29,058)	($29,058)
	RF	$28,404,861	$0	$30,470,506	($257,617)	($257,617)
	FF	$33,227,738	$0	$36,205,794	($111,559)	($111,559)

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
01. Executive Director's Office, (C) Indirect Costs, (1) Indirect Costs - Indirect Cost Assessment	Total	$824,208	$0	$1,088,692	($2,767)	($2,767)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$673,369	$0	$732,723	($2,261)	($2,261)
	RF	$130,510	$0	$332,959	($438)	($438)
	FF	$20,329	$0	$23,010	($68)	($68)
03. Office of Operations, (A) Administration, (1) Administration - Personal Services	Total	$26,014,326	$0	$26,014,326	($538,149)	($538,149)
	FTE	415.8	0.0	415.8	(7.0)	(7.0)
	GF	$15,030,419	$0	$15,030,419	($339,032)	($339,032)
	CF	$3,291	$0	$3,291	$0	$0
	RF	$10,980,616	$0	$10,980,616	($199,117)	($199,117)
	FF	$0	$0	$0	$0	$0

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
03. Office of Operations, (C) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessments	Total	$259,514	$0	$321,837	($871)	($871)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$231,550	$0	$251,962	($777)	($777)
	RF	$27,964	$0	$69,875	($94)	($94)
	FF	$0	$0	$0	$0	$0
05. Division of Child Welfare, (A) Division of Child Welfare, (1) Division of Child Welfare - Indirect Cost Assessment	Total	$11,186,150	$0	$12,189,174	($37,556)	($37,556)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$95,632	$0	$104,068	($321)	($321)
	RF	$58,780	$0	$65,022	($197)	($197)
	FF	$11,031,738	$0	$12,020,084	($37,038)	($37,038)
06. Division of Early Childhood, (C) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	Total	$3,610,347	$0	$3,933,566	($12,121)	($12,121)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$182,130	$0	$198,189	($611)	($611)
	RF	$0	$0	$0	$0	$0
	FF	$3,428,217	$0	$3,735,377	($11,510)	($11,510)
07. Office of Self Sufficiency, (F) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	Total	$22,723,856	$0	$24,847,286	($76,293)	($76,293)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$111,901	$0	$121,754	($376)	($376)
	RF	$5,497,159	$0	$6,077,161	($18,456)	($18,456)
	FF	$17,114,796	$0	$18,648,371	($57,461)	($57,461)
08. Behavioral Health Services, (F) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	Total	$6,350,432	$0	$6,936,950	($21,322)	($21,322)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$3,451,101	$0	$3,755,240	($11,587)	($11,587)
	RF	$1,428,686	$0	$1,579,281	($4,797)	($4,797)
	FF	$1,470,645	$0	$1,602,429	($4,938)	($4,938)

Line Item Information	Fund	FY 2020-21 Initial Appropriation	FY 2020-21 Supplemental Request	FY 2021-22 Base Request	FY 2021-22 Change Request	FY 2022-23 Continuation
09. Services for People with Disabilities, (E) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	**Total**	**$14,078,431**	**$0**	**$15,497,562**	**($47,267)**	**($47,267)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$3,790,116	$0	$4,124,151	($12,725)	($12,725)
	RF	$10,281,146	$0	$11,365,592	($34,518)	($34,518)
	FF	$7,169	$0	$7,819	($24)	($24)
10. Adult Assistance Programs, (F) Indirect Cost Assessment, (1) Indirect Cost Assessment - Indirect Cost Assessment	**Total**	**$154,899**	**$0**	**$168,761**	**($520)**	**($520)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$55	$0	$57	$0	$0
	RF	$0	$0	$0	$0	$0
	FF	$154,844	$0	$168,704	($520)	($520)
11. Division of Youth Services, (D) Indirect Costs, (1) Indirect Costs - Indirect Costs	**Total**	**$119,108**	**$0**	**$129,606**	**($400)**	**($400)**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$0	$0	$0	$0	$0
	CF	$119,108	$0	$129,606	($400)	($400)
	RF	$0	$0	$0	$0	$0
	FF	$0	$0	$0	$0	$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Human Services Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

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Department Priority: R-30
Request Detail: Reduction of Central Administrative Staff

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	*$85,321,271*	*$91,127,760*	*($538,149)*	*($538,149)*
FTE	415.8	415.8	(7.0)	(7.0)
General Fund	$15,030,419	$15,030,419	($339,032)	($339,032)
Cash Funds	$8,686,253	$9,421,041	$0	$0
Reappropriated Funds	$28,404861	$30,470,506	($199,117)	($199,117)
Federal Funds	$33,227,738	$36,205,794	$0	$0

Summary of Request

The Department requests a reduction of $538,149 total funds, including reductions of $339,032 General Fund and $199,117 reappropriated funds and 7.0 FTE in FY 2021-22 and beyond. The reductions are the result of personal services cost savings strategies employed in FY 2020-21. The reduction will be achieved through the elimination of vacant positions and holding vacant positions vacant in FY 2020-21. It is anticipated that the changes to workload and work assignments implemented in FY 2020-21 will continue into FY 2021-22 and beyond. No negative program impacts are anticipated. This reduction represents 2.1 percent of the FY 2020-21 appropriation.

Current Program:

The Department has centralized functions that support the five programmatic offices. These functions include accounting, contracts, procurement, human resources, and project management. As a result of the centralization of these functions, the Department has some flexibility to realign workloads based on funding available to support personal services costs.

Problem or Opportunity:

Given the State's projected revenue shortfall in FY 2020-21 the General Assembly reduced funding for personal services across all state departments by 5% General Fund as compared to FY 2019-20. Currently, the State's revenue projections are not expected to improve significantly until the end of calendar year 2023, necessitating continued budget reductions in FY 2021-22 and beyond resulting in the need for continued budget reductions and efficiencies.

Proposed Solution:

Through various personnel actions in FY 2020-21 the Department was able to achieve a savings of $538,148 General Fund. These savings were achieved through the elimination of vacant positions and holding vacant positions vacant in FY 2020-21.

Table 1 illustrates the positions that were eliminated in FY 2020-21 and will not be filled moving forward, until the State's revenues improve. The salaries used in the table are the average salaries for the position classification and region.

Table 1: Vacancy Savings FY 2021-22 and Beyond by Fund Source

		Average Annual Salary Total Funds			
Office	**Position**	**Total Funds**	**General Fund (assume 63%)**	**Reappropriated Funds (assume 37%)**	**FTE**
Financial Services	Program Accountant II	$ (152,484)	$ (96,064)	$ (56,420)	(2.0)
Financial Services	Program Assistant II	$ (76,542)	$ (48,221)	$ (28,321)	(1.0)
Financial Services	Accounting Technician II	$ (67,624)	$ (42,603)	$ (25,021)	(1.0)
Financial Services	Settlement Accountant II	$ (38,121)	$ (24,016)	$ (14,105)	(0.5)
Financial Services	Compliance Accountant II	$ (38,121)	$ (24,016)	$ (14,105)	(0.5)
Administrative Solutions	Program Management III	$ (70,763)	$ (44,581)	$ (26,182)	(1.0)
Administrative Solutions	Project Manager II	$ (94,494)	$ (59,531)	$ (34,963)	(1.0)
	Total	**$ (538,149)**	**$ (339,032)**	**$ (199,117)**	**(7.0)**

Anticipated Outcomes:

It is anticipated that the changes to workload and work assignments implemented in FY 2020-21 will continue into FY 2021-22 and beyond. No negative program impacts are anticipated.

Assumptions and Calculations:

See Table 1, in the Proposed Solution Section for the request calculations and assumptions.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A

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