

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2010-11 STAFF FIGURE SETTING
DEPARTMENT OF HUMAN SERVICES**

**(Executive Director's Office, County Administration,
Self Sufficiency, Adult Assistance)**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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**FY 2010-11 FIGURE SETTING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

DEPARTMENT OF HUMAN SERVICES

**(Executive Director's Office, County Administration, Self Sufficiency,
and Adult Assistance)**

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**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting
 Department of Human Services
 (EDO, County Administration, Self-sufficiency, Adult Assistance)**

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		
	Actual	Actual	Appropriation	Request	Recommend	Change Requests

DEPARTMENT OF HUMAN SERVICES
Executive Director: Karen L. Beye

(1) EXECUTIVE DIRECTOR'S OFFICE

The primary function of this division is general department administration, which includes human resources, budgeting, and quality assurance. The division also administers special purpose functions such as the Juvenile Parole Board, the Developmental Disabilities Council, and the quality assurance activities related to child welfare.

(A) General Administration

Please note that the funding splits for this subsection are for informational purposes only as the Long Bill for this subsection reflects fund splits at the bottom-line only.

Personal Services	1,989,735	2,015,955	1,953,559	S	1,973,419	A	1,973,419	BA #NP-1
FTE	20.1	21.8	<u>22.4</u>		<u>22.4</u>		<u>22.4</u>	
General Fund			636,312	S	642,333	A	642,333	
Cash Funds			100,128	S	101,117	A	101,117	
Reappropriated Fund / Cash Funds Exempt			298,764	S	303,113	A	303,113	
Federal Funds			918,355	S	926,856	A	926,856	
*Medicaid Cash Funds			192,897	S	196,246	A	196,246	
*Net General Fund			805,784	S	813,389	A	813,389	
Health, Life, and Dental	18,417,860	21,523,421	<u>25,082,041</u>	S	<u>22,233,772</u>	A	<u>Pending</u>	Aug #12, Aug #17, NP-3
General Fund			14,565,588	S	13,416,829	A		
Cash Funds			643,157		351,631	A		Total comp update
Reappropriated Fund / Cash Funds Exempt			6,883,504		5,538,249	A		
Federal Funds			2,989,792		2,927,063	A		
*Medicaid Cash Funds			5,822,263		4,957,782	A		
*Net General Fund			17,476,720	S	15,898,055	A		

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Appropriation	Request	Recommend	
Short-term Disability	285,064	307,343	<u>350,264</u> S	<u>324,664</u> A	<u>Pending</u>	Aug #12, Aug #17,
General Fund			215,123 S	201,112 A		NP-3
Cash Funds			6,062 S	5,918 A		Total comp update
Reappropriated Fund / Cash Funds Exempt			77,224 S	69,741 A		
Federal Funds			51,855 S	47,893 A		
*Medicaid Cash Funds			69,400 S	61,572 A		
*Net General Fund			249,844 S	231,899 A		
S.B. 04-257 Amortization Equalization Disbursement	2,651,404	3,742,266	<u>4,675,860</u> S	<u>5,052,107</u> A	<u>Pending</u>	Aug #12, Aug #17,
General Fund			2,858,101 S	3,126,787 A		NP-3
Cash Funds			81,273 S	91,663 A		Total comp update
Reappropriated Fund / Cash Funds Exempt			1,030,290 S	1,092,220 A		
Federal Funds			706,196 S	741,437 A		
*Medicaid Cash Funds			923,790 S	965,724 A		
*Net General Fund			3,320,257 S	3,609,663 A		
S.B. 06-235 Supplemental Amortization Equalization Disbursement	482,075	1,706,467	<u>2,878,745</u> S	<u>3,697,024</u> A	<u>Pending</u>	Aug #12, Aug #17,
General Fund			1,752,536 S	2,286,575 A		NP-3
Cash Funds			50,796 S	66,838 A		Total comp update
Reappropriated Fund / Cash Funds Exempt			634,041 S	802,971 A		
Federal Funds			441,372 S	540,640 A		
*Medicaid Cash Funds			567,479 S	710,733 A		
*Net General Fund			2,036,436 S	2,641,896 A		
Salary Survey and Senior Executive Service	8,459,970	8,575,696	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund			0	0		
Cash Funds			0	0		
Reappropriated Fund / Cash Funds Exempt			0	0		
Federal Funds			0	0		
*Medicaid Cash Funds			0	0		
*Net General Fund			0	0		

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Appropriation	Request	Recommend	
Performance-based Pay Awards	3,048,099	3,871,146	0	0	0	
General Fund			0	0		
Cash Funds			0	0		
Reappropriated Fund / Cash Funds Exempt			0	0		
Federal Funds			0	0		
*Medicaid Cash Funds			0	0		
*Net General Fund			0	0		
Shift Differential	4,420,547	3,958,334	3,465,339 S	3,780,969	Pending	Aug #12, Aug #17
General Fund			2,186,018 S	2,505,020		
Cash Funds			288	0		
Reappropriated Fund / Cash Funds Exempt			1,269,925	1,269,125		
Federal Funds			9,108	6,824		
*Medicaid Cash Funds			1,265,693	1,244,071		
*Net General Fund			2,818,865 S	3,129,556		
Workers' Compensation	6,764,507	8,587,528	9,771,549 S	10,778,157	Pending	Aug NP-1, Aug NP-2
General Fund			5,156,320 S	5,687,495		
Cash Funds			29,213 S	32,222		
Reappropriated Fund / Cash Funds Exempt			4,157,922 S	4,586,247		
Federal Funds			428,094 S	472,193		
*Medicaid Cash Funds			2,915,169 S	3,215,473		
*Net General Fund			6,613,905 S	7,295,232		
Operating Expenses	487,980	494,643	495,951 S	495,013 A	495,280	BA #NP-5
General Fund			139,593 S	138,992 A	139,181	
Cash Funds			119,393	119,393	119,393	
Reappropriated Fund / Cash Funds Exempt			160,504	160,504	160,504	
Federal Funds			76,461	76,124	76,202	
*Medicaid Cash Funds			149,989	149,989	149,989	
*Net General Fund			214,588 S	213,801 A	213,990	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Appropriation	Request	Recommend	
Legal Services	1,328,161	1,384,769	1,389,932	1,389,932	Pending	
Hours			<u>18,439.0</u>	<u>18,439.0</u>	<u>18,439.0</u>	
General Fund			1,154,609	1,154,609		
Cash Funds			170,379	170,379		
Reappropriated Fund / Cash Funds Exempt			13,281	13,281		
Federal Funds			51,663	51,663		
Administrative Law Judge Services	833,592	800,999	<u>1,007,557</u>	<u>803,767</u>	Pending	
General Fund			608,994	485,818		
Cash Funds			61,048	48,700		
Federal Funds			337,515	269,249		
Payment to Risk Management and Property Funds	1,296,369	1,768,970	<u>1,700,487</u> S	<u>566,402</u>	Pending	Aug NP-1, Aug NP-2
General Fund			1,415,847 S	471,593		
Cash Funds			3,726 S	1,241		
Reappropriated Fund / Cash Funds Exempt			212,097 S	70,646		
Federal Funds			68,817 S	22,922		
*Medicaid Cash Funds			137,732 S	45,875		
*Net General Fund			1,484,713 S	494,531		
Staff Training	14,508	31,870	<u>31,870</u>	<u>31,870</u>	<u>31,870</u>	
General Fund			0	0	0	
Cash Funds			31,870	31,870	31,870	
Reappropriated Fund / Cash Funds Exempt			0	0	0	
Injury Prevention Program	105,888	54,461	<u>105,970</u>	<u>105,970</u>	<u>105,970</u>	
General Fund			0	0	0	
Reappropriated Fund / Cash Funds Exempt			105,970	105,970	105,970	
*Medicaid Cash Funds			105,970	105,970	105,970	
*Net General Fund			52,985	52,985	52,985	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11			Change Requests	
	Actual	Actual	Appropriation	Request	Recommend	Recommend v. Approp		
(1) EXECUTIVE DIRECTOR'S OFFICE								
Subtotal - (A) General Administration	50,585,759	58,823,868	52,909,124	S	51,233,066	A	2,606,539	-95.1%
FTE	<u>20.1</u>	<u>21.8</u>	<u>22.4</u>		<u>22.4</u>		<u>22.4</u>	<u>0.0</u>
General Fund	30,611,490	36,154,195	30,689,041	S	30,117,163	A	781,514	-97.5%
Cash Funds	871,627	1,655,482	1,297,333	S	1,020,972	A	252,380	-80.5%
Reappropriated Fund / Cash Funds Exempt	13,010,129	14,997,635	14,843,522	S	14,012,067	A	569,587	-96.2%
Federal Funds	6,092,513	6,016,556	6,079,228	S	6,082,864	A	1,003,058	-83.5%
*Medicaid Cash Funds	10,952,784	13,542,317	12,150,382	S	11,653,435	A	452,205	-96.3%
*Net General Fund	35,991,171	42,747,655	36,837,700	S	36,021,434	A	1,080,364	-97.1%

(B) Special Purpose

This section provides funding to support staff responsible for periodically assessing all Colorado children placed in residential care as a result of a dependency and neglect or a delinquency proceeding to ensure counties' statutory and regulatory compliance and to assess whether each child has been placed appropriately. Funding is also provided to support staff who conduct background/employment screenings using records and reports of child abuse or neglect, and staff who represent the Department at administrative hearings related to individuals who appeal a county's finding related to a report of abuse or neglect. Cash funds are from fees paid by those requesting background/employment checks. Additional line items are addressed in other figure setting packets.

Office of Performance Improvement [Employment and Regulatory Affairs]	4,600,868	4,674,128	5,098,852	S	5,135,035	A	5,135,961	BA #NP-1, BA #NP-5
FTE	<u>65.2</u>	<u>64.1</u>	<u>74.1</u>		<u>74.1</u>		<u>74.1</u>	
General Fund	1,680,324	1,776,921	1,878,719	S	1,893,097	A	1,894,023	
Cash Funds	171,125	227,131	232,824	S	233,544	A	233,544	
Reappropriated Fund / Cash Funds Exempt	730,765	568,233	757,112	S	762,774	A	762,774	
Federal Funds	2,018,654	2,101,843	2,230,197	S	2,245,620	A	2,245,620	
*Medicaid Cash Funds	642,044	578,456	722,423	S	715,427	A	715,427	
*Net General Fund	2,001,346	2,066,149	2,272,176	S	2,250,812	A	2,251,738	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Appropriation	Request	Recommend	
(1) EXECUTIVE DIRECTOR'S OFFICE						
Subtotal - (B) Special Purpose [selected line items]	4,600,868	4,674,128	5,098,852	5,135,035	5,135,961	0.7%
FTE	<u>65.2</u>	<u>64.1</u>	<u>74.1</u>	<u>74.1</u>	<u>74.1</u>	<u>0.0</u>
General Fund	1,680,324	1,776,921	1,878,719	1,893,097	1,894,023	0.8%
Cash Funds	171,125	227,131	232,824	233,544	233,544	0.3%
Reappropriated Fund / Cash Funds Exempt	730,765	568,233	757,112	762,774	762,774	0.7%
Federal Funds	2,018,654	2,101,843	2,230,197	2,245,620	2,245,620	0.7%
*Medicaid Cash Funds	<i>642,044</i>	<i>578,456</i>	<i>722,423</i>	<i>715,427</i>	<i>715,427</i>	<i>-1.0%</i>
*Net General Fund	<i>2,001,346</i>	<i>2,066,149</i>	<i>2,272,176</i>	<i>2,250,812</i>	<i>2,251,738</i>	<i>-0.9%</i>
Recommend v. Approp						
TOTAL - (1) EXECUTIVE DIRECTOR'S OFFICE \a	55,186,627	63,497,996	58,007,976 /a	56,368,101	7,742,500	-86.7%
FTE	<u>85.3</u>	<u>85.9</u>	<u>96.5</u>	<u>96.5</u>	<u>96.5</u>	<u>0.0</u>
General Fund	32,291,814	37,931,116	32,567,760	32,010,260	2,675,537	-91.8%
Cash Funds	1,042,752	1,882,613	1,530,157	1,254,516	485,924	-68.2%
Cash Funds Exempt / Reappropriated Funds	13,740,894	15,565,868	15,600,634	14,774,841	1,332,361	-91.5%
Federal Funds	8,111,167	8,118,399	8,309,425	8,328,484	3,248,678	-60.9%
*Medicaid Cash Funds	<i>11,594,828</i>	<i>14,120,773</i>	<i>12,872,805</i>	<i>12,368,862</i>	<i>1,167,632</i>	<i>-90.9%</i>
*Net General Fund	<i>37,992,517</i>	<i>44,813,804</i>	<i>39,109,876</i>	<i>38,272,246</i>	<i>3,332,102</i>	<i>-91.5%</i>

/a Excludes line items covered in other briefing packets.

* These amounts are included for informational purposes only. Medicaid cash funds are classified as cash funds exempt for the purpose of complying with Article X, Section 20 of the State Constitution. These moneys are transferred from the Department of Health Care Policy and Financing where generally half of the dollars are appropriated as General Fund. Net General Fund equals the General Fund dollars listed above plus the General Fund transferred as part of Medicaid.

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Appropriation	Request	Recommend	
(4) COUNTY ADMINISTRATION						
This division provides counties with resources for duties related to their social services functions. Funding includes a county's 20.0 percent share or a maintenance of effort and other funding for the administrative costs of medical and cash assistance programs. Such programs include Adult Protection, child support enforcement, and Food Stamps. County administration for Medicaid programs is appropriated to the Department of Health Care Policy and Financing.						
County Administration	<u>37,095,807</u>	<u>49,039,688</u>	<u>51,138,883</u>	<u>50,116,105</u>	<u>50,116,105</u>	BR 4
General Fund	14,001,616	18,968,410	20,227,939	19,823,380	19,823,380	
Cash Funds	0	8,541,412	9,381,078	9,193,456	9,193,456	
Reappropriated Fund / Cash Funds Exempt	6,164,325	0	0	0	0	
Federal Funds	16,929,866	21,529,866	21,529,866	21,099,269	21,099,269	
*Medicaid Cash Funds	0	0	0	0	0	
*Net General Fund	14,001,616	18,968,410	20,227,939	19,823,380	19,823,380	
Department of Health Care Policy and Financing, Medicaid						
County Administration [non-add - information only]	<u>31,449,101</u>	<u>34,616,961</u>	<u>30,986,377</u>	<u>32,858,207</u>		
General Fund	9,475,266	11,176,396	9,794,550	9,794,550		
Cash Funds	0	6,172,217	5,738,771	6,674,686		
Reappropriated Fund / Cash Funds Exempt	6,249,284	0	0	0		
Federal Funds	15,724,551	17,268,348	15,453,056	16,388,971		
Subtotal County Administration HCPF & DHS [non-add - information only]	<u>68,544,908</u>	<u>83,656,649</u>	<u>82,125,260</u>	<u>82,974,312</u>		
General Fund	23,476,882	30,144,806	30,022,489	29,617,930		
Cash Funds	0	14,713,629	15,119,849	15,868,142		
Reappropriated Fund / Cash Funds Exempt	12,413,609	0	0	0		
Federal Funds	32,654,417	38,798,214	36,982,922	37,488,240		
County Contingency Payments pursuant to Section 26-1-126, C.R.S. -						
General Fund	11,069,321	0	0	0	0	
County Tax Base Relief - General Fund	0	5,652,654	2,700,688	0	0	BR 3
County Share of Offsetting Revenues	<u>3,530,126</u>	<u>3,933,693</u>	<u>3,789,313</u>	<u>3,789,313</u>	<u>3,789,313</u>	
Cash Funds	0	3,933,693	3,789,313	3,789,313	3,789,313	
Reappropriated Fund / Cash Funds Exempt	3,530,126	0	0	0	0	
County Incentive Payments	<u>1,815,147</u>	<u>5,584,361</u>	<u>5,584,361</u>	<u>4,739,624</u>	<u>4,739,624</u>	DI 8
Cash Funds	0	5,584,361	5,584,361	4,739,624	4,739,624	
Reappropriated Fund / Cash Funds Exempt	1,815,147	0	0	0	0	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Appropriation	Request	Recommend	
TOTAL - (4) COUNTY ADMINISTRATION	<u>53,510,401</u>	<u>64,210,396</u>	<u>63,213,245</u>	<u>58,645,042</u>	<u>58,645,042</u>	Recommend v. Approp -7.2%
General Fund	25,070,937	24,621,064	22,928,627	S 19,823,380	19,823,380	-13.5%
Cash Funds	0	18,059,466	18,754,752	17,722,393	17,722,393	-5.5%
Reappropriated Fund / Cash Funds Exempt	11,509,598	0	0	0	0	n/a
Federal Funds	16,929,866	21,529,866	21,529,866	21,099,269	21,099,269	-2.0%
*Medicaid Cash Funds	0	0	0	0	0	n/a
*Net General Fund	25,070,937	24,621,064	22,928,627	A 19,823,380	19,823,380	-13.5%

* These amounts are included for informational purposes only. Medicaid cash funds are classified as cash funds exempt for the purpose of complying with Article X, Section 20 of the State Constitution. These moneys are transferred from the Department of Health Care Policy and Financing where generally half of the dollars are appropriated as General Fund. Net General Fund equals the General Fund dollars listed above plus the General Fund transferred as part of Medicaid.

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests		
	Actual	Actual	Appropriation	Request	Recommend			
(7) OFFICE OF SELF SUFFICIENCY								
(A) Administration								
The Office of Self Sufficiency's Administration section is responsible for the oversight of the the Colorado Works Program, the Special Purpose Welfare Programs (Low Income Energy Assistance Program, Food Stamp Job Search, Food Distribution, Low-Income Telephone Assistance Program, Income Tax Offset, Electronic Benefits Transfer Service, Refugee Assistance, and Systematic Alien Verification for Eligibility), Child Support Enforcement, and Disability Determination Services.								
Personal Services	1,459,112	1,722,036	1,683,833	S	1,695,888	A	1,695,888	BA #NP-1
FTE	<u>18.3</u>	<u>18.8</u>	<u>22.0</u>		<u>22.0</u>		<u>22.0</u>	
General Fund	626,958	824,137	700,273	S	712,328	A	712,328	
Federal Funds	832,154	897,899	983,560	S	983,560		983,560	
Operating Expenses and Food Stamp Settlement	<u>83,733</u>	<u>12,978,501</u>	<u>102,851</u>	S	<u>77,312</u>	A	<u>77,499</u>	BA #NP-5
General Fund	42,654	36,895	54,049	S	53,993	A	54,133	
Cash Funds	0	12,905,342	0		0		0	
Federal Funds	41,079	36,264	48,802	S	23,319	A	23,366	
Inmate Assistance Pilot Program								
General Fund	0	0	0		0		0	
Food Stamp COLA Sanction - Cash Funds	0	279,000	0		0		0	
							Recommend v. Approp	
(7) SELF SUFFICIENCY								
Subtotal - (A) Administration	1,542,845	14,979,537	1,786,684	S	1,773,200	A	1,773,387	-0.7%
FTE	<u>18.3</u>	<u>18.8</u>	<u>22.0</u>		<u>22.0</u>		<u>22.0</u>	<u>0.0</u>
General Fund	669,612	861,032	754,322	S	766,321	A	766,461	1.6%
Cash Funds	0	13,184,342	0		0		0	n/a
Federal Funds	873,233	934,163	1,032,362	S	1,006,879	A	1,006,926	-2.5%

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests		
	Actual	Actual	Appropriation	Request	Recommend			
(7) OFFICE OF SELF SUFFICIENCY								
(B) Colorado Works Program								
The Colorado Works Program implements federal welfare reform. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created the Temporary Assistance for Needy Families (TANF) to replace the Aid to Families with Dependent Children (AFDC). Colorado Works supervises administration of TANF programs delivered at the county level. TANF provides cash assistance benefits and other support services to eligible families to assist these families in finding and retaining employment. NOTE: <i>Interim supplementals approved but not yet enacted are not included in appropriation figures.</i>								
Colorado Works Administration	1,156,612	1,415,065	1,509,389	S	1,568,252	A	1,568,274	DI 5
FTE	<u>13.1</u>	<u>16.4</u>	<u>19.0</u>		<u>19.0</u>		<u>19.0</u>	BA #NP-1, BA #NP-5
General Fund	0	0	0		0		0	
Reappropriated Fund / Cash Funds Exempt	0	0	0		0		0	
Federal Funds	1,156,612	1,415,065	1,509,389	S	1,568,252	A	1,568,274	
County Block Grants	<u>116,067,649</u>	<u>126,248,209</u>	<u>151,536,168</u>		<u>151,536,168</u>		<u>151,536,168</u>	
General Fund	627,726	0	0		0		0	
Cash Funds	0	22,430,135	22,823,033		22,823,033		22,823,033	
Reappropriated Fund / Cash Funds Exempt	24,904,503	0	0		0		0	
Federal Funds	90,535,420	103,818,074	128,713,135		128,713,135		128,713,135	
Reimbursement to Counties for Prior Year Expenditures Due to Reduction in Federal Maintenance of Effort Requirement - Federal Funds	11,049,452	0	11,049,452	S	5,524,726		5,524,726	
County Block Grant Support Fund (formerly Short-term Works Emergency Fund) - Federal Funds	80,160	2,963	1,000,000		1,000,000		1,000,000	
County Reserve Accounts [CO Works only through FY 2009-10]. New line item recommendation: County TANF Reserves for Colorado Works, Child Welfare, and Child Care Programs - Federal Funds [starting FY 2010-11]	79,984,325	90,609,366	57,393,455	S	57,393,455	A	92,672,487	BA #4
County Training - Federal Funds	440,794	564,834	587,800	S	588,917	A	588,968	BA #NP-1, BA #NP-5
FTE	1.8	2.0	2.0		2.0		2.0	
Domestic Abuse Program	807,709	789,679	1,829,659	S	1,830,694	A	1,830,757	BA #NP-1, BA #NP-5
FTE	<u>1.0</u>	<u>1.3</u>	<u>2.7</u>		<u>2.7</u>		<u>2.7</u>	
Cash Funds	0	126,801	1,169,835	S	1,170,870	A	1,170,933	
Reappropriated Fund / Cash Funds Exempt	157,709	0	0		0		0	
Federal Funds	650,000	662,878	659,824		659,824		659,824	
Works Program Evaluation - Federal Funds	490,938	499,762	350,029		350,007	A	350,007	BA #NP-5
Workforce Development Council - Federal Funds	88,838	105,007	105,007		105,007		105,007	
Federal TANF Reauthorization CBMS Changes - Federal Funds	199,893	0	0		0		0	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Appropriation	Request	Recommend	
Promoting Responsible Fatherhood Grant	0	<u>2,736,972</u>	<u>2,065,680</u> S	<u>2,067,459</u> A	<u>2,067,459</u>	Aug #7
General Fund	0	163,917	72,222 S	72,222	72,222	BA #NP-1
Federal Funds	0	2,573,055	1,993,458	1,995,237 A	1,995,237	
Colorado Works Program Maintenance Fund - Federal Funds	0	0	3,000,000	3,000,000	963,249	
Colorado Works Statewide Strategic Uses Fund - Federal Funds	0	204,322	10,000,000	10,000,000	10,000,000	
TANF-Supported Subsidized Employment - Federal Funds [New line item]	n/a	n/a	11,250,000 S	0	0	
TANF-Funded Homeless Prevention - Federal Funds [New line item]	n/a	n/a	4,750,000 S	0	0	
						Recommend v. Approp
(7) SELF SUFFICIENCY						
Subtotal - (B) Colorado Works Program	210,366,370	223,176,179	256,426,639 S	234,964,685 A	268,207,102	4.6%
FTE	<u>15.9</u>	<u>19.7</u>	<u>23.7</u>	<u>23.7</u>	<u>23.7</u>	<u>0.0</u>
General Fund	627,726	163,917	72,222 S	72,222	72,222	0.0%
Cash Funds	0	22,556,936	23,992,868	23,993,903 A	23,993,966	0.0%
Reappropriated Fund / Cash Funds Exempt	25,062,212	0	0	0	0	n/a
Federal Funds	184,676,432	200,455,326	232,361,549 S	210,898,560 A	244,140,914	5.1%

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests		
	Actual	Actual	Appropriation	Request	Recommend			
(7) OFFICE OF SELF SUFFICIENCY								
(C) Special Purpose Welfare Programs								
This program provides administrative oversight to counties for food, energy, and other cash assistance to low-income households.								
(1) Low Income Energy Assistance	52,248,363	73,216,811	42,335,645	S	33,681,652	A	73,520,751	NP-3
FTE	<u>5.0</u>	<u>5.1</u>	<u>6.6</u>		<u>5.6</u>		<u>6.6</u>	BA #NP-1, BA #NP-5
Cash Funds	5,950,000	3,041,082	0		0		5,399,832	
Reappropriated Fund / Cash Funds Exempt	2,149,832	2,149,832	2,149,832		2,149,832		0	
Federal Funds	44,148,531	68,025,897	40,185,813	S	31,531,820	A	68,120,919	
(2) Food Stamp Job Search Units								
Program Costs	2,001,321	2,071,252	2,055,553	S	2,062,882	A	2,062,882	BA #NP-1
FTE	<u>5.9</u>	<u>5.4</u>	<u>6.2</u>		<u>6.2</u>		<u>6.2</u>	
General Fund	162,632	171,002	176,806		182,568		182,568	
Cash Funds	0	409,382	409,382		409,382		409,382	
Reappropriated Fund / Cash Funds Exempt	409,382	0	0		0		0	
Federal Funds	1,429,307	1,490,868	1,469,365	S	1,470,932	A	1,470,932	
Supportive Services	<u>260,491</u>	<u>261,251</u>	<u>261,452</u>		<u>261,452</u>		<u>261,452</u>	
General Fund	78,075	78,360	78,435		78,435		78,435	
Cash Funds	0	52,291	52,291		52,291		52,291	
Reappropriated Fund / Cash Funds Exempt	52,291	0	0		0		0	
Federal Funds	130,125	130,600	130,726		130,726		130,726	
								Recommend v. Approp
(7) OFFICE OF SELF SUFFICIENCY								
Subtotal - (C) (2) Food Stamp Job Search Units	2,261,812	2,332,503	2,317,005	S	2,324,334	A	2,324,334	0.3%
FTE	<u>5.9</u>	<u>5.4</u>	<u>6.2</u>		<u>6.2</u>		<u>6.2</u>	<u>0.0</u>
General Fund	240,707	249,362	255,241		261,003		261,003	2.3%
Cash Funds	0	461,673	461,673		461,673		461,673	0.0%
Reappropriated Fund / Cash Funds Exempt	461,673	0	0		0		0	n/a
Federal Funds	1,559,432	1,621,468	1,600,091	S	1,601,658	A	1,601,658	0.1%

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Appropriation	Request	Recommend	
(3) Food Distribution Program	495,275	573,048	560,179 S	564,044 A	564,062	BA #NP-1, BA #NP-5
FTE	<u>6.3</u>	<u>6.0</u>	<u>6.5</u>	<u>6.5</u>	6.5	
General Fund	42,813	37,447	45,397 S	45,766 A	45,766	
Cash Funds	212,407	228,800	240,846 S	242,483 A	242,501	
Reappropriated Fund / Cash Funds Exempt	0	0	0	0	0	
Federal Funds	240,055	306,801	273,936 S	275,795 A	275,795	
(4) Low-Income Telephone Assistance Program	43,918	49,200	78,346 S	78,572 A	78,613	BA #NP-1, BA #NP-5
FTE	<u>0.9</u>	<u>1.1</u>	<u>1.1</u>	<u>1.1</u>	1.1	
Cash Funds	43,918	49,200	78,346 S	78,572 A	78,613	
Reappropriated Fund / Cash Funds Exempt	0	0	0	0	0	
(5) Income Tax Offset	<u>4,114</u>	<u>4,128</u>	<u>4,128</u>	<u>4,128</u>	<u>4,128</u>	
General Fund	2,057	2,064	2,064	2,064	2,064	
Federal Funds	2,057	2,064	2,064	2,064	2,064	
(6) Electronic Benefits Transfer Service	3,175,248	3,109,476	3,325,959 S	3,322,136 A	3,322,180	BA #NP-1, BA #NP-5
FTE	<u>4.9</u>	<u>4.3</u>	<u>7.0</u>	<u>7.0</u>	7.0	
General Fund	819,298	790,561	889,464 S	889,725 A	889,747	
Cash Funds	240,367	843,292	890,707	890,707	890,707	
Reappropriated Fund / Cash Funds Exempt	634,746	0	0	0	0	
Federal Funds	1,480,837	1,475,623	1,545,788 S	1,541,704 A	1,541,726	
(7) Refugee Assistance - Federal Funds	3,307,759	5,608,600	8,395,445 S	7,096,970 A	15,047,753	DI 7 BA #NP-1
FTE	0.0	0.3	10.0	10.0	10.0	
(8) Systematic Alien Verification for Eligibility	43,129	45,011	55,002	55,002	55,002	
FTE	<u>0.7</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	1.0	
General Fund	6,343	4,913	7,147	7,147	7,147	
Cash Funds	3,474	3,591	3,700	3,700	3,700	
Reappropriated Fund / Cash Funds Exempt	26,125	29,689	34,766	34,766	34,766	
Federal Funds	7,187	6,818	9,389	9,389	9,389	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests	
	Actual	Actual	Appropriation	Request	Recommend		
(7) OFFICE OF SELF SUFFICIENCY							
Subtotal - (C) Special Purpose Welfare Programs							
FTE	61,579,618	84,938,777	57,071,709	S	47,126,838	A 94,916,823	66.3%
General Fund	<u>23.7</u>	<u>23.2</u>	<u>38.4</u>		<u>37.4</u>	<u>38.4</u>	<u>0.0</u>
Cash Funds	1,111,218	1,084,347	1,199,313	S	1,205,705	A 1,205,727	0.5%
Reappropriated Fund / Cash Funds Exempt	6,450,166	4,627,638	1,675,272	S	1,677,135	A 7,077,026	322.4%
Federal Funds	3,272,376	2,179,521	2,184,598		2,184,598	34,766	-98.4%
	50,745,858	77,047,271	52,012,526	S	42,059,400	A 86,599,304	66.5%
(7) OFFICE OF SELF SUFFICIENCY							
(D) Child Support Enforcement							
Automated Child Support Enforcement System	11,168,819	9,648,817	11,108,779	S	9,172,799	A 11,135,140	DI #NP-3, Aug #8
FTE	<u>32.6</u>	<u>34.3</u>	<u>39.9</u>		<u>16.9</u>	<u>39.9</u>	BA #NP-1, BA #NP-5
General Fund	3,779,603	3,239,111	3,632,016	S	2,974,222	A 3,640,978	SBA 1
Cash Funds	83,381	118,511	426,499	S	426,499	426,499	
Reappropriated Fund / Cash Funds Exempt	74,872	0	0		0	0	
Federal Funds	7,230,963	6,291,195	7,050,264	S	5,772,078	A 7,067,663	
Child Support Enforcement	1,931,657	2,160,989	2,118,258	S	4,610,126	A 4,613,737	DI 8
FTE	<u>21.8</u>	<u>22.7</u>	<u>24.5</u>		<u>24.5</u>	<u>24.5</u>	BA #NP-1
General Fund	675,602	735,729	720,208	S	722,706	A 723,932	
Cash Funds	0	0	0		844,737	844,737	
Federal Funds	1,256,055	1,425,260	1,398,050	S	3,042,683	A 3,045,068	
(7) OFFICE OF SELF SUFFICIENCY							
Subtotal - (D) Child Support Enforcement							
FTE	13,100,476	11,809,806	13,227,037	S	13,782,925	A 15,748,877	19.1%
General Fund	<u>54.4</u>	<u>57.0</u>	<u>64.4</u>		<u>41.4</u>	<u>64.4</u>	<u>0.0</u>
Cash Funds	4,455,205	3,974,840	4,352,224	S	3,696,928	A 4,364,910	0.3%
Reappropriated Fund / Cash Funds Exempt	83,381	118,511	426,499	S	1,271,236	1,271,236	198.1%
Federal Funds	74,872	0	0		0	0	n/a
	8,487,018	7,716,455	8,448,314	S	8,814,761	A 10,112,731	19.7%

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests		
	Actual	Actual	Appropriation	Request	Recommend			
(7) OFFICE OF SELF SUFFICIENCY								
(E) Disability Determination Services	15,500,882	16,754,364	17,654,214	S	16,706,314	A	17,473,665	DI #NP-3
FTE	<u>126.5</u>	<u>140.5</u>	<u>140.5</u>		<u>131.7</u>		<u>140.5</u>	BA #NP-1, BA #NP-5
Reappropriated Fund / Cash Funds Exempt	0	0	0		0		0	
Federal Funds	15,500,882	16,754,364	17,654,214	S	16,706,314	A	17,473,665	
*Medicaid Cash Funds	0	0	0		0		0	
*Net General Fund	0	0	0		0		0	
								Recommend v. Approp
TOTAL - (7) OFFICE OF SELF SUFFICIENCY	302,090,191	351,658,663	346,166,283	S	314,353,962	A	398,119,854	15.0%
FTE	<u>238.8</u>	<u>259.2</u>	<u>289.0</u>		<u>256.2</u>		<u>289.0</u>	<u>0.0</u>
General Fund	6,863,761	6,084,136	6,378,081	S	5,741,176	A	6,409,320	0.5%
Cash Funds	6,533,547	40,487,427	26,094,639	S	26,942,274	A	32,342,228	23.9%
Reappropriated Fund / Cash Funds Exempt	28,409,460	2,179,521	2,184,598		2,184,598		34,766	-98.4%
Federal Funds	260,283,423	302,907,579	311,508,965	S	279,485,914	A	359,333,540	15.4%
*Medicaid Cash Funds	0	0	0		0		0	n/a
*Net General Fund	6,863,761	6,084,136	6,378,081	S	5,741,176	A	6,409,320	0.5%

* These amounts are included for informational purposes only. Medicaid cash funds are classified as cash funds exempt for the purpose of complying with Article X, Section 20 of the State Constitution. These moneys are transferred from the Department of Health Care Policy and Financing where generally half of the dollars are appropriated as General Fund. Net General Fund equals the General Fund dollars listed above plus the General Fund transferred as part of Medicaid.

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Appropriation	Request	Recommend	
(10) ADULT ASSISTANCE PROGRAMS						
Adult Assistance Programs supervises the Old Age Pension, Aid to the Needy Disabled, and Aid to the Blind programs, Adult Protective Services, and the state's 16 Area Agencies on Aging.						
(10) ADULT ASSISTANCE PROGRAMS						
(A) Administration						
FTE	545,122	407,658	582,024 S	585,077 A	585,112	BA #NP-1, BA #NP-5
	<u>5.6</u>	<u>4.2</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	
General Fund	95,936	96,528	102,884 S	103,418 A	103,427	
Reappropriated Fund / Cash Funds Exempt	89,681	89,147	103,480 S	104,017 A	104,017	
Federal Funds	359,505	221,983	375,660 S	377,642 A	377,668	
(10) ADULT ASSISTANCE PROGRAMS						
(B) Old Age Pension Program						
Cash Assistance Program - Cash Funds	75,911,068	82,745,224	89,863,948 S	76,455,661	76,780,227	BR 1, Aug #18
Refunds	<u>588,362</u>	<u>1,010,811</u>	<u>588,362</u>	<u>588,362</u>	<u>588,362</u>	
Cash Funds	0	1,010,811	588,362	588,362	588,362	
Reappropriated Fund / Cash Funds Exempt	588,362	0	0	0	0	
Burial Reimbursements - Cash Funds	825,364	996,438	918,364	918,364	918,364	
State Administration - Cash Funds	913,867	1,030,258	1,136,706 S	1,143,369 A	1,143,422	BA #NP-1, BA #NP-5
FTE	9.7		14.0	14.0	14.0	
County Administration - Cash Funds	2,782,102	2,608,838	2,450,785	2,566,974	2,566,974	DI 3
						Recommend v. Approp
(10) ADULT ASSISTANCE PROGRAMS						
Subtotal - (B) Old Age Pension Program	81,020,763	88,391,569	94,958,165 S	81,672,730 A	81,997,349	-13.6%
FTE	<u>9.7</u>	<u>0.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>0.0</u>
Cash Funds	80,432,401	88,391,569	94,958,165 S	81,672,730 A	81,997,349	-13.6%
Reappropriated Fund / Cash Funds Exempt	588,362	0	0	0	0	n/a

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Appropriation	Request	Recommend	
(10) ADULT ASSISTANCE PROGRAMS						
(C) Other Grant Programs						
Aid to the Needy Disabled Programs	<u>17,675,480</u>	<u>17,904,297</u>	<u>17,428,495</u>	<u>17,428,495</u>	<u>17,428,495</u>	
General Fund	11,556,188	11,421,470	11,421,471	11,421,471	11,421,471	
Cash Funds	0	6,482,827	6,007,024	6,007,024	6,007,024	
Reappropriated Fund / Cash Funds Exempt	6,119,292	0	0	0	0	
Burial Reimburesments	<u>355,498</u>	<u>508,000</u>	<u>508,000</u>	<u>508,000</u>	<u>508,000</u>	
General Fund	345,246	402,985	402,985	402,985	402,985	
Cash Funds	0	105,015	105,015	105,015	105,015	
Reappropriated Fund / Cash Funds Exempt	10,252	0	0	0	0	
Home Care Allowance	<u>10,836,494</u>	<u>10,880,411</u>	<u>10,880,411</u>	<u>10,880,411</u>	<u>10,880,411</u>	
General Fund	10,292,473	10,336,390	10,336,390	10,336,390	10,336,390	
Cash Funds	0	544,021	544,021	544,021	544,021	
Reappropriated Fund / Cash Funds Exempt	544,021	0	0	0	0	
Adult Foster Care	<u>33,391</u>	<u>137,783</u>	<u>157,469</u>	<u>157,469</u>	<u>157,469</u>	
General Fund	25,518	129,910	149,596	149,596	149,596	
Cash Funds	0	7,873	7,873	7,873	7,873	
Reappropriated Fund / Cash Funds Exempt	7,873	0	0	0	0	
						Recommend v. Approp
(10) ADULT ASSISTANCE PROGRAMS						
Subtotal - (C) Other Grant Programs	<u>28,900,863</u>	<u>29,430,491</u>	<u>28,974,375</u>	<u>28,974,375</u>	<u>28,974,375</u>	<u>0.0%</u>
General Fund	22,219,425	22,290,755	22,310,442	22,310,442	22,310,442	0.0%
Cash Funds	0	7,139,736	6,663,933	6,663,933	6,663,933	0.0%
Reappropriated Fund / Cash Funds Exempt	6,681,438	0	0	0	0	n/a

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Appropriation	Request	Recommend	
(10) ADULT ASSISTANCE PROGRAMS						
(D) Community Services for the Elderly						
Administration	582,546	623,779	673,012 S	676,223 A	676,427	BA #NP-1, BA #NP-5
FTE	<u>6.8</u>	<u>6.6</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	
General Fund	151,203	156,592	179,014 S	179,868 A	179,922	
Federal Funds	431,343	467,187	493,998 S	496,355 A	496,505	
Colorado Commission on Aging	77,432	79,075	80,279 S	80,715 A	80,735	BA #NP-1, BA #NP-5
FTE	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
General Fund	19,807	19,676	20,649 S	20,761 A	20,766	
Federal Funds	57,625	59,399	59,630 S	59,954 A	59,969	
Senior Community Services Employment - Federal Funds	949,920	1,030,031	860,638 S	861,514 A	861,514	BA #NP-1
FTE	0.5	0.8	0.5	0.5	0.5	
Older Americans Act Programs	13,420,264	14,179,693	14,141,987	14,748,811	14,748,811	DI 2
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	576,749	576,721	576,747	610,506	610,506	
Cash Funds	0	3,119,710	3,079,710	3,079,710	3,079,710	
Reappropriated Fund / Cash Funds Exempt	3,039,710	0	0	0	0	
Federal Funds	9,803,805	10,483,262	10,485,530	11,058,595	11,058,595	
National Family Caregiver Support Program	<u>2,230,338</u>	<u>2,503,453</u>	<u>2,263,386</u>	<u>2,263,386</u>	<u>2,263,386</u>	
General Fund	142,041	142,041	142,041	142,041	142,041	
Cash Funds	0	423,805	423,805	423,805	423,805	
Reappropriated Fund / Cash Funds Exempt	213,062	0	0	0	0	
Federal Funds	1,875,235	1,937,607	1,697,540	1,697,540	1,697,540	
State Ombudsman Program	<u>222,031</u>	<u>272,031</u>	<u>272,031</u>	<u>272,031</u>	<u>272,031</u>	
General Fund	61,898	111,898	111,898	111,898	111,898	
Reappropriated Fund / Cash Funds Exempt	1,800	1,800	1,800	1,800	1,800	
Federal Funds	158,333	158,333	158,333	158,333	158,333	
*Medicaid Cash Funds	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	
*Net General Fund	62,798	112,798	112,798	112,798	112,798	

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Appropriation	Request	Recommend	
State Funding for Senior Services	7,000,000	10,000,000	9,000,000	8,966,241	8,966,241	DI 2
General Fund	2,000,000	2,000,000	1,000,000	966,241	966,241	
Cash Funds	5,000,000	8,000,000	8,000,000	8,000,000	8,000,000	
Area Agencies on Aging Administration - Federal Funds	1,370,784	1,592,415	1,353,957	1,375,384	1,375,384	DI 2

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(10) ADULT ASSISTANCE PROGRAMS								
Subtotal - (D) Community Services for the Elderly	25,853,315	30,280,477	28,645,290	S	29,244,305	A	29,244,529	2.1%
FTE	8.3	8.4	8.5		8.5		8.5	0.0
General Fund	2,951,698	3,006,928	2,030,349	S	2,031,315	A	2,031,374	0.1%
Cash Funds	5,000,000	11,543,515	11,503,515		11,503,515		11,503,515	0.0%
Reappropriated Fund / Cash Funds Exempt	3,254,572	1,800	1,800		1,800		1,800	0.0%
Federal Funds	14,647,045	15,728,234	15,109,626	S	15,707,675	A	15,707,840	4.0%
*Medicaid Cash Funds	1,800	1,800	1,800		1,800		1,800	0.0%
*Net General Fund	2,952,598	3,007,828	2,031,249	S	2,032,215	A	2,032,274	0.1%

Recommend v. Approp

TOTAL - (10) ADULT ASSISTANCE PROGRAMS	136,320,063	148,510,195	153,159,854		140,476,487		140,801,365	-8.1%
FTE	23.6	12.6	28.5		28.5		28.5	0.0
General Fund	25,267,059	25,394,211	24,443,675		24,445,175		24,445,243	0.0%
Cash Funds	85,432,401	107,074,820	113,125,613		99,840,178		100,164,797	-11.5%
Reappropriated Fund / Cash Funds Exempt	10,614,053	90,947	105,280		105,817		105,817	0.5%
Federal Funds	15,006,550	15,950,217	15,485,286		16,085,317		16,085,508	3.9%
*Medicaid Cash Funds	1,800	1,800	1,800		1,800		1,800	0.0%
*Net General Fund	25,267,959	25,395,111	24,444,575		24,446,075		24,446,143	0.0%

* These amounts are included for informational purposes only. Medicaid cash funds are classified as cash funds exempt for the purpose of complying with Article X, Section 20 of the State Constitution. These moneys are transferred from the Department of Health Care Policy and Financing where generally half of the dollars are appropriated as General Fund. Net General Fund equals the General Fund dollars listed above plus the General Fund transferred as part of Medicaid.

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Actual	Appropriation	Request	Recommend	
TOTAL - HUMAN SERVICES - EDO/OITS/CA/SS/AA /a	547,107,282	627,877,250	620,547,358	569,843,592	605,308,761	-2.5%
FTE	<u>347.7</u>	<u>357.7</u>	<u>414.0</u>	<u>381.2</u>	<u>414.0</u>	<u>0.0</u>
General Fund	89,493,571	94,030,527	86,318,143	82,019,991	53,353,480	-38.2%
Cash Funds	93,008,700	167,504,326	159,505,161	145,759,361	150,715,342	-5.5%
Reappropriated Fund / Cash Funds Exempt	64,274,005	17,836,336	17,890,512	17,065,256	1,472,944	-91.8%
Federal Funds	300,331,006	348,506,061	356,833,542	324,998,984	399,766,995	12.0%
* <i>Medicaid Cash Funds</i>	<i>11,596,628</i>	<i>14,122,573</i>	<i>12,874,605</i>	<i>12,370,662</i>	<i>1,169,432</i>	<i>-90.9%</i>
* <i>Net General Fund</i>	<i>95,195,174</i>	<i>100,914,115</i>	<i>92,861,159</i>	<i>88,282,877</i>	<i>54,010,945</i>	<i>-41.8%</i>

a/ Excludes line items covered in other briefing packets.

* These amounts are included for informational purposes only. Medicaid cash funds are classified as cash funds exempt for the purpose of complying with Article X, Section 20 of the State Constitution. These moneys are transferred from the Department of Health Care Policy and Financing where generally half of the dollars are appropriated as General Fund. Net General Fund equals the General Fund dollars listed above plus the General Fund transferred as part of Medicaid.

Department of Human Services FY 2009-10 Figure Setting

JBC Working Document: Decisions Subject to Change

Executive Director's Office, Information Technology Services, County Administration, Self Sufficiency, and Adult Assistance

GENERAL REMARKS

Net General Fund. Many of the line items covered in this figure-setting packet include substantial amounts of Medicaid funding transferred from the Department of Health Care Policy and Financing (HCPF). These amounts are shown as reappropriated funds in the Department of Human Services, but there is a substantial General Fund component included in the original appropriations made in HCPF. The lines in HCPF are not explicitly included in figure setting for that Department. In order to allow the Committee to understand the full General Fund impact of decisions, many of the summary tables for lines covered in this packet include a "Net GF" column. This column reflects the total General Fund impact when the HCPF appropriations are included.

Federal stimulus package. There are a number of provisions in the American Recovery and Reinvestment Act of 2009 (federal stimulus package) that provided money for programs covered in this packet for FY 2008-09, FY 2009-10, and, in some cases, portions of FY 2010-11. Where appropriate, staff has added discussion regarding the amount of money the state has received.

Pending centrally appropriated line items. The Executive Director's Office and the Office of Information Technology Services include many centrally appropriated items for which the Committee establishes common policies. Staff has indicated that the items for which the Committee has not taken common policy action are "pending". In addition, staff has not yet completed figure setting for four line items on which the Committee has already taken common policy action due to the need to solicit some of this information from other staff with Human Services responsibilities. Staff has also indicated that these line items are "pending". **Staff requests permission to calculate all of these lines using Committee common policy decisions. In any cases where the recommendation deviates from common policy, staff will bring those matters before the Committee.**

Centrally appropriated line items and decision items. In some cases, decision items and budget amendments which are covered as part of a different packet include changes to the centrally appropriated line items. Staff's recommendation for the centrally-appropriated line items cover only the base, and do not include any changes associated with decision items or budget amendments that are covered in other packets. Such costs will be identified in the analysis of the decision item contained in the other packets. **Staff requests permission to adjust the centrally-appropriated lines based on the Committee's decisions regarding those decision items.**

Common policy adjustments in this packet. The following adjustments are reflected repeatedly in this packet, consistent with Committee common policy.

- Budget Amendment #NP 1 - PERA Contribution. This is the Department's portion of the request for a reduction in the employer contribution for retirement benefits (payments to PERA, the Public Employees Retirement Association) and an increase in the employee contribution. The adjustment is based on 2.5 percent of the employee's salary retirement benefit costs. This change would be authorized pursuant to S.B. 10-146, a JBC bill. Consistent with JBC common policy, the amounts reflected in this figure setting packet reflect the assumption that S.B. 10-146 will be enacted prior to the Long Bill.
- FY 2009-10 Supplemental #NP 5 - Furlough Impact. The FY 2009-10 supplemental adjustments to reflect the impact of the FY 2009-10 furloughs were one-time only in FY 2009-10. For simplicity, for most line items staff has *not* reflected the impact of this one-time adjustment in building the FY 2010-11 recommendation, since the net impact of adding the change and annualizing it for FY 2010-11 is \$0. However, the impact is reflected in the numbers pages in the appropriated amounts for FY 2009-10.
- Budget Amendment #NP 5 - Mail Equipment Upgrade. This adjustment reflects Committee approval of a Department of Personnel (DPA) request to delay investments related to a mail equipment. Rather than being funded and completed in FY 2009-10, DPA mail equipment upgrades are to be funded over a five year period. The Department of Human Services request included a technical error related to annualizing the FY 2009-10 funding adjustment for the mail upgrade (too much funding removed). The staff recommendation corrects for this error, resulting in slightly higher operating expense amounts than were submitted in the request in numerous line items.

(1) EXECUTIVE DIRECTOR'S OFFICE

(A) General Administration

The Executive Director's Office (EDO) is responsible for the general policy of the Department of Human Services and contains staff and associated resources for implementing this policy. It is organized into two functional components: General Administration and Special Purpose. General Administration includes the Department's Executive Director and his or her administrative staff (3.0 FTE), as well as the Department's budgeting office (8.4 FTE), Public Information Officer (1.0 FTE), Legislative Liaison (1.0 FTE), County Liaison (1.0 FTE), and Field Administration staff (8.0 FTE). The EDO also is the location of many of the centrally appropriated items for the Department, although certain items (e.g., purchase of services from the computer center) are reflected in the Office of Information Technology Services or the Office of Operations.

A breakdown of the FTE classifications for the Administrative subdivision is shown in the following table.

Staffing Summary - (1) Executive Director's Office (A) General Administration	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2011-12 Recommendation
Management	2.7	3.2	3.2	3.2
Budget and Policy Analysts	6.0	6.2	6.2	6.2
General Professional VI	9.0	9.0	9.0	9.0
General Professionals II and III	2.0	2.0	2.0	2.0
Program Assistants	2.1	2.0	2.0	2.0
TOTAL	21.8	22.4	22.4	22.4

Personal Services

The Department requests an appropriation of \$1,973,419, including \$813,389 net General Fund, and 22.4 FTE for personal services in General Administration for FY 2010-11. Cash fund sources include patient fees collected by the State's Mental Health Institutes and from various other sources. **Staff recommends the Committee approve the Department's request for this line item Committee common policy decisions.**

A summary of staff's calculation is provided in the following table. Note that, for this table, staff has included the supplemental furlough adjustment and subsequent annualization (removal) of the FY 2009-10 furlough adjustment. However, for simplicity, the staff build for most personal services line items excludes the furlough adjustment and its subsequent annualization as these net to \$0.

Summary of Personal Services Recommendation Department of Human Services, Executive Director's Office, General Administration							
	TOTAL	GF	CF	RF	FF	Net GF	FTE
FY 2009-10 Long Bill (S.B. 09-259)	1,986,521	646,159	101,877	306,129	932,356	818,597	22.4
Supplemental furlough adjustment	(32,962)	(9,847)	(1,749)	(7,365)	(14,001)	(12,813)	0.0
FY 09-10 Appropriation	1,953,559	636,312	100,128	298,764	918,355	805,784	22.4
Annualize furlough	32,962	9,847	1,749	7,365	14,001	12,813	0.0
Annualize 2.8 percent reduction in SB 09-259	39,733	11,961	1,886	8,628	17,258	15,153	0.0
BA #NP1 - PERA	(52,835)	(15,787)	(2,646)	(11,644)	(22,758)	(20,361)	0.0
Total	\$1,973,419	\$642,333	\$101,117	\$303,113	\$926,856	\$813,389	22.4

Health, Life, and Dental

Health, life, and dental funds the State's contribution to medical plans. The request is made for the entire Department, based on the recommended contribution rates as submitted by the State Personnel Director and enrollment figures. The Department's request for this line item is outlined in the table

below. **Staff's recommendation is pending completion of calculations using approved Committee common policy and action on several decision items.** The table below summarizes the request.

Summary of Health Life Dental <u>REQUEST</u>						
Department of Human Services, Executive Director's Office, General Administration						
	TOTAL	GF	CF	RF	FF	Net GF
FY 2009-10 Long Bill (S.B. 09-259)*	24,685,525	14,169,072	643,157	6,883,504	2,989,792	17,780,204
Aug #12 - Ft. Logan full yr	(942,844)	(942,844)	0	0	0	(942,844)
Aug #17 - Grand Junction Reg. Ctr. full year	(735,264)	0	0	(735,264)	0	(367,632)
DI NP-3 - IT Consolidation	(1,139,112)	(543,089)	(34,084)	(118,694)	(443,245)	(592,254)
Common policy & total comp update	(334,533)	33,690	(257,442)	(491,297)	380,516	20,581
Total	\$21,533,772	\$12,716,829	\$351,631	\$5,538,249	\$2,927,063	\$15,898,055

*Does not include FY 2009-10 supplemental adjustments for Ft. Logan or Grand Junction closures.

The recommendation for this line item is pending Committee decisions on the following items: Final decisions on August #12, August #17, and NP-3 budget reduction proposals (included in figure setting packets for the Governor's Office and for Human Services' Office of Information Technology Services, Services for People with Disabilities and Mental Health and Alcohol and Drug Abuse Services), and the Committee common policy decision for health life dental.

Short-term Disability

This line item is used to purchase short-term disability (STD) coverage. Pursuant to Section 24-50-609 (13), C.R.S., short-term disability provides for a partial payment of an employee's salary if an individual becomes disabled and cannot perform his or her duties. This benefit is available to all employees and is paid entirely by the State. The coverage provides for a 30-day waiting period, and it will pay 60.0 percent of an employee's salary for a maximum of five months.

The Department requests \$324,664 for short-term disability, including \$231,899 net General Fund. The request includes the following adjustments from the FY 2009-10 Long Bill appropriation: a reduction of \$9,856 General Fund for August #12 (Ft. Logan bed closures), a reduction of \$4,796 Medicaid reappropriated find for August #17 (Grand Junction bed closures), and a reduction of \$20,796 for NP-3 (IT consolidation), in addition to an increase of \$812 for common policy and the total compensation update. **Staff's recommendation is pending completion of calculations using approved Committee common policy and action on several decision items.**

S.B. 04-257 Amortization Equalization Disbursement

This line item funds the Amortization Equalization Disbursement to the Public Employees' Retirement Association (PERA). The Department requests \$5,052,107, including \$3,609,663 net General Fund, for this line item. The request includes the following adjustments from the FY 2009-10 Long Bill appropriation: a reduction of \$139,931 General Fund for August #12 (Ft. Logan bed closures), a reduction of \$61,844 Medicaid reappropriated funds for August #17 (Grand Junction bed closures), a reduction of \$322,008 total funds for NP-3 (IT consolidation), and an increase of \$779,363 total funds for common policy and the total compensation update. **Staff's recommendation is pending completion of calculations using approved Committee common policy and action on several decision items.**

S.B. 06-235 Supplemental Amortization Equalization Disbursement

Supplemental Amortization Equalization Disbursement (SAED) is a mechanism to increase the effective PERA rate beginning January 1, 2008. The Department requests \$3,697,024, including \$2,641,896 net General Fund, for this line item. The request includes the following adjustments from the FY 2009-10 Long Bill appropriation: a reduction of 95,407 General Fund for August #12 (Ft. Logan bed closures), a reduction of \$38,653 Medicaid reappropriated funds for August #17 (Grand Junction bed closures), a reduction of \$234,792 total funds for NP-3 (IT consolidation), and an increase of \$1,109,155 total funds for common policy and the total compensation update. **Staff's recommendation is pending completion of calculations using approved Committee common policy and action on several decision items.**

Salary Survey and Senior Executive Service

The Department uses this line item to pay for annual increases for salary survey and senior executive service positions. The Department requests no appropriation for salary survey for FY 2010-11. **Staff recommends the Committee approve the Department's request, consistent with Committee common policy action.**

Performance-based Pay Awards

This line item provides funding for the state's performance-based pay system, created pursuant to Section 24-50-104 (1) (C) (I), C.R.S. The Department requests no appropriation for this line item for FY 2010-11. **Staff recommends the Committee approve the Department's request, consistent with Committee common policy action.**

Shift Differential

This line item is used to fund the pay adjustment for employees of the Department who perform work outside of the normal Monday through Friday 8:00 a.m. to 5:00 p.m. work schedule. The Department requires shift work for operations such as the Mental Health Institutes, the Regional Centers, and state-operated nursing homes. The Department requests \$3,780,969 for shift differential in FY 2010-11 including, \$3,129,556 net General Fund. The request includes the following adjustments from the FY 2009-10 Long Bill appropriation: a reduction of \$220,859 General Fund for August #12 (Ft. Logan bed closures), a reduction of \$216,454 Medicaid reappropriated funds for August #17 (Grand Junction bed closures), an increase of \$30,520 to

annualize FY 2009-10 decision item #1 (regional center staffing), and an increase of \$651,324 total funds for common policy. **Staff's recommendation is pending completion of calculations using approved Committee common policy and action on several decision items. Staff does not recommend the requested \$30,520 increase related to FY 2009-10 Decision Item #1 (regional center staffing).** Shift adjustments for this decision item were absorbed in the base for FY 2009-10 and should thus also be absorbed for FY 2010-11.

Workers' Compensation

Workers' compensation appropriations are used to pay for the Department's estimated share for participating in the State's Workers' Compensation Program. This program, run by the Department of Personnel and Administration's Risk Management Services program, is used to pay workers' compensation benefits to state employees. The State of Colorado is self-insured for workers' compensation claims. The Department of Human Services requests \$10,778,157 for this line item, including \$7,295,232 net General Fund. The request includes a reduction of \$563,474 for two changes proposed and implemented by the Governor during FY 2009-10 (August NP-1 and August NP-2), as well as an increase of \$1,006,608 for DPA's estimate of the increased cost for worker's compensation expenses in FY 2010-11. **The staff recommendation for this line item is pending a Committee common policy on workers' compensation.**

Operating Expenses

This line item pays for the general operating needs of the Executive Director's Office. It also includes capital outlay funding used throughout the Department, *e.g.*, for lab equipment at state facilities. The Department's request for \$495,013, including \$213,801 net General Fund, includes a reduction of \$1,658 to annualize the FY 2009-10 common policy increase for postage, further adjusted by an increase of \$186 for Budget Amendment #NP5 (mail equipment). **Staff recommends the Committee approve an appropriation of \$495,280, including \$213,990 "net" General Fund.** The difference between the request and the recommendation is the staff correction to the Department's mail equipment upgrade request.

Legal Services for 18,439 Hours

This line item provides funding for the Department for its use of attorneys and para-legals in the Department of Law. The Department requests a continuation level for 18,439 hours. **Staff recommends the Committee approve 18,439 hours for legal services. The staff recommendation for the appropriation for this line item is pending a Committee common policy decision on the blended rate for legal services hours.**

Administrative Law Judge Services

The administrative law judge (ALJ) services line item is used to pay a share of the costs for operating the Administrative Hearings Division in the Department of Personnel and Administration. The Department uses ALJs for items such as food stamp fraud, low energy income assistance, expungement of juvenile delinquency records, and child care. The Department requests \$803,767 for this line item, including \$485,818 General Fund. The request includes a continuation level of funding, reduced by \$203,790 reflecting the Department of Personnel and Administration's estimate

for the cost of administrative law judge services in FY 2010-11. **The staff recommendation for this line item is pending a Committee common policy on administrative law judge services.**

Payment to Risk Management and Property Funds

The payments to risk management and property funds line item pays for the Department of Human Services' share of the statewide costs for two programs operated by the Risk Management Services program in the Department of Personnel and Administration: (1) the liability program and (2) the property program. The State's liability program is used to pay liability claims and expenses brought against the State. The property program provides insurance coverage for state-owned buildings and their contents. The Department requests \$566,402, including \$494,531 net General Fund, for this line item. The request includes a reduction of \$118,705 for two changes proposed and implemented by the Governor during FY 2009-10 (August NP-1 and August NP-2), as well as a reduction of \$1,134,085 for DPA's estimate of reduced costs for risk management and property funds in FY 2010-11. **The staff recommendation for this line item is pending a Committee common policy on payment to risk management and property funds.**

Staff Training

The appropriation to the staff training line item provides funding for the conferences and training enterprise fund managed by the Mental Health Institute at Fort Logan and the Grand Junction Regional Center for charges made by non-department employees who participate in selected staff training programs. The Department requests a continuation level appropriation of \$31,870 cash funds. These cash funds consist of fees paid by training participants. **Staff recommends the Committee approve the Department's request.**

Injury Prevention Program

This line item, established in FY 1996-97, provides funding for employee injury prevention, loss control initiatives, and infection control. For FY 2009-10, nearly half of the funds (\$47,500) were expected to be targeted to Veterans and Disability Services (Regional Centers and Nursing Homes), with an additional \$22,000 each for Behavioral Health and Housing (mental health institutes) and Children, Youth and Family Services (youth corrections facilities).

Pursuant to a request for information communicated to the Governor's Office (RFI #39 for FY 2009-10), the Department provides an annual report to the Committee on the effectiveness of this program. Workers compensation claims have been a significant problem for the Department in recent years. However, between FY 2007-08 and FY 2008-09, the Department decreased the number of claims (excluding zero dollar claims) by 5.4 percent and decreased payments on claims by 28.5, representing a cost-avoidance of approximately \$1.6 million. new workers' compensation health care provider. This reflects both a change in the workers compensation vendor in the southern part of the State (resulting in fewer injured employees taken off work and more recovering employees brought back to duty sooner). It also reflects the impact of a new safety performance improvement program at four locations.

The Department requests a continuation appropriation of \$105,970 reappropriated funds (Medicaid funds transferred from the Department of Health Care Policy and Financing), including \$52,985 net General Fund. **Staff recommends the Committee approve the Department's request.**

(1) EXECUTIVE DIRECTOR'S OFFICE
(B) Special Purpose

Note: Other line items in this Long Bill section are addressed in other Department of Human Services Figure Setting Presentations

Office of Performance Improvement

The Office is responsible for four separate functions of the Department of Human Services, including: (1) Audits; (2) Food Stamp Quality Assurance; and (3) Human Resources. It also includes oversight of Boards and Commissions, the Office of Appeals, and an overall management function. The Office was created, in part, to separate monitoring and quality assurance from program design and implementation functions. The Office's staffing is summarized in the following table.

Staffing Summary - (1) Executive Director's Office (B) Special Purpose, Office of Performance Improvement	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management	1.0	1.0	1.0	1.0
General Professionals and Specialists	36.4	42.1	42.1	42.1
Auditors	6.7	7.0	7.0	7.0
Technicians and Program Assistants	14.9	17.3	17.3	17.3
Staff Support	5.1	6.7	6.7	6.7
Total	64.1	74.1	74.1	74.1

In greater detail, OPI's functions include:

- **Human Resources, Employment Affairs, Injury Prevention, and Background Investigation Unit (46.0 FTE).** These programs perform activities related to the Department's personnel/employees. Human resource staff are assigned and physically located in three geographical districts: north-central, western, and southern. Activities include, but are not limited to: recruitment, examinations, orientation, benefits administration, evaluations, workers' compensation case management, performance management, and personnel records maintenance. This section also includes risk management, civil rights and disabilities specialists, and 5.5 FTE responsible for running background checks.

- **Food Stamp Quality Assurance (14.0 FTE).** This program performs the federally-mandated food stamp quality control function. Included in the quality control function are monthly reviews to ensure eligibility and the correct allotment of food stamps. Reviews are used to: (1) calculate the State's food stamp error rate and timeliness rates; (2) assist in corrective action and payment accuracy strategies; and (3) establish the State's eligibility for enhanced federal funding or liability for payment error rates that exceed the national tolerance level.
- **Management, Boards and Commissions, Office of Appeals (7.1 FTE).** This includes 2.0 FTE assigned to overall management and support for employment and regulatory affairs, 1.3 FTE who oversee and support the Department's various boards and commissions, 1.5 FTE who support the functions of the State Board of Human Services, and 2.3 FTE who respond to appeals under the Colorado Administrative Procedures Act, including review of initial decisions by administrative law judges.
- **Audits (7.0 FTE).** This program independently verifies, through internal and external audits, that state and federal financial assistance has been distributed in accordance with applicable regulations and laws.

The Department requests \$5,135,035, including \$2,250,812 net General Fund, and 74.1 FTE in FY 2010-11 for the Office of Performance Improvement line item, including budget amendments #NP1 and #NP5. The staff's calculation is summarized in the following table.

Summary of Personal Services and Operating Expenses Recommendation (1) Executive Director's Office (B) Special Purpose, Office of Performance Improvement [Recommended name change to Employment and Regulatory Affairs]							
	TOTAL	GF	CF	RF	FF	Net GF	FTE
Prior Year Personal Services as of S.B. 09-259 Long Bill*	4,818,697	1,779,019	216,130	715,896	2,107,652	2,114,208	74.1
Annualize 2.8 percent p.s. cut	87,356	32,244	3,933	12,999	38,180	38,334	0.0
BA #NP1 - PERA	(96,502)	(38,561)	(1,928)	(15,524)	(40,489)	(45,503)	0.0
Subtotal - Personal Services	4,809,551	1,772,702	218,135	713,371	2,105,343	2,107,039	74.1
Prior Year Operating Expenses as of FY 2009-10 Long Bill*	328,400	123,388	15,409	49,403	140,200	146,766	0.0
Annualize FY 09-10 postage increase	(3,100)	(3,100)	0	0	0	(3,100)	0.0
BA #NP5 mail equipment	1,110	1,033	0	0	77	1,033	0.0
Subtotal - Operating Expenses	326,410	121,321	15,409	49,403	140,277	144,699	0.0
Total	\$5,135,961	\$1,894,023	\$233,544	\$762,774	\$2,245,620	\$2,251,738	74.1

*Does not include subsequent supplemental adjustments.

Line Item Name Recommendation. Staff also recommends that the name of this line item be changed from the "Office of Performance Improvement" to "Employment and Regulatory Affairs". This is the name used by the Department for this organizational unit and staff believes it is a more accurate description of the line item's major functions.

Committee Option - Human Resources Staffing Reduction: No reductions to staff in the Executive Director's Office were included in the FY 2009-10 or FY 2010-11 budget reduction proposals. JBC staff believes a reduction for human resources staff could be considered.

The Department has proposed eliminating units and reducing staffing at two facilities: Grand Junction Regional Center and the Mental Health Institute at Fort Logan. The total positions proposed to be eliminated are 183.0. In addition, the proposed consolidation of all ITS staff in the Governor's Office will reduce FTE for which the Department of Human Services is responsible by 197.1. The Governor's Office has indicated that it will be taking over all staffing-related responsibilities for OIT staff effective July 1, 2010. Overall, the FTE difference between the request and the appropriations year is 417.5--a reduction of 7.5 percent on a base of 5,581.8 FTE.

There are 39.5 FTE of human resources line staff in the Department's various districts who support the Department's direct care facilities and other staffing needs. **A 7.5 percent reduction would translate to a reduction of 3.0 FTE.**

The Department believes that it is understaffed and thus opposes any reduction in this line item. Human resources FTE were increased by 5.0 FTE in FY 2008-09 to help the Department address problems with managing turnover in its facilities. The Department's request, at that time, indicated that during the last fiscal crisis (FY 2003-04), human resources staff had been cut from 40 to 33. The Department pointed to citations related to insufficient staffing at the Fitzsimons veterans nursing home and at the regional centers for people with developmental disabilities and indicated that inadequate human resources staffing in part explained the problems. It also noted that the Department's ratio of human resources staff to overall staff was substantially lower than the State average (.58 per 100 employees v. .87 per 100 employees) and that the human resources workload had increased substantially since FY 2003-04, based on the Department's number of FTE and personnel actions. Department turnover, at 15.2 percent in 2008 is higher than the 11.1 percent state average.

Staff estimates that the Department total FTE in FY 2002-03 was approximately 5,224 (4,786.4 in appropriations + 438.0 estimated for state and veterans nursing homes which were off budget at the time), resulting in an overall human resources ratio to FTE of about one human resources staff (all types) to 131 FTE. If this were to be targeted as the "correct" human resources staffing ratio, the Department would require about 39.5 FTE, *i.e.*, about the number it will have after the FY 2010-11 staffing reductions. **Nonetheless, staff believes a reduction could again be considered, given that the State is once again in a fiscal crisis.**

The 5.0 new staff added in FY 2008-09 (2.0 General Professional III and 3.0 Technician III positions) were associated with total costs of \$238,186, including \$109,032 net General Fund. **Eliminating 1.0 GP III and 2.0 technicians would provide savings of \$140,587, including \$64,248 net General Fund.** In response to staff questions, the Department reported that there were 8.0 vacant positions as of February 10, 2010. One of these (General Professional III) had been vacant since April 2008 and another (Technician II) since March 2009, with the others more recently vacated. (Vacancies have been affected by the various Governor's hiring freezes, and there is considerable turnover in human resource staff.) Thus, **staff assumes any positions taken would not require layoffs.**

(4) COUNTY ADMINISTRATION

Colorado has a state-supervised but county-administered social services program. Colorado's counties have a large degree of autonomy, even when compared to other states that have decentralized systems. For example, S.B. 97-6 abolished the state-operated county merit system for employees of county social services departments. Each county was to establish a successor merit system that conformed to federal standards by January 1, 2001. As a result of this high degree of decentralization, most of the County Administration budget lines provide block transfers to the counties. An attachment provides information on actual expenditures by counties for social services programs and the share covered by federal, state, and county tax revenue.

Line items in this section. County Administration provides funding for county departments of social services to administer several programs including food stamps, adult protection, adult assistance, child support enforcement and Low Income Energy Assistance payment. Over the last several years, the responsibility for some programs has been moved out of County Administration. Administration for child care services and child welfare services were moved following FY 1998-99. More recently, S.B. 06-219 transferred responsibility for county administration of medical assistance programs to the Department of Health Care Policy and Financing.

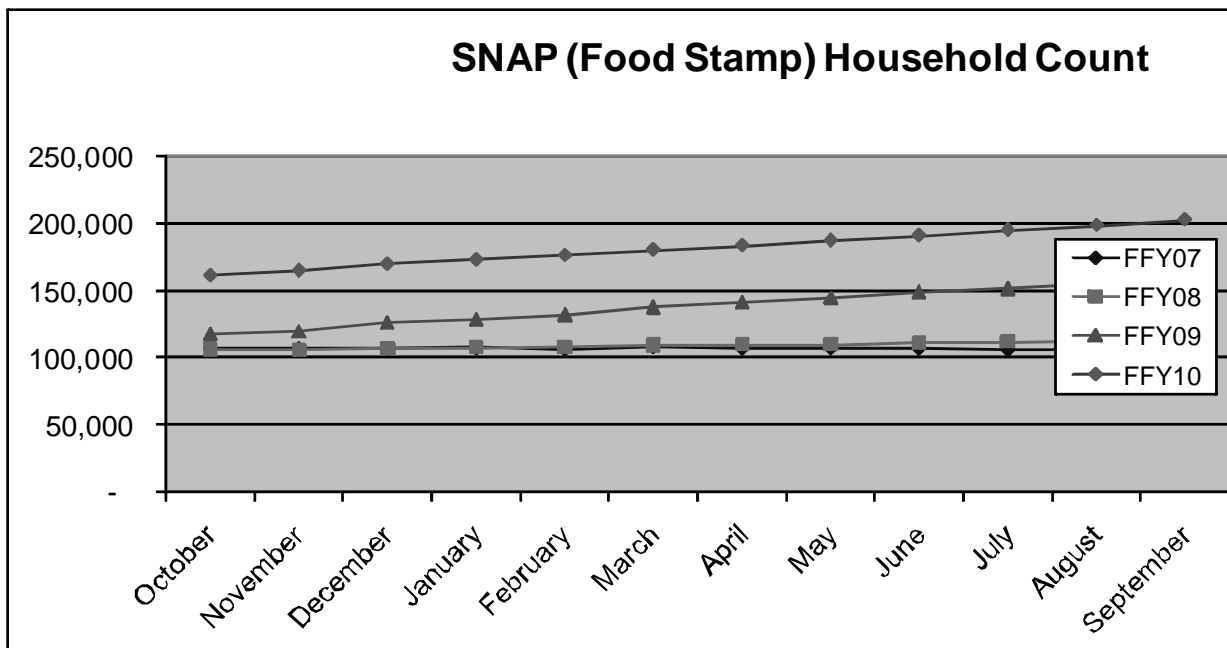
The County Administration line items were restructured by H.B. 08-1250. That bill replaced the County Contingency line item with the new County Tax Base Relief line item. County Contingency was intended to provide additional assistance to counties that had particularly high social services costs relative to the size of their property tax base. County Tax Base Relief introduced new allocation formulas so that fewer counties receive aid, and counties with the greatest needs receive proportionally more assistance. The County Tax Base Relief formulas were developed by a task force organized by the Department of Human Services, and in final polling, all 64 counties agreed to support the new formulas. The new formulas allowed the State to shift some funding from the category of state-only aid to the main County Administration line, where federal matching dollars can be earned.

Update on Current Demand for Assistance Programs. Staff requested additional information on the demand for many of the major public assistance programs which counties help to administer.

Note that funding for county administration for these programs, as well as direct services dollars, may be included in other sections of this packet.

Supplemental Nutrition Assistance Program (SNAP/Food Stamps):

- Administration for this program is funded at a 50/50 federal/non-federal match rate and this is included in the County Administration budget (\$37.9 million expended for food assistance administration in FY 2008-09). Under the American Recovery and Reinvestment Act, an additional \$2.4 million total (\$1.2 million per year for FY 2008-09 and FY 2009-10) in 100 percent federal food stamp administration dollars was provided, and, based on federal funding recently signed into law, it appears that additional funds (staff estimate of \$3.4 million based on the national total) in 100 percent federal funds will be made available for FFY 2009-10.
- Benefits paid are 100 percent federal (\$445.3 million in federal funds in FY 2008-09). The benefit for a family of three with a net income (after costs that may be deducted) at 100 percent of the federal poverty limit is a maximum of \$526 per month.
- Benefits are managed through state and county financial management systems. To the extent that there are problems with this administration, Colorado can be liable for these errors. Colorado was required to pay a penalty of over \$10 million in FY 2008-09 associated with Colorado Benefits Management System roll-out issues.



- The average count of households accessing this benefit increased by 27 percent from FFY 2007-08 to FFY 2008-09. Based on continuing growth trends, the Department projects a growth of an additional 31 percent from FFY 2008-09 to FFY 2009-10.
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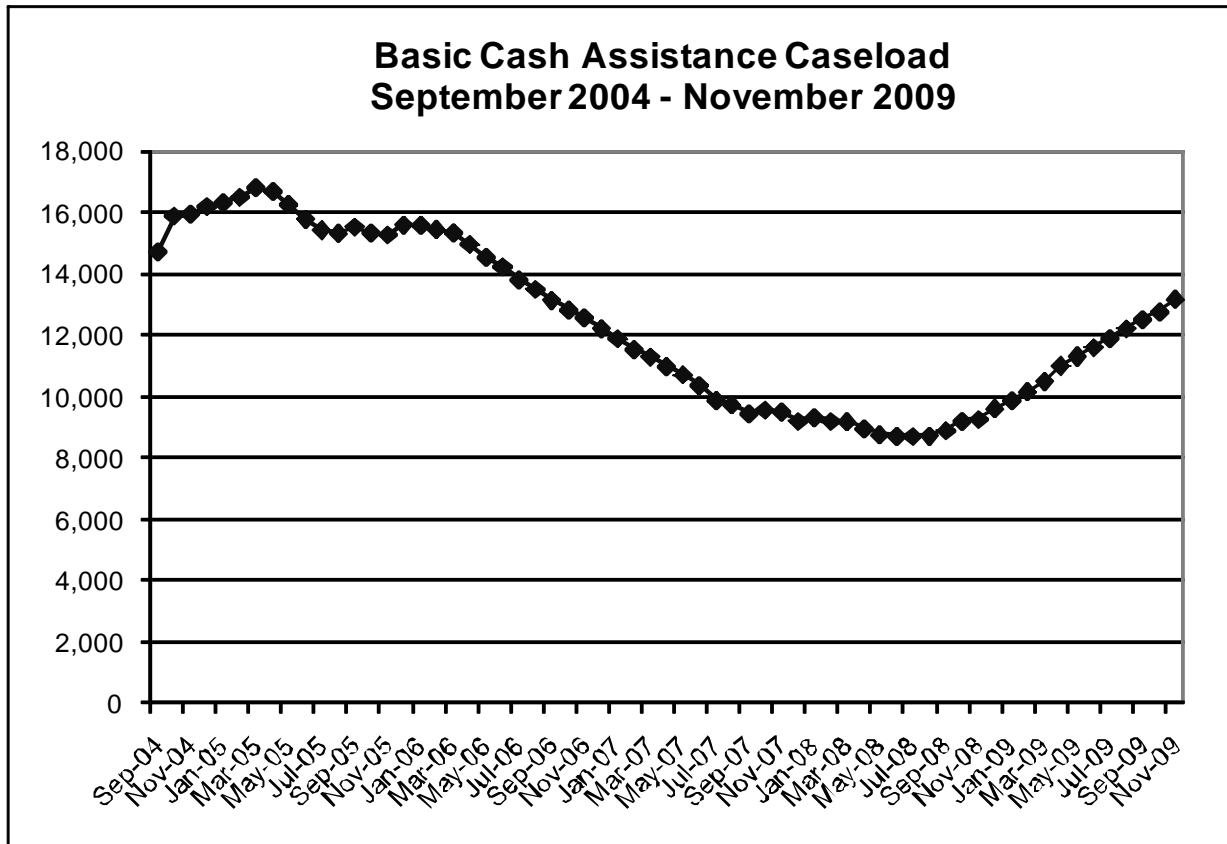
Looking solely at the month of December (the most recent for which actual data is available), the count of participating households increased from 106,650 in December 2008 to 169,691 in December 2009--**an increase of 59.1 percent over two years**. The trend suggests that by the end of FFY 2010, participation will be double the FFY 2008 level.

- December 2009 figures reflect SNAP assistance to 390,656 individuals , *i.e.*, almost 8 percent of the state population is accessing this program. This is relatively low, compared to national penetration rates.
- There have been significant delays in processing of SNAP applications. According to state data from the Department's quality assurance unit through July 2009, only 76.22 percent of applications were processed timely, including only 76.7 percent of expedited cases (those required to be processed within 7 days). Colorado performance is below the federal goal of 95 percent timely, and Colorado is participating in an associated corrective action plan. However, overall timeliness has been improving.

Colorado Works/ Temporary Assistance to Needy Families:

- The Colorado Works program was created in 1997 in response to federal welfare reform. It is the successor to the old Aid to Families with Dependent Children program. The federal government provides an annual block grant to Colorado of approximately \$150 million, as long as Colorado complies with maintenance of effort requirements (\$88.5 million) and various other federal requirements. Unlike most other federal funds, federal Temporary Assistance to Needy Families dollars are required by federal law to be appropriated by state legislatures.
- The federal Temporary Assistance to Needy Families block grant is largely allocated out to counties, which are responsible for complying with statewide guidelines on provision of basic cash assistance. To the extent funds are not required for basic cash assistance, they may be transferred for child welfare services (up to 10 percent), transferred for subsidized child care services (up to 20 percent), and used for other county poverty-alleviation efforts, including (but not limited to) support services for individuals who receive basic cash assistance.
- Basic cash assistance expenditures, at \$43.5 million, comprised about 29 percent of total annual county TANF *allocations* in 2009. At the most recent peak, in 2005, expenditures of \$63.1 million made up about 42 percent of annual allocations. The basic cash assistance benefit is currently up to \$561 for a family of three.
- Through FY 2007-08, counties acquired reserves of about \$140 million in unspent TANF funds; however, pursuant to the provisions of S.B. 08-177, the size of their unspent reserves compared to their annual allocation is being ratcheted down. During FY 2008-09, the first year in which a cap was imposed, counties spent TANF funds rapidly to limit reversions to the State. By FY 2011-12, counties will be limited to reserves of no more than 30 percent of their annual allocations.
- Overall, use of basic cash assistance has fallen since welfare reform: the average monthly caseload was 22,450 in 1998. However, the basic cash assistance caseload has been increasing sharply since August 2008, as reflected in the chart. **From a low of 8,773 in July 2008, participation had increased to 13,183 in November 2009-an increase of 50 percent**

in 16 months. The annual evaluation of the program (Colorado Works Evaluation 2008



Annual Report by the Lewin Group) has found that the basic cash assistance caseload correlates with unemployment, among other factors. Unemployment effects last up to two years, suggesting that current trends in increasing demand for basic cash assistance will continue well into the future.

Low Income Energy Assistance:

- This program, which provides household energy subsidies, is largely supported through the federal Low Income Heat and Energy Assistance Program (LIHEAP) block grant to states, although Temporary Assistance to Needy Families funds, Severance Tax funding and certain funds from utilities (provided to the State via Energy Outreach Colorado) are also used to support direct program services. The benefit for FY 2009-10 averages \$450 for the winter months. Related county administrative costs (\$1.2 million in FY 2008-09) are covered through General Fund and county tax revenue.
- As of January 29, 2010, total applications for the program are at 119,028, or about 19 percent higher than the figure in January 2009. Approved applications are at 81,352, or about 31 percent more than the January 2008 figure, due both to a higher volume of applications and the fact that counties are processing applications more quickly.

- The table below compares the program caseload and expenditures for the last several years, including the caseload that has been projected for FY 2009-10. The 120,519 reflects the last official projection. The higher estimate is based on recent trends in applications.

Low Income Energy Assistance Program		
Fiscal Year	Actual/Estimated Caseload	Percent Change Caseload
2005-06	107,099	not available
2006-07	93,487	-12.7%
2007-08	92,360	-1.2%
2008-09	105,718	14.5%
2009-10	120,519 to 148,400	15% to 40%

*FY 2009-10 based on current estimates of federal funding and state appropriations.

General Condition of County Budgets. County budgets generally rely on a combination of property tax mill levies and sales taxes. Rural areas generally rely more heavily on property taxes, due to limited commercial activity, and the county share of social services throughout Colorado is usually funded through mill levy revenues. According to Legislative Council Staff, CY 2009 assessed values came in higher than they had originally projected (11.5 percent above CY 2008 levels), although they are currently projecting reductions of 5.5 percent in CY 2010 and 2.5 percent in CY 2011, primarily related to the oil and gas industry. *Regional variations are significant. Legislative Council Staff does not collect information on how overall changes in valuation or sales tax revenue may affect county budgets, which are also affected by the mix of county revenue streams and, for example, whether the county has "de-Bruced".*

In response to JBC staff questions about how county social services budgets are faring, CCI members generally reported that increased case loads have been a challenge, salaries have been held flat, furloughs days are being taken and, in some cases, layoffs will be required. Some smaller counties have reported very serious problems (*e.g.*, all county services apart from core fire, police, social services, and general administration such as the assessor's office suspended), while conditions are less dire for others. Some counties have been working to reduce expenditures for several years, and these counties generally report being in better condition.

Data on county expenditures to-date for a variety of major programs reflects social services spending of approximately 55 percent of state allocations half way through the state fiscal year.

County Administration

This line item provides funding for county administrative related to the Supplemental Nutrition Assistance Program (Food Stamps), Adult Assistance programs, and a variety of other programs.

The table below reflects how FY 2008-09 county administration amounts in this line item were used by counties. Federal funds in the General county administration category reflect Title XX block grant funds, which do not involve a match requirement; food assistance and child support enforcement are based on specific federal/non-federal match rate.

FY 2008-09 Actual County Administration Expenditures by Program - Human Services Only						
	Total	General Fund	Cash Funds (county share)		Federal Funds	
Food Assistance	\$37,921,806	\$11,376,522	\$7,584,360	20.0%	\$18,960,923	50.0%
General county administration, including Adult Protective and Adult Financial	6,298,240	3,066,228	1,262,642	20.0%	1,969,370	31.3%
Child Support Enforcement	3,149,251	440,894	629,848	20.0%	2,078,509	66.0%
Low Income Energy Assistance	<u>1,417,735</u>	<u>1,134,188</u>	<u>283,547</u>	20.0%	<u>0</u>	0.0%
Total Actual	48,787,032	16,017,832	9,760,397		23,008,802	

- Medicaid County Administration.* This appropriation is included in the Department of Health Care Policy and Financing; however total county expenditures, including for Medicaid administration, are managed together to maximize federal reimbursements. The FY 2010-11 request for Medicaid County Administration is \$32.9 million. The combined FY 2010-11 request for County Administration from Human Services and Health Care Policy and Financing, including a decrease in Human Services and an increase in Health Care Policy and Financing is \$82,974,312.
- County pass-through Expenditures:* In FY 2008-09, counties spent \$38.0 million in social services expenditures beyond the amounts reflected as required county share in the Long Bill. These expenditures received federal reimbursement in FY 2008-09 at the rate of 33 percent, based on the particular services provided and associated federal match rates. This includes expenditures for county administration and other social services costs beyond state-appropriated levels.

Line Item Request. The Department requests \$50,116,105 including \$19,823,380 General Fund. This includes a 2.0 percent reduction (\$1,022,778, including \$404,559 General Fund) pursuant to base reduction #4.

Base Reduction #4 - 2.0 percent Provider Rate Reduction

Base reduction #4 is the Department's proposal to reduce community provider rates by 2.0 percent throughout the Department. As the JBC has not adopted a common policy on provider rates, the staff recommendation is on line-item basis. **Staff recommends the reduction with respect to this line item, with the concerns reflected below.**

Concerns about the recommendation:

- Counties are under substantial pressure related to increased demand for public assistance programs. It appears that the food assistance caseload will be double the 2008 level by the end of FFY 2010.
- While some additional 100 percent federal funding has been made available for food stamp administration, the amounts are not proportional to overall caseload growth. Whether additional federal funding for food stamp administration will be extended for the last three quarters of state FY 2010-11 is unknown.
- The State continues to perform poorly with respect to timeliness in approving applications for food assistance. The state's data reflects timeliness in just 75 percent of cases, including for expedited cases (80 percent on federal measures). Colorado performance has improved in the last several years but is still below the federal goal of 95 percent. County timeliness has been affected by the rapid growth in caseload, although this does not fully explain variations in performance.

	Food Assistance Percent Applications Processed Timely - July 2009 report	Percent Increase Food Assistance Cases July 2008 to July 2009
Adams	48.4%	39.0%
Arapahoe	69.8%	35.0%
Boulder	87.5%	40.0%
Denver	72.7%	35.0%
El Paso	76.4%	42.0%
Jefferson	63.3%	54.0%
Larimer	79.6%	36.0%
Mesa	67.4%	28.0%
Pueblo	92.9%	19.0%
Weld	75.7%	42.0%

*Food Stamp Quality Assurance Timeliness Report, through July 2009. Reflects state data, which includes recertification timeliness, in addition to initial application timeliness.

Basis for the recommendation:

- The request is consistent with the Department's overall efforts to "spread the pain" of reductions required throughout state government: 2.0 percent is not large in light of cuts being taken elsewhere in the budget.
- The federal government will be providing additional funds for FFY 2009-10 associated with food assistance administration. Additional funding approved thus far would continue into the first quarter of SFY 2010-11 and should at least prevent a net funding decline for SFY 2010-11.
- The Colorado Workload Study Final Report, Deloitte, 2007, identified a total county administration cost of \$85,246,142. Thus, the current Executive Request would fund 97.3 percent of the Deloitte total as of 2007.
- To the extent counties are able to continue to make the county share of the funding available, they will be able to draw down federal match for qualifying programs through the "pass through" mechanism.
- As in many county-administered arenas, the relationship between funding and performance is not clear-cut. Based on a review of data provided by the Department, the biggest ten counties appear to spend widely varying amounts per client on food stamp administration, with results that have limited relationships to costs. To the extent additional funding is provided in the future, the General Assembly and the Executive may wish to consider basing it in part on performance, as well as caseloads.

Additional Note: Staff is currently exploring whether \$584,361 comprised of the State share of cash fund revenues, including retained child support collections and other funds, **could be reallocated** to this line item. **If so, the Committee would have the opportunity to either retain the level of funding in this line item or reduce the General Fund appropriation by this amount.**

County Tax Base Relief

This line item assists counties with the highest costs and lowest property tax values in meeting their obligations for social services costs. These obligations include: county responsibility for maintenance of effort expenditures for the Temporary Assistance to Needy Families Block Grant (TANF), the county 20 percent share for food stamp and Medicaid reimbursements, the county share for child welfare services expenditures (20 percent for most services), and the county share for adult assistance programs.

The Joint Budget Committee is sponsoring a bill (S.B. 09-149) to clarify the County Tax Base Relief statute and specify that, for FY 2009-10, FY 2010-11, and FY 2011-12, any funding available will be solely for Tier I counties (the poorest/highest cost of the three tiers.) A supplemental appropriation for FY 2009-10 reduced funding to the level required for Tier I. Estimated FY 2009-10 allocations are reflected in the table below.

FY 2009-10 Tier I Fundng Estimate - Projection from December 2009			
	County Funding share required	County tax base relief per Tier I	County Tax base relief as Percent County Funding Required
Alamosa	\$918,706	\$400,678	43.6%
Bent	282,340	88,358	31.3%
Conejos	372,296	171,040	45.9%
Crowley	211,986	80,276	37.9%
Fremont	1,312,274	17,770	1.4%
Lincoln	283,654	54,914	19.4%
Logan	745,056	103,134	13.8%
Otero	794,862	337,842	42.5%
Prowers	591,256	162,218	27.4%
Pueblo	5,227,752	1,183,982	22.6%
Rio Grande	570,396	42,612	7.5%
Saguache	249,020	<u>57,862</u>	23.2%
TOTAL		\$2,700,686	

The Department request is to eliminate the line item for FY 2010-11, pursuant to Budget Reduction #3.

Budget Reduction #3 - Eliminate County Tax Base Relief

The Department request is to permanently eliminate funding for County Tax Base Relief, effective FY 2010-11. **In the absence of an alternative source for the requested General Fund reduction, staff recommends the request to eliminate the line item.** However, if feasible, staff would encourage the Committee to consider retaining some funding the line item. As discussed during the staff budget briefing, for many of the smallest counties, Tier I funding comprises a large share of the total contributions the county is required to make to support the county social services share.

- Staff considered whether this amount could reasonably be taken from the County Administration line item and concluded that the impacts would be excessive.

- To derive \$1.35 million General Fund savings, staff would need to apply a reduction of 6.8 percent to the County Administration line item (\$3.4 million) if current fund splits were maintained.
- A reduction could be applied solely to the general administration/adult protection/low income energy assistance services categories and be reflected as 80 percent General Fund/20 percent county funds. Using this calculation, to derive \$1,350,000 General Fund, a total of \$1,687,500 would be reduced. This would represent an overall reduction of 3.4 percent to the total line item but over 22 percent to those portions of the line item that were not drawing a specific federal match in FY 2008-09 (primarily general administration and adult protection funding).

In the absence of any funding for County Tax Base Relief, staff anticipates that:

- Counties will use any reserves available in their social services funds and will reallocate funds from other sections of their budgets. Total county mill levies ranged from as low as 0 mills to as high as 43, according to the Department of Local Affairs' County and Municipal Financial Compendium for 2007. Smaller rural counties tend to have higher mill levies and rely more heavily on them, because of their limited commercial base. **Operating under TABOR, counties are constrained in their total mill levy revenue, but capable of redirecting a higher share of their mill levy revenue to social services.** This means redirecting funds away from other key community services, such as public safety.
- Six of the 12 counties qualifying for County Tax Base Relief could increase their use of Colorado Works mitigation, authorized at Section 26-2-714 (8), C.R.S. The Colorado Works allocation committee has authority provided at Section 26-2-714 (8), C.R.S., to provide small counties (as defined in statute) with relief, as needed, related to their maintenance of effort requirement for Colorado Works, *based on counties' application for such relief*. This statute allows the Works Allocation Committee to waive some or all of a small county's responsibility for Colorado Works maintenance of effort. This does not backfill reduced county share, but allows counties to contribute less.

The FY 2009-10 Long Bill authorizes a maximum mitigation of \$100,000 via footnote. **Staff also recommends that the maximum authorized for Colorado Works mitigation be increased to \$500,000 to accommodate any additional demands.** However, feedback from counties suggests minimal interest, due to demands on their programs. Most recently, only one or two counties have applied for this mitigation. Further, based on data from FY 2007-08, counties that do not qualify for mitigation but that would qualify for Tax Base Relief include Alamosa, Fremont, Logan, Otero, Prowers and Pueblo--some of the counties most affected by the loss of County Tax Base Relief. **Statute could be changed to allow**

Colorado Works mitigation to apply to additional counties; however, staff is not recommending a change at this time due to the limited county interest.

County Share of Offsetting Revenues

Section 26-13-108, C.R.S., provides that when government authorities recover any amounts of support for public assistant recipients, such amounts may be used to reimburse public assistance paid in accordance with federal law. Funding in this line item reflects the county share of revenues earned through child support collections, fraud refunds, state revenue intercepts, and other refunds. County expenditure of these funds assists the state in meeting the maintenance of effort (MOE) for the Temporary Assistance for Needy Families (TANF) Block Grant. The largest component is related to child support enforcement. In FY 2008-09 a total of \$18.6 million was recovered through child support enforcement activities to reimburse the State, counties, and the federal government for support provided to families under Colorado Works (Colorado's TANF program). Of this amount, \$9.3 million (50 percent) was the federal share and \$5.6 million was the State share. The county 20 percent share (\$3.7 million) was reimbursed to counties through this line item.

The Department requests a continuation level appropriation of \$3,789,313 cash funds. **Staff recommends that the Committee approve the Department's request.** Staff will discuss the status of the TANF maintenance of effort in greater detail below.

County Incentive Payments

Section 26-13-108, C.R.S., provides that when government authorities recover any amounts of support for public assistant recipients, such amounts may be used to reimburse public assistance paid in accordance with federal law. This statute further provides that the State may redirect its share of such recoveries (generally 30 percent of the total) to counties as an additional child support enforcement incentive. Historically, the State redirected 50 percent of the state-share of recoveries to counties. However, H.B. 08-1342 modified this provision to enable the State to redirect a larger share to counties. Current funding in this line item reflects an estimated 100 percent of the state share of retained collections for Child Support Enforcement. County expenditure of these funds assist the state in meeting the maintenance of effort (MOE) for the Temporary Assistance for Needy Families (TANF) Block Grant.

The Department requests \$4,739,624 for the line item, including a reduction of \$844,737 for Decision Item #8. **Staff recommends the request, including Decision Item #8, discussed below.**

Decision Item #8 - Enhanced Medical Support, Paternity Establishment and Education Initiatives for the Child Support Enforcement Program

The request is to direct \$2,484,521 total funds in FY 2010-11 (and \$1,639,784 total funds in FY 2011-12) to state child support enforcement activities. The request reflects redirecting \$844,737 cash funds from a county administration line item for county incentive payments in order to draw down \$1,649,784 in federal funds child support enforcement funds for state activities in FY 2010-11, as reflected in the table below.

Decision Item 8 - FY 2010-11 Proposed Adjustment			
	Total	Cash Funds	Federal Funds
County Administration, County Incentive Payments	(\$844,737)	(\$844,737)	\$0
Self Sufficiency, Child Support Enforcement	<u>2,484,521</u>	<u>844,737</u>	<u>1,639,784</u>
Total	\$1,639,784	\$0	\$1,639,784

In FY 2011-12, a total of \$447,440 would be transferred from County Incentive Payments to draw down \$868,560 in federal funds. and the balance of \$397,297 cash funds would be restored to the County Incentive Payments line item. All cash funds would be restored to County Incentive Payments line item in FY 2012-13.

The transferred funds would be used for the following purposes:

- Contracting with a private vendor to process and monitor the 25,000 National Medical Support Notices. These are child support notices to employers to add children to their parents' health insurance. The vendor would match the child support caseload against a national database of individuals with insurance coverage so that the Automated Child Support Enforcement System is updated. The project would also provide facilitators in the ten large counties for six months in FY 2010-11 and six months in FY 2011-12. Based on a pilot, it is estimated that implementing this process statewide could provide 20,000 Colorado children with health care coverage and would provide \$7.6 million in Medicaid state costs.
- Contracting with a private vendor to review and clean county files so that the state may switch to a different measure for demonstrating to federal authorities that the percentage of children born out-of-wedlock for whom paternity is established is at least 90 percent. At present, the state relies on state-wide vital records, placing the state at risk of federal sanctions; it may instead wish to rely on paternity records for children served in the child support enforcement program;
- Education and outreach activities related to the child support enforcement program, including: translation of standard forms into multiple languages; work with a vendor to develop an outreach program on child support enforcement in collaboration with the Colorado Works fatherhood program and the Division of Youth Corrections; and work with a private vendor to develop a high school curriculum on parenting and paternity awareness. The curriculum would involve peer trainers and would be for statewide use.

The table below reflects the components of the request:

Decision Item 8 - FY 2010-11 Funding Components		
	Component	Total Funds
Issue and Monitor National Medical Support Notices	Expand Medical Coverage	\$279,521
Provide Medical Support Facilitators in the 10 large counties (6 months in FY 2010-11; this component continued for six months also in FY 2011-120)	Expand Medical Coverage	1,316,000
Review and clean-up case files for possible switch to reporting paternity establishment on the IV-D population	System for Measuring Establishment of Paternity	644,000
Translate forms to other languages	Education Outreach	20,000
Develop and implement an outreach program with the public	Education Outreach	75,000
Develop and implement a training and outreach plan with Colorado Works and DYC	Education Outreach	75,000
Develop and implement parenting and paternity awareness program	Education Outreach	<u>75,000</u>
Total FY 2010-11		\$2,484,521

Additional background on the Child Support Enforcement Program. The Child Support Enforcement program is supported under Title IV-D of the federal Social Security Act. The Colorado caseload for the program (about 142,000) includes members of the general public who request assistance in enforcing child support orders, in addition to persons on public assistance, who are required to participate. The federal government provides matching funds of 66 percent for child support enforcement activities and also makes annual incentive payments to states based on specific performance measures (e.g., percent of funds collected on current child support orders).

Much of the Child Support Enforcement program is off-budget from a Long Bill perspective. Counties reported a total of \$51.5 million in Child Support Enforcement expenditures in FY 2008-09, with the federal \$33.3 million matched with \$18.3 million in county share. These expenditures were off-state-budget. The State portion of the program (\$13.5 million) is included in the Long Bill in the Self Sufficiency section.

Federal Funding Levels under the DRA and ARRA. The current request is in part a response to a change in federal funding levels for child support enforcement and, specifically, federal policy with respect to federal incentive payments.

The federal government makes incentive payments of about \$5.0 million per year to Colorado for child support enforcement based on metrics such as the percent of funding of current support orders that is actually collected. Pursuant to statute, all of these incentives are passed to the counties. Historically, counties have reinvested these incentives in child support enforcement activities,

garnering further federal reimbursement of 66 percent on the expenditures. Under the Deficit Reduction Act of 2006, the federal government eliminated the federal match for federal incentive payments, reducing county revenue by about \$3.3 million. In response, H.B. 08-1342 authorized the State to increase its assistance to counties from the State's share of recoveries, and the appropriation in the County Incentives Payment line item was increased by \$2.5 million to reflect 100 percent of the State's share of recoveries. The amount was reallocated from the Colorado Works County Block Grants line item. However, under the American Recovery and Reinvestment Act, the match for federal incentive payments was restored--thus effectively restoring \$3.3 million per year to counties. In light of this, the Department proposes to retain a portion of the state share of recoveries for projects designed to benefit the child support enforcement program statewide.

Staff recommends the request.

- The request appears reasonably designed to support child support enforcement efforts statewide. Health insurance components should assist the State in insuring children and reducing Medicaid payments, paternity establishment components promote the ongoing flow of federal incentive dollars, and outreach efforts should improve public awareness of the program.
- As reflected in the request, the current level of county incentive payments reflected the State's effort to compensate for a change in federal funding policy that reduced county revenue for child support enforcement. This federal funding change that reduced county funding is currently suspended pursuant to the American Recovery and Reinvestment Act, thus giving counties access to an additional \$3.3 million federal funds per year. Changes regarding federal match for child support incentives which were included in the American Recovery and Reinvestment Act may or may not be continued past September 30, 2010, although the Department believes it is likely the changes will be retained, based on the federal Executive budget request.
- Issues/concerns related to the request include: (1) The Department has a capital construction request related to the upgrade of the ASCES computer system which will further reduce the amount in this line item by \$1.0 million in FY 2010-11 and \$1.5 million in FY 2011-12. The result will be to provide counties with the historic 50 percent of state match (\$2.3 to \$2.5 million), rather than 100 percent. (2) Although counties historically received only 50 percent, rather than 100 percent, of state incentive payments for child support of \$4.7 to \$5.0 million as state incentives for child support, they historically received the balance in another line item: the Colorado Works County Block Grants line item. Thus, ***this funding was never previously used for state administration.***
- Despite the above concern, staff supports the proposed temporary use of the funds at the state level for purposes which should benefit all child support enforcement programs. Staff notes that the adjustment is temporary.

- The outreach components of the request, *e.g.*, the development of curricula and outreach efforts, appear to reflect less urgent needs. As discussed, many counties are under great financial pressure to provide direct services. **If the Committee wishes, it could reduce the requested funding by the \$225,000 associated with these educational components and thus retain \$74,250 for County Incentive Payments or appropriate the \$74,250 to another line item.**
 - If retained in the County Incentives line item, the funds would be distributed to counties based on their child support enforcement performance and not on the basis of other measures of county funding need.
 - The \$74,250 state share of retained earnings could also be appropriated to another line item, such as the County Administration line item (to help offset the 2.0 percent cut or to refinance General Fund).

(7) OFFICE OF SELF SUFFICIENCY

(A) Administration

The Office of Self Sufficiency's Administration section is responsible for the oversight of the Colorado Works Program, the Special Purpose Welfare Programs (Low Income Energy Assistance Program, Food Stamp Job Search, Food Distribution, Low-Income Telephone Assistance Program, Income Tax Offset, Electronic Benefits Transfer Service, Refugee Assistance, and Systematic Alien Verification for Eligibility), Child Support Enforcement, and Disability Determination Services.

Personal Services

This line item supports the base salary, state PERA contributions, and contracts the division management uses for administrative oversight of its programs. Support for the Colorado Works program was moved from this line to the Colorado Works section of the budget in FY 2006-07. The staffing summary for this line is shown in the table below. In FY 2007-08, 3.0 FTE were added to provide additional oversight of counties' administration of the Food Stamps program.

Staffing Summary - (7) Office of Self Sufficiency - Administration, Personal Services	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management	3.0	4.0	4.0	4.0
General Professional	13.4	15.6	15.6	15.6
Support Staff	2.4	2.4	2.4	2.4
TOTAL	18.8	22.0	22.0	22.0

The Department has requested \$1,695,888 including \$712,328 General Fund, and 22.0 FTE for this line item. **Staff recommends the request, calculated in accordance with Committee common policy.** The following table summarizes the calculation.

Staff Summary - (7) Office of Self Sufficiency (A) Administration, Personal Services	Total	GF	FF	FTE
Prior Year Appropriation (S.B. 09-259)	1,696,754	731,069	965,685	22.0
Restore 2.8 percent reduction	31,407	13,532	17,875	0.0
BA #NP1 - PERA reduction	(32,273)	(32,273)	0	0.0
Total Recommendation	\$1,695,888	\$712,328	\$983,560	22.0

Operating Expenses

The Department requests an appropriation of \$77,312, including \$53,993 General Fund. The request includes annualization of two FY 2009-10 decision items: FY 2009-10 Decision Item #25 for funding to destroy obsolete forms and FY 2009-10 decision item #NP-2 related to the mail upgrade. **The staff recommendation in the table below is calculated in accordance with Committee common policy.** The difference between the request and the recommendation is a correction to the annualization of the FY 2009-10 mail upgrade decision item.

Staff Summary - (7) Office of Self Sufficiency (A) Administration, Operating Expenses	Total	GF	FF
Prior Year Appropriation (S.B. 09-259)	103,297	54,361	48,936
Annualize FY 2009-10 DI #NP-2 - Mail upgrade	(494)	(337)	(157)
Annualize FY 2009-10 DI #25 - Destroy Forms	(25,460)	0	(25,460)
BA #NP5 - Mail upgrade	156	109	47
Total Recommendation	77,499	54,133	23,366

(7) OFFICE OF SELF SUFFICIENCY (B) Colorado Works Program

The Colorado Works Program implements the federal Temporary Assistance for Needy Families (TANF) program. Colorado Works supervises administration of TANF programs delivered at the county level. TANF provides cash assistance benefits and other support services to eligible families to assist these families in finding and retaining employment.

TANF Maintenance of Effort. Federal welfare reform legislation required states to maintain a certain level of spending on TANF programs (called a maintenance of effort or "MOE") based on historic

spending on the predecessor programs. The *minimum* federal TANF MOE required for a state to receive its full TANF block grant is equal to 80 percent of the amount a state spent on TANF programs in federal FY 1993-94; for Colorado, the federal TANF MOE is \$88.4 million annually.

If a state does not comply with the federal TANF MOE requirement, the state's TANF grant in the following fiscal year would decrease by the amount of the shortfall and the state's TANF MOE would be increased for the following year by the amount of the shortfall. Thus, if a state does not address the shortfall it will continue to lose federal dollars each year and the state's TANF MOE will continue to increase each year. In order to access some additional funding under the American Recovery and Reinvestment Act, a higher MOE must be attained for FY 2009-10 and FY 2010-11.

Primarily, expenditures for the Works Program, for certain child welfare services, for the Child Care Assistance Program, and for the Low Income Energy Assistance Program (LEAP) may be counted toward the TANF MOE. Colorado's MOE obligation is a shared responsibility of the state and counties. The following table itemizes estimates for all of the spending that counts towards the TANF MOE. Measurements are done on the basis of federal fiscal years. The table below reflects staff's current estimate of the MOE requirement and expenditures for FFY 2009-10 and FFY 2010-11 based on Department submissions in November 2009, updated with more recent information.

As reflected in the table, the Department has been extremely successful at identifying additional sources of TANF MOE. As a result, it has been able to access federal funding under the PRWORA contingency fund.

TANF MOE Sources - as of February 12, 2010				
MOE Source	FFY 2009	FFY 2010	FFY 2011	Comment
Child Welfare				
Child Welfare Services Line	\$22,534,928	\$19,534,928	\$19,534,928	
Family and Children's Programs (Core)	19,599,822	10,099,822	10,099,822	
<u>Colorado Works</u>				
County Share of Block Grant	12,782,264	12,782,264	12,782,264	
Child Care				
Child Care MOE	8,985,900	8,985,900	8,985,900	
County Share of Admin Costs in CCCAP	841,453	841,453	841,453	
State Administration				
General Fund Expenditures on MOE	2,184,326	2,184,326	2,184,326	
General Fund Used to Match TANF	1,885,564	1,885,564	1,885,564	
Nurse Home Visitor Program (Dept of Public Health and Environment)				
General Fund Expenditures	6,001,623	6,001,623	6,001,623	
Department of Education				

TANF MOE Sources - as of February 12, 2010				
MOE Source	FFY 2009	FFY 2010	FFY 2011	Comment
GF Spent on Colorado Preschool Program (CPP) (185% of FPL and below)	18,261,827	18,261,827	18,261,827	These amounts may decline
GF Spent on (CPP) for Households up to \$75K (Direct Costs)	23,659,297	23,659,297	23,659,297	These amounts may decline
Low Income Energy Assistance Program				
TANF MOE Eligible Expenditures	2,149,664	2,149,832	2,149,832	
Additional Funding From Severance Tax	2,950,000	0	3,250,000	Elim FY10
Weatherization Program Expenditures	4,870,295	0	0	One time
Tax Credits				
Child Care Tax Credit	3,875,989	3,875,989	3,875,989	
Per Child & Earned Income Tax Credit	10,662	10,662	10,662	
IV-E Reimbursements Cash Fund				
County MOE Expenditures	781,354	0	0	
Other Sources				
County DSS Program Expenditures	8,396,683	0	0	Declining
Foundation Program Expenditures	27,339,928	15,000,000	15,000,000	Declining
Total	\$167,111,579	\$125,273,487	\$128,523,487	
<i>Usual MOE Requirement</i>	88,395,624	88,395,624	88,395,624	
Minimum MOE for PRWORA Contingency Eligibility	102,241,173	102,241,173	0	
Additional MOE for PRWORA Contingency Funds	49,887,454	10,168,278	0	
Total MOE required	152,128,627	112,409,451	88,395,624	**
Surplus/(Deficit)	\$14,982,952	\$12,864,036	\$40,127,863	

Source: Department of Human Services, adjusted by JBC staff.

**Does not account for the MOE needed for the Caseload Reduction Credit to ensure Colorado is not penalized for its work participation rates. This is expected to require an additional \$30 to \$40 million.

Federal Stimulus Package. The Department expects that, overall, total of \$68,028,345 in one-time supplemental TANF funds will be available through FFY 2009-10 as part of the federal response to the economic downturn. The funds derive from a combination of the TANF Emergency Fund created through the American Recovery and Reinvestment Act (ARRA) and the Contingency Fund created in 1996 through the Personal Responsibility and Work Opportunity Reconciliation Act

(PRWORA). From these two funding sources, ARRA allows a state to receive supplemental funds totaling up to 50 percent of one year's TANF block grant in FFY 2008-09 and FFY 2009-10 (\$68.0 million is 50 percent of the state's annual award of \$136.1 million).

- ARRA Emergency Funds: \$43,084,618 is expected to be available in ARRA TANF Emergency Funds based on increased caseload and expenditures for the TANF program in FFY 2008-09 and FFY 2009-10. The TANF Emergency Fund created by ARRA will reimburse the State for 80 percent of increased spending for basic assistance, non-recurrent short-term benefits, and subsidized employment when compared with FFY 2006-07 and FFY 2007-08 spending levels. An FY 2009-10 supplemental budget request was designed to access some of these funds (\$23.2 million) by creating or expanding selected programs that benefit qualified individuals consistent with ARRA priorities.
- PRWORA Contingency Funds: Additional federal funding of \$24,943,727 has already been applied for and provisionally granted from the PRWORA Contingency Fund. To qualify for the PRWORA Contingency Fund, states must meet either a Food Stamp caseload increase trigger or an unemployment trigger. Colorado qualified in November 2008 for the Food Stamp trigger and remains qualified.¹ Based on requests submitted, the Department believes funds will be expended within the context of normal TANF expenditures, rather than based on additional appropriations. To qualify for PRWORA contingency funds a State must meet a Contingency Fund MOE level of 100 percent of the historic State expenditures for 1994 (as opposed to the 80 percent of such expenditures usually required). The Department has indicated that it is hopeful that it will be able to identify qualifying MOE expenditures (which may include, for example, local government and non-profit organizational expenditures for qualifying individuals).

The table below summarizes the components of the \$68.0 million in federal funds.

Amount	Description
\$24,943,727	PRWORA Contingency Funds:
23,166,010	ARRA TANF Emergency Fund Reimbursements for new program expenditures authorized through an interim supplemental request.
19,918,608	ARRA TANF Emergency Fund Reimbursements for natural TANF caseload expenditure increases for the period October 1, 2009 through September 30, 2010 (80 percent reimbursement for expenditures that exceed correlating expenditures in FFY 2007 or 2008).

¹The average number of food stamp participants for the most recent 3 month period must be at least 110 percent of the monthly average for FFY 1994 or 1995, whichever is less, had the immigrant and Food Stamp provisions of PRWORA been in effect in those years. Colorado has also been eligible under the unemployment trigger since February 2009.

68,028,345	TOTAL
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Long Term Reserves. The table below summarizes the Department's estimate of the Long Term Reserve as of February 8, 2010. This is a working draft and subject to change. The Department's current estimate differs somewhat from figures presented in November 2009, including a change to the ongoing grant level assumptions. As a result of the change in the ongoing grant level assumption, TANF insolvency is "pushed out" to FY 2012-13.

Temporary Assistance to Needy Families Long-term Reserve Analysis - REQUEST - 2/8/10					
	SFY 09-10	SFY 10-11	SFY 11-12	SFY 12-13	SFY 13-14
Funds Available					
Available Prior Year Funds	\$51,922,216	\$53,509,072	\$31,946,193	\$5,384,619	(\$8,676,955)
Ongoing Estimated Annual Grant	149,626,381	149,626,381	149,626,381	149,626,381	149,626,381
ARRA Funding	<u>61,729,650</u>	<u>6,298,695</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$263,278,247	\$209,434,148	\$181,572,574	\$155,011,000	\$140,949,426
Appropriation/Request					
Base Funding exc. Refinance	162,786,936	160,557,162	160,557,162	160,557,162	160,557,162
Child Welfare Refinance	12,500,000	12,500,000	12,500,000	0	0
One-time supplementals adopted, including ARRA spending	34,482,239	0	0	0	0
FY 2010-11 DI Requests	<u>0</u>	<u>4,430,793</u>	<u>3,130,793</u>	<u>3,130,793</u>	<u>3,130,793</u>
Total	\$209,769,175	\$177,487,955	\$176,187,955	\$163,687,955	\$163,687,955
Total TANF End-of-year Long Term Reserve Balance					
	\$53,509,072	\$31,946,193	\$5,384,619	(\$8,676,955)	(\$22,738,529)
Annual Income v. Approp/Request	1,586,856	(21,562,879)	(26,561,574)	(14,061,574)	(14,061,574)

*Amounts shown do not reflect the impact of several pieces of new legislation which, if adopted will draw the Long Term Reserve down more quickly in FY 2010-11.

County Reserves. During the last few years, the counties accumulated substantial reserves of TANF spending authority. Senate Bill 08-177 changed the reserve rules, and required the counties to either spend down their reserves or remit excess balances to the state. Senate Bill 08-177 set a TANF reserve cap (including Colorado Works, Child Care, and Child Welfare TANF reserves) of 70 percent of allocations at the end of FY 2008-09, 55 percent of allocations at the end of FY 2009-10, 40 percent of allocations at the end of FY 2010-11, and 30 percent of allocations at the end of FY 2011-12. The process of spending down reserves has been accelerated because, under authority

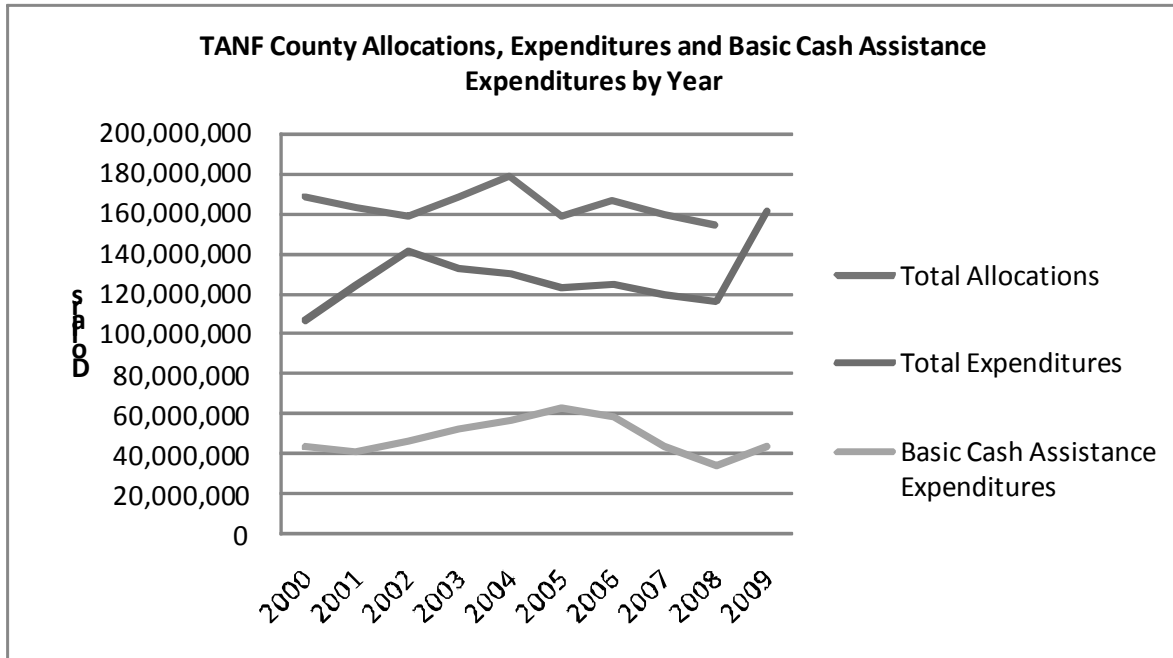
granted by S.B. 08-177, the State Board of Human Services has increased the basic cash assistance grant about by 30 percent. During FY 2009-10, staff anticipates that counties will either spend down reserves by at least \$9.6 million, thus over-spending annual allocations by 6.4 percent, or will remit some of this amount to the TANF Long Term Reserve at the end of FY 2009-10 to hit the 55 percent target.

County Allocations and Reserves FY 2009-10								
County	Works Allocation (SFY10)	TANF CO Works Reserve, September 30, 2009	Child Care Reserve, September 30, 2009	Child Welfare Reserve, September 30, 2009	Total Reserves, September 30, 2009	Total Reserves as % of Current Year allocation	Amt Remitted at end of SFY09	SFY09 County Block Grand Support Fund
Adams	\$12,291,442	\$5,113,679	\$608,850	\$970,191	\$6,692,720	54.5%	\$0	\$527
Arapahoe	12,448,671	6,949,754	2,169,457	0	9,119,212	73.3%	1,296,632	0
Boulder	6,525,790	2,945,994	1,206,782	0	4,152,776	63.6%	720,955	0
Denver	39,667,156	18,698,172	3,612,060	0	22,310,232	56.2%	0	3,552
El Paso	19,425,636	919,445	5,452,213	7,858,495	14,230,153	73.3%	1,163,473	0
Jefferson	10,869,686	4,266,566	0	0	4,266,566	39.3%	0	288,743
Larimer	8,379,893	222,604	3,907,486	1,387,870	5,517,961	65.8%	0	222,604
Mesa	5,832,295	3,360,323	0	0	3,360,323	57.6%	0	154,930
Pueblo	6,254,419	4,506,189	0	0	4,506,189	72.0%	0	0
Weld	4,552,541	1,709,019	19,975	0	1,728,994	38.0%	0	122,476
All other counties	<u>24,788,638</u>	<u>8,701,710</u>	<u>4,410,631</u>	<u>3,675,021</u>	<u>16,787,362</u>	<u>67.7%</u>	<u>8,993,520</u>	<u>207,168</u>
TOTAL	\$151,036,168	\$57,393,455	\$21,387,455	\$13,891,578	\$92,672,487	61.4%	\$12,174,581	\$1,000,000

County Expenditure Drivers. Detail on the nature and drivers for county expenditures are only partially understood and to some extent vary by county. At a minimum, counties are expected to cover TANF recipient's basic cash assistance requirements. The basic cash assistance grant is currently \$462 per month for a single parent with two children. The balance of county TANF allocations are used to provide support services for individuals in basic cash assistance consistent with program requirements, to support other county poverty alleviation effort. to administer the program (over 50 percent of total expenditures are classified as "administrative"), and for transfers to child welfare and child care (up to 30 percent of the total).

While the basic cash assistance benefit is established statewide, both the job supports provided to cash-assistance beneficiaries and the other more general county poverty alleviation efforts vary greatly. The chart below reflects TANF county allocations, expenditures and basic cash assistance expenditures since 2000. As shown, **basic cash assistance expenditures have comprised between 29 and 42 percent of annual allocations and between 27 and 52 percent**

of annual expenditures. While total expenditures are related to basic cash expenditures, overall expenditures may increase or decrease for reasons other than caseload. For example, in 2009, many counties spent down reserves to avoid remitting them to the State.



Allocation of Funds Among Counties. Pursuant to Section 26-2-714 (2), C.R.S., the department is authorized to adjust a county's block grant of state and federal funds for the Works Program. The department is to make such adjustments based on input from the Works Allocation Committee², and based on various factors including: (1) a county's population and that county's Works Program caseload; (2) a county's unemployment rate as determined by the Department of Labor and Employment for the prior year; a county's performance in meeting obligations under its Works Program performance "contract" with the department; a county's failure to maintain a certain level of spending on the Works Program; whether that a county received funds from the Short-term Works Emergency Fund for Works Program expenditures; and other factors that directly affect the population of needy families in a county. The Department is explicitly forbidden from considering the level of a county's reserve balance in determining allocations. The Colorado Works Allocation Committee has proposed a change to the allocation methodology for FY 2010-11 to align allocations more closely to population and some of the factors above.

² The Works Allocation Committee consists of seven members, including five appointed by Colorado Counties, Inc. (CCI) and two appointed by the Department. If CCI does not appoint a representative of the county with the greatest percentage of the state's caseload (i.e., Denver), the department is required to do so.

Overview - Request and Recommendation for Use of TANF Funds			
	Request	Recommend	Difference
<u>Information Technology, Indirect Costs</u>			
EDO/OPS - Executive Director's Office and Office of Operations - various	711,332	711,332	
Information Technology various line items	1,148,892	1,148,892	
Colorado Trails	1,384,292	1,384,292	
Colorado Benefits Management System	3,292,243	3,292,243	
<i>DI #6 - TANF Specific CBMS Changes [one time new line]</i>	<i>1,300,000</i>	<i>pending</i>	
Self sufficiency, EBTS and SAVE IT systems	<u>207,000</u>	<u>207,000</u>	
Information Tech and Indirect Costs	8,043,759	6,743,759	(1,300,000) pending item
<u>State Works Administration and Oversight of CO Works</u>			
Colorado Works Administration [inc \$47,267 for DI #5]	1,599,565	1,599,565	
Works Program Evaluation	350,029	350,029	
Workforce Development Council	105,007	105,007	
County Training	<u>592,534</u>	<u>592,534</u>	
State Administration and Oversight	2,647,135	2,647,135	0
<u>County Allocations</u>			
County Block Grants	128,713,135	128,713,135	
Reimbursement - prior year expenditures due to reduction in federal MOE	5,524,726	5,524,726	
County Block Grant Support Fund	<u>1,000,000</u>	<u>1,000,000</u>	
County Allocations	135,237,861	135,237,861	0
<u>State-Administered and Distributed Program Funds, Special Programs</u>			
CO Works Statewide Strategic Use Fund	10,000,000	10,000,000	
Colorado Works Program Maintenance Fund	3,000,000	963,249	
Low Income Energy Assistance Program	1,500,000	1,500,000	
Domestic Abuse Program	659,824	659,824	
Refugee Assistance [req. inc. \$3,083,526 for DI #7]	<u>3,899,376</u>	<u>2,805,334</u>	
	\$19,059,200	\$15,928,407	(\$3,130,793)
Refinances - Child Welfare Base	\$12,500,000	\$12,500,000	\$0
TOTAL - Request and Recommend for TANF Grant	\$177,487,955	\$173,057,162	(\$4,430,793)

Colorado Works Administration

In FY 2006-07, the administrative costs associated with the Colorado Works Program were placed in this separate line item, rather than being included in the overall administration line for the Division.

Staffing Summary - (7) Office of Self Sufficiency - Colorado Works Administration	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management	1.0	1.0	1.0	1.0
General Professional	12.6	15.0	15.0	15.0
Staff Support	2.8	3.0	3.0	3.0
Total	16.4	19.0	19.0	19.0

For the Colorado Works Administration line, the Department requests an appropriation of \$1,568,252 federal funds and 19.0 FTE. The request includes a reduction of \$31,240 for BA #NP1, the PERA state share adjustment, an increase of \$21 for BA #NP-5, the mail equipment upgrade, and an increase of \$47,267 for Decision Item #5 (Colorado Works County Oversight).

Decision Item #5 - Colorado Works County Oversight

The request is for additional funding for travel, training, and tools needed to manage increased oversight of county performance. The federal TANF program was reauthorized in 2005. The reauthorization set higher performance standards for states, both in terms of work participation and work verification. To meet these requirements, as well as increasing demands from stakeholders for information on program performance, the General Assembly added 4.0 FTE in FY 2008-09. Now that the unit is fully staffed, additional operating funds are needed to fully and effectively implement the Department's Work Verification Plan, as approved by the federal government. The Plan includes analysis fo program data, direction, training, and technical assistance for county departments, and county site visits. The Department submitted a detailed budget on the basis for increases, which is summarized below:

Equipment and operational costs (mailing costs, printing of forms)	\$12,080
Travel (lodging, vehicle rentals, mileage, hotel) associated with county site visits (for 18 overnight to more locations outside the metro area)	23,692
Training (8 technical assistance training sessions for county staff)	<u>11,495</u>
Total	\$47,267

Staff recommends the request for Decision Item #5. Staff believes the value of properly implementing Colorado Works county oversight outweighs the relatively small additional burden on the Colorado Works Long Term Reserve. However, as discussed further below, **staff is also recommending a reduction to the Colorado Works Program Maintenance Fund** in an amount sufficient to cover all recommended increases for TANF expenditures that the Department proposes as ongoing.

Line Item Recommendation. The staff recommendation is summarized in the table below. The recommendation differs slightly from the request due to differences in the postage annualization. Based on FY 2008-09 actuals, the recommendation for \$1,568,274 includes an estimated \$1,409,067 for personal services and \$159,207 for operating expenses.

Staff Summary - (7) Office of Self Sufficiency (B) Colorado Works Program - Colorado Works Administration	Federal Funds	FTE
FY 2009-10 Long Bill (S.B. 09-259)	\$1,552,298	19.0
Annualize FY 2009-10 DI #NP-2 - Mail upgrade	(72)	0.0
DI #5 - Works County Oversight	47,267	0.0
BA #NP1 - PERA reduction	(31,240)	0.0
BA #NP5 - mail equipment upgrade	21	0.0
Total Recommendation	1,568,274	19.0

County Block Grants

This line item provides funding to county departments of social services to administer the Colorado Works Program. Counties have the flexibility to use the funds for administration or program needs. The line item is funded with federal Temporary Assistance for Needy Families (TANF) funds and cash funds. The Department requested a continuation level of \$151,536,168, including \$22,823,033 cash funds and \$128,713,135 federal funds. The cash funds include county's TANF maintenance of effort amounts, as well as the county share of retained child support collections, fraud refunds and revenue intercepts. Cash funds also include \$584,361 from the state's share of retained earnings from child support collections, fraud refunds and revenue intercepts. **Staff recommends the request for a continuation level of funding.**

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

This line item provides spending authority for the Department to reimburse counties when the state is notified that its federally required TANF MOE has been reduced based on the state meeting specified work participation rates. Pursuant to Section 26-2-714 (10), C.R.S.:

"If the state meets federal work participation rates and qualifies for a percent reduction in the state's maintenance of effort as specified in federal law for any

year, the actual spending level for the works program of all counties collectively shall be reduced by the same amount as the amount of the reduction in the federal maintenance of effort requirement."³

In order to allow counties to benefit from the TANF MOE reduction should the state learn that it has met the federal work participation rate requirement for FFY 2007-08, the department requests spending authority to utilize TANF funds to repay counties for prior year Works Program expenditures. Counties would be allowed to spend the federal funds as they wish. The assumption underlying this proposal is that if counties' required spending had been decreased in FFY 2007-08 by the amount of the reduction in the federal TANF MOE, counties' would have spent less in county funds and more in federal TANF funds. The Department requests an appropriation of \$5,524,726 federal TANF funds. This is the standard annual request. **Staff recommends that the Committee approve the Department's request.**

County Block Grant Support Fund

Senate Bill 08-177 renamed the Short-term Works Emergency Fund. Pursuant to Section 26-720.5, C.R.S., the State Department allocates money in the Fund according to criteria and procedures established by the Department and the Works Allocation Committee. Priority is to be given to any county that exhausts all moneys available in the county's block grant for Colorado Works for that fiscal year. No funds were distributed in FY 2008-09, apparently due to accounting or administrative problems; however, recipients have been identified for FY 2009-10. The Department requests a continuation level of funding of \$1,000,000 federal funds (TANF). **Staff recommends the Committee approve the Department's request.**

County Reserve Accounts

Pursuant to Section 26-2-714 (5) (a), C.R.S., counties are authorized to maintain a County Reserve Account of unspent Works Program county block grant funds. The actual amount is not known until the State closes its books at the end of the each fiscal year. In additions, the counties are allowed to make transfers in and out of their reserve account for a brief period after the end of the fiscal year. This line is the subject of an annual supplemental request made after the year-end amount is known. The department requests \$57,393,455 federal funds (TANF) for this line item, including a reduction of \$33,215,910 pursuant to BA #4. The request continues the level approved through an FY 2009-10 supplemental and is based on county reserves at the end of FFY 2008-09 (October 2009).

Staff instead recommends that the line item reflect \$92,672,487 federal fund (TANF) and that the title be changed to "County TANF Reserves for Colorado Works, Child Welfare

³ Note that this same provision charges the Works Allocation Committee with determining each county's share of the reduction in actual spending levels. In the event that the Works Allocation Committee does not reach an agreement on each individual county's reduction in actual spending levels, it is required to submit alternatives to the Joint Budget Committee and the JBC would identify each individual county's share of the reduction.

and Child Care Programs". This amount is comprised of \$57,393,455 Colorado Works reserves, \$21,387,455 TANF Child Care reserves, and \$13,891,578 TANF Child Welfare reserves. Staff also recommends that the associated letter note reflect that the amount shown is for informational purposes only. The rationale is as follows:

- County reserve cap levels set by S.B. 08-177 apply to all county reserves of TANF dollars. This includes reserves of TANF funds transferred to Title XX (Child Welfare) and the Child Care Development Fund block grant (Child Care). Thus, if county TANF reserve amounts are to be shown in the Long Bill at all, staff believes they should include reserves in all these categories.
- County reserve amounts reflect TANF funds previously appropriated to counties. Although federal law authorizes state legislatures to appropriate TANF funds, these funds were previously appropriated through county block grants, and staff does not believe a further appropriation is required. These amounts are instead shown for informational purposes, given the General Assembly's interest in the status of county TANF reserves.

County Training

Pursuant to Section 26-2-712 (7), C.R.S., the Department is to develop training for case workers "so that they are knowledgeable and may assist participants in: (a) identifying goals, including work activities, time frames for achieving self-sufficiency, and the means required to meet these benchmarks; (b) obtaining supportive services such as mental health counseling, substance abuse counseling, life skills training, and money management or parenting classes; (c) utilizing the family's existing strengths; (d) providing ongoing support and assistance to the family in overcoming barriers to training and employment; (e) monitoring the progress of the family toward attaining self-sufficiency"; and (f) proper handling of domestic violence situations.

The Department requests \$588,917 and 2.0 FTE for this line item, including adjustments for BA #NP-1 (PERA adjustment) and BA #NP-5 (postage adjustments). **Staff recommends the Committee approve an appropriation of \$592,314 and 2.0 FTE, calculated in accordance with Committee common policy decisions.** Staff's calculation is summarized in the following table. The difference between the request and the recommendation is DI #NP2. The recommendation includes \$290,598 for personal services and \$298,370 for operating expenses.

Staff Summary - (7) Office of Self Sufficiency (B) Colorado Works Program - County Training	FF	FTE
Prior Year Appropriation (H.B. 08-1375)	592,534	2.0
Personal Services [non-add]	294,045	2.0
Operating Expenses [non-add]	298,489	0.0
Annualize FY 2009-10 DI #NP-2 - Mail upgrade	(169)	0.0

Staff Summary - (7) Office of Self Sufficiency (B) Colorado Works Program - County Training	FF	FTE
BA #NP1 - PERA reduction	(3,447)	0.0
BA #NP 5 - mail equipment upgrade	50	0.0
Total Recommendation	588,968	2.0

Domestic Abuse Program

Pursuant to Section 26-7.5-101 et seq., C.R.S., moneys are appropriated from the Colorado Domestic Abuse Program Fund (Section 26-7.5-105 (3), C.R.S.) to the department to encourage local governments and non-governmental agencies to develop domestic abuse programs. This line item provides spending authority out of the Colorado Domestic Abuse Program Fund for distribution to local entities as well as for the department's related administrative expenses. This fund consists of taxpayer contributions (through a check-off on Colorado individual income tax returns), appropriations from the General Assembly, and, pursuant to S.B. 09-68, fees for petitions and responses in divorce proceedings and marriage license fees. Senate Bill 09-068 increased the fees for petitions and responses in divorce proceeding (by \$5 for the Domestic Abuse Program Fund) and the marriage licence fee (by \$20) and appropriated an additional \$843,430 cash funds and 0.7 FTE for the Domestic Abuse Program.

The Department requests an appropriation for FY 2010-11 of \$1,830,694 and 2.7 FTE for this line item. Current revenue forecasts project sufficient funds to cover the cash funds portion of the request. **The staff recommendation for \$1,830,757, including \$1,170,933 from the Domestic Abuse Program Fund is detailed below. This includes \$288,564 for personal services and \$1,542,193 for operating expenses. The operating expenses amount includes an estimated \$1,457,980 for grants to non-governmental organizations.** This recommendation is calculated in accordance with Committee common policy. Staff's calculation is summarized in the following table. The slight difference between the request and the recommendation is the annualization of FY 09-10 DI #NP2.

Staff Summary - Domestic Abuse Program	Total	CF	FF	FTE
Previous Year Appropriation (2009 session; excludes one-time supplemental)	1,834,237	1,174,413	659,824	2.7
Personal Services [non-add]	291,897	120,052	171,845	2.7
Operating Expenses [non-add]	1,542,340	1,054,361	487,979	0.0
Annualize FY09-10 DI #NP-2 - Mail upgrade	(209)	(209)	0	0.0
BA #NP1 - PERA reduction	(3,333)	(3,333)	0	0.0
BA #NP 5 - mail equipment upgrade	62	62	0	0.0
Total Recommendation	\$1,830,757	\$1,170,933	\$659,824	2.7

Works Program Evaluation

Pursuant to Section 26-2-723, C.R.S. the department was previously required to oversee an annual evaluation of the Works Program. This statute has been repealed; however, through an FY 2009-10 decision item, the Department requested ongoing funding at a lower level to evaluate the program.

The Committee requested a report on the Department's use of funding through RFI #37. The Department indicated that as of the beginning of FY 2009-10, it had identified a vendor to develop an evaluation plan for the Statewide Strategic Use Fund; it had selected a vendor to analyze the positive and negative effects associated with the Department's implementation of a payment option counties can use when serving hard-to-serve clients; and it was exploring the feasibility of using some of the funds to develop evaluation efforts related to the interim supplemental for TANF funds approved by the JBC in September 2009. Given the early stages of these efforts, the Department did not yet have any outcome data related to these issues.

The Department requested \$350,007 including a \$7 adjustment for BA #NP5 (mail equipment upgrade). **Staff recommends the Department's request.** Staff also recommends continuation of the RFI to solicit information on the Department's evaluation efforts.

Workforce Development Council

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

Funding for the Council is to come from administrative moneys from several federal programs delineated in federal law; the allocation of federal funds is determined annually by the Office of State Planning and Budgeting (OSPB). The Department is requesting a continuation level appropriation of \$105,007 in federal spending authority in FY 2010-11. **Staff recommends that the Committee approve the Department's request.**

Promoting Responsible Fatherhood Grant

This line includes the appropriations for the Promoting Responsible Fatherhood Grant the Department receives from the federal government. This is a multi-year grant, which the state first received in FY 2008-09. The state receives \$2.0 million in federal funds for this line, and

must provide matching dollars so that the state share is 10.0 percent. The Department requests an appropriation of \$2,067,459, including \$72,222 General Fund. The request includes a reduction of \$150,000 General Fund related to August 2009 supplemental #7 and a reduction of \$4,763 federal funds for BA #NP1 (PERA adjustment). The Committee previously approved August #7, which indicated that the Department would use donated media spots in lieu of General Fund to provide the required match for the federal funds. **Staff recommends the Committee approve the Department's request, which is calculated consistent with common policy.** (Staff notes, however, that this adjustment is unlikely to change the total amount of federal funding available from this grant.)

Colorado Works Program Maintenance Fund

This line was created by S.B. 08-177. The fund was created to allow the Department to respond to emergencies or other unforeseen circumstances at both the state and county level. The Department requests a continuation level appropriation of \$3,000,000 federal TANF funds. **The staff recommendation for this line item is \$963,249. This reflects a reduction in the appropriation for this line item \$1,989,484 related to the Department's Decision Item #7 and \$47,267 related to the Department's Decision Item #5. This reduction offsets those requested increases. Staff notes that the Department had no expenditures from this line item in FY 2008-09, and given the overall imbalance between annual TANF funding and State expenditures, staff believes any ongoing increases should be offset.**

Colorado Works Statewide Strategic Use Fund

This line was created by S.B. 08-177. Pursuant to Section 26-2-721.7, C.R.S., the fund is to be used to support initiatives and programs that meet one of the four purposes of the federal TANF program. An advisory committee that includes: representatives of the Department and the Department of Public Health and Environment; Colorado counties; and advocates for participants in the Colorado Works program, early childhood development, child welfare, community colleges, workforce development and mental health. The Department requests a continuation level appropriation of \$10,000,000 federal TANF funds. **Staff recommends the Committee approve the Department's request.**

(7) OFFICE OF SELF SUFFICIENCY

(C) Special Purpose Welfare Programs

(1) Low Income Energy Assistance Program

Section 26-2-122.5, C.R.S., authorizes the Department to accept and administer funds related to low income energy assistance. The Low Income Energy Assistance Program (LEAP) provides energy subsidies to low income households. "Low income" for this program is defined as 185 percent of the federal poverty level. The majority of funding is used to help cover heating bills for low income individuals for the cold-weather months of the year and to avoid heating shut-offs. Additionally, a portion of funding is directed to assist low-income individuals facing

a heating system emergency (e.g., a furnace failure) and to fund heating system repairs. Counties assist applicants and accept and forward applications to the Department; home energy subsidy levels are established centrally by the Department. For FY 2009-10, the program has established an average benefit of \$450, with a minimum of \$350 and a maximum of \$900.

Most of the funding derives from the federal Low Income Home Energy Assistance Program (LIHEAP) block grant. This block grant is considered a federal custodial funding source and related amounts are shown in the Long Bill for informational purposes only. Amounts available from the LIHEAP block grant and associated federal contingency funds have been highly variable, ranging from \$33.1 million in FY 2006-07 to \$71.4 million in FY 2008-09. Energy Outreach Colorado (EOC), a non-profit, also forwards funding to the LEAP program. The EOC moneys are from utilities from unclaimed overpayments and security deposits. Finally, Severance Tax and Temporary Assistance to Needy Families block grant funds (state-appropriated federal funds) have been used to support the LEAP program.

Low Income Energy Assistance Program				
Fiscal Year	Actual/Estimated Expenditures*	Percent Change Expenditures	Actual/Estimated Caseload	Percent Change Caseload
2005-06	\$69,947,472	56.3%	107,099	not available
2006-07	\$46,426,404	-33.6%	93,487	-12.7%
2007-08	\$52,286,937	12.6%	92,360	-1.2%
2008-09	\$73,216,811	40.0%	105,718	14.5%
2009-10	\$81,281,151	11.0%	120,519 to 148,400	15% to 40%

Severance Tax Funding: House Bill 08-1387 made significant changes in the way that funds in the Operational Account of the Severance Tax Trust Fund are handled. Prior to its passage, the Long Bill appropriated moneys from the account to provide state funding for the Low Income Energy Assistance Program. After its passage, \$13.0 million is allocated between this program, an energy assistance program in the Governor's Office, and for Energy Outreach Colorado. In years in which the Operational Account has sufficient moneys to support the full amount of the transfers, \$3.25 million goes to this program. No appropriation is required.

For FY 2009-10, \$1.65 million in Severance Tax funding was originally anticipated to be available for the LEAP program. However, in light of increased funding from the TANF block grant for FY 2009-10 and higher-than-anticipated federal LIHEAP block grant levels, the JBC is pursuing a bill to reverse the FY 2009-10 transfer. This does not affect the \$3.25 million anticipated for the program in FY 2010-11 pursuant to current statute.

Temporary Assistance for Needy Families Funding: In recent years, \$1,500,000 million from the TANF block grant has been appropriated in the Long Bill for this program. In addition, for

FY 2009-10 a one-time interim supplemental for \$8,574,001 was approved for the program, based on additional federal TANF funding available under the American Recovery and Reinvestment Act. The TANF appropriations in this line item and the spending authority related to Energy Outreach Colorado are the only components of the line item that represent a "true" appropriations, *i.e.*, that control the funding actually available.

LEAP Budget for FY 2009-10: The table below reflects an estimate of funding available for the program and how it will be allocated between administration and outreach, the Crisis Intervention Program (furnace repairs), transfer to the Governor's Energy Office for weatherization (up to 15 percent of the LIHEAP grant may be transferred by the Governor under federal law), and the Low Income Energy Assistance Program (home energy subsidies).

FY 2009-10 LEAP Budget - Including "off budget" fund sources					
Source	Total Allocation	Admin/ Outreach	Crisis Intervention Program	Transfer to GEO for Weatherization*	LEAP
LIHEAP Block Grant	\$64,257,383	\$5,575,000	\$2,335,000	\$2,409,562	\$53,937,821
LIHEAP Contingency	4,799,767	0	0	0	4,799,767
TANF Block Grant	1,500,000	0	0	0	1,500,000
TANF - ARRA (one time)	8,574,001	0	0	0	8,574,001
Severance Tax Allocation**	0	0	0	0	0
Energy Outreach Colorado	<u>2,149,832</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,149,832</u>
TOTAL	\$81,280,983	\$5,575,000	\$2,335,000	\$2,409,562	\$70,961,421

* The Governor may transfer up to 15% of the Block Grant to weatherization services.
 ** The JBC is sponsoring a bill to eliminate the \$1.625 M previously allocated for SFY 2010.

Staffing Summary: Actual and requested staffing is reflected in the table below.

Low Income Energy Assistance Program - Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
General Professional	3.8	5.0	5.0	5.0
IT Professional	1.0	1.0	1.0	1.0
Staff Support	0.3	0.6	0.6	0.6
Total	5.1	6.6	6.6	6.6

Line Item Request and Recommendation: The Department requests an appropriation of \$33,681,652 and 5.6 FTE, including a reduction of \$79,536 and 1.0 FTE for Decision Item NP-3 (IT consolidation), a reduction of \$9,187 for BA #NP1 (PERA adjustment), and an increase of \$7,561 for BA #NP5 (mail equipment upgrade). The request includes \$2,149,832 reappropriated funds and \$31,531,820 federal funds. The staff recommendation is detailed in the table below. Differences between the request and recommendation include:

- Staff recommends adjusting total funding in the line item to reflect, for informational purposes, the total funding estimated to be available for the program in FY 2010-11 based on current LIHEAP funding levels and Severance Tax amounts currently in statute. The recommendation amount is based on the difference between the base LIHEAP federal funds amount in the Long Bill (\$30.1 million) and the FY 2009-10 LIHEAP block grant (\$64.3 million)+LIHEAP contingency funds (\$4.8 million) less projected transfer to the Governor's Energy Office for weatherization (\$2.4 million).
- Funds from Energy Outreach Colorado are reflected as cash funds, rather than reappropriated funds, as they do not appear elsewhere in the Long Bill.
- BA #NP3 (OIT Consolidation) is pending and therefore not reflected. Staff's current calculation is for a reduction of \$77,754, a transfer of \$1,782 less than the transfer originally requested due to the interaction with BA #NP1 (PERA adjustment). The annualization of FY 2009-10 #NP-2 (mail upgrade) is also corrected.

Staff notes that although PERA and mail upgrade adjustments have been included to assist in tracking the statewide impact of non-prioritized decision items, these adjustments will not have a functional impact on the amount of federal LIHEAP funds received in FY 2010-11.

Summary of Staff Calculation Low Income Energy Assistance Program					
Item	Total	CF	RF	FF	FTE
FY 2009-10 Long Bill (S.B. 09-259)	33,795,980	0	2,149,832	31,646,148	6.6
FY 2009-10 TANF interim Supplemental	8,574,001	0	0	8,574,001	0.0
FY 2009-10 supplementals furlough/mail	(34,336)	0	0	(34,336)	0.0
FY 2009-10 Adjusted Appropriation	42,335,645	0	2,149,832	40,185,813	6.6
Eliminate all FY 2009-10 supplementals	(8,539,665)	0	0	(8,539,665)	0.0
Reflect projected Severance Tax transfer (information only; \$0 transfer FY 10)	3,250,000	3,250,000	0	0	0.0

Summary of Staff Calculation Low Income Energy Assistance Program					
Item	Total	CF	RF	FF	FTE
Adjust based on FY 2009-10 LIHEAP award less estimated GEO transfer (information only)	36,501,895	0	0	36,501,895	0.0
Reflect Energy Outreach Colorado amounts as cash funds	0	2,149,832	(2,149,832)	0	0.0
Annualize FY09-10 DI #NP-2 - Mail upgrade	(25,498)	0	0	(25,498)	0.0
BA #NP 5 - mail upgrade	7,561	0	0	7,561	0.0
BA #NP1 - PERA reduction	(9,187)	0	0	(9,187)	0.0
BA #NP 3 - IT Consolidation [pending]	0	0	0	0	0.0
Total	\$73,520,751	\$5,399,832	\$0	\$68,120,919	6.6
FY 2009-10 including "off budget" & corrections to fund splits	78,871,421	2,149,832	0	76,721,589	6.6
Difference est. FY 10 and est. FY 11, including FY 10 "off budget" funds	(\$5,350,670)	\$3,250,000	\$0	(\$8,600,670)	0.0

(2) Food Stamp Job Search Units

Program Costs

This program provides employment, job search and training services to food stamp recipients. Able-bodied Food Stamp recipients, ages 18 to 60, without dependent children, must generally meet a work requirement in order to remain eligible for Food Stamps. If they do not meet the work requirement, these individuals are limited to 3 months of Food Stamp benefits in any 36-month period. Work is defined as work, workfare or an educational activity (adult basic education, GED preparation, college courses, vocational training, vocational rehabilitation, or job search classes). Staffing patterns for the program are presented in the table below.

Food Stamp Job Search Units - Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
General Professional	4.6	6.0	6.0	6.0
Staff Support	0.7	0.2	0.2	0.2
Total	5.3	6.2	6.2	6.2

The Department requests \$2,062,882, including \$182,568 General Fund, and 6.2 FTE for FY 2010-11. The appropriation is comprised of several funding sources. Federal funds are Food Stamp moneys from the U.S. Department of Agriculture. A portion of the program earns a 50.0

percent federal match based on state administrative activities while other areas can earn 100.0 percent federal money. Local funds include a 20.0 percent share for eligible activities. **Staff recommends the Committee approve the Department's request, which is calculated in accordance with Committee common policy actions.** Staff's recommendation is summarized below.

Summary of Staff Calculation					
Department of Human Services - Food Stamp Job Search Units Program Costs					
	TOTAL	GF	CF	FF	FTE
Prior Year Appropriation (S.B. 09-259)	2,023,480	182,568	409,382	1,475,127	6.2
Personal Services	448,851	50,830	94,000	347,618	6.2
Operating Expenses	1,574,629	131,738	315,382	1,127,509	0.0
BA #NP1 - PERA reduction	(4,195)	0	0	(4,195)	0.0
Total	2,062,882	182,568	409,382	1,470,932	6.2

Supportive Services

This line item contains funding for the provision of supportive services to eligible Employment First participants. Such services may include transportation assistance, clothing and grooming allowances and child care services. The department requests continuation level funding of \$261,452, including \$78,435 General Fund. **Staff recommends the Committee approve the department's request for this line item.**

(3) Food Distribution Program

This program administers the distribution of foods from the U.S. Department of Agriculture (USDA) to eligible recipient agencies, which maintain and enhance nutritional needs of the populations served. Agencies include schools, child care centers, local jails, nutrition programs for the elderly and the Department of Corrections. Staffing levels for the program are shown in the table below.

Food Distribution Program Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management	1.0	1.0	1.0	1.0
General Professional	2.5	3.0	3.0	3.0
Staff Support	2.5	2.5	2.5	2.5
Total	6.0	6.5	6.5	6.5

The Department request is for \$574,605 and 6.5 FTE, including \$46,752 General Fund. **Staff recommends the Committee approve an appropriation of \$574,528 and 6.5 FTE calculated**

in accordance with Committee common policy. A summary of staff's calculation is shown in the following table. The difference between request and recommendation is decision item #NP2.

Summary of Staff Recommendation Food Distribution Programs - Department of Human Services					
	TOTAL	GF	CF	FF	FTE
Prior Year Long Bill (S.B. 09-259)	574,605	46,752	247,081	280,772	6.5
Personal Services	493,601	40,202	212,263	241,136	6.5
Operating Expenses	81,004	6,550	34,818	39,636	0.0
Annualize FY09-10 DI #NP- 2 - Mail upgrade	(59)	0	(59)	0	0.0
BA #NP 5 - mail upgrade	18	0	18	0	0.0
BA #NP1 - PERA reduction	(10,502)	(986)	(4,539)	(4,977)	0.0
TOTAL Recommendation	564,062	45,766	242,501	275,795	6.5

(4) Low-Income Telephone Assistance Program

This program provides financial assistance to low-income households to maintain basic telephone service. This line item funds the administrative costs associated with the program. Pursuant to Section 40-3.4-105, C.R.S., eligibility is determined by the Department of Human Services for those individuals receiving assistance through the Old Age Pension, Aid to the Blind, Aid to the Needy Disabled, or low income, disabled individuals who qualify for supplemental security income. The program is funded through a telephone surcharge assessed on telephone customers statewide. The Public Utilities Commission (Department of Regulatory Agencies) oversees the uniform charge to each business and individual line (government and eligible individuals are exempt). The General Assembly appropriates from the fund for the direct and indirect costs of administering the program in the Department of Human Services.

The Department request is for \$78,572 cash funds (Low-income Telephone Assistance Fund) and 1.1 FTE, including BA #NP-1 (PERA) and BA #NP5 (mail upgrade). **Staff recommends the Committee approve an appropriation of \$78,613 and 1.1 FTE, calculated in accordance with Committee common policy.** The difference between the request and recommendation is related to annualization of the FY 2009-10 mail upgrade decision item. Staff's calculation is summarized in the following table.

Summary of Staff Calculation Department of Human Services, Low Income Telephone Assistance		
	Cash Funds	FTE
Prior Year Appropriation (H.B. 08-1375)	79,685	1.1

Summary of Staff Calculation		
Department of Human Services, Low Income Telephone Assistance		
	Cash Funds	FTE
Personal Services	71,162	1.1
Operating Expenses	8,523	0.0
Annualize FY09-10 DI #NP-2 - Mail upgrade	(137)	0.0
BA #NP 5 - mail upgrade	40	0.0
BA #NP1 - PERA reduction	(975)	0.0
Total Recommendation	78,613	1.1

(5) Income Tax Offset

Section 26-2-133, C.R.S., directs the Department of Human Services to submit information regarding individuals who are obligated to the state for overpayments of assistance payments. This appropriation covers the operational costs associated with matching Food Stamp program lists of overpaid recipients with Department of Revenue data in order to intercept corresponding income tax refunds. For the Food Stamps program, the administrative activities are funded with 50 percent General Fund and 50 percent federal funds. The department requests a continuation level appropriation of \$4,128, including \$2,064 General Fund. **Staff recommends that the Committee approve the Department's request.**

(6) Electronic Benefits Transfer Service

Colorado's electronic benefits transfer system (EBTS) delivers Food Stamp, Works Program, Old Age Pension, Aid to the Needy Disabled, Child Welfare, Child Care, and Low Income Energy Assistance benefits. The EBTS replaced the paper-based system of checks and Food Stamp coupons.

The Department does not operate the service itself, but contracts with a vendor in the financial services industry. In July 1996, the Department contracted with Citibank to operate the system. The contract was re-bid in 2003 with Citibank Electronic Financial Services again the winner. In January 2004 JP Morgan Electronic Financial Services purchased Citibank's EFS division. EBTS has been in operation statewide since February 1998. For FY 2009-10, the Department requested, and the General Assembly approved, funding for 2.0 FTE for a new food assistance fraud detection unit pursuant to Decision Item #10. The new unit was a response to citations from the U.S. Department of Agriculture which placed federal funding for food assistance administration at risk.

Cash funds amounts include \$637,011 for the local share of system costs, with the balance from the Old Age Pension Fund. The staffing history of this program is summarized in the table below.

Electronic Benefits Transfer - Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
General Professional	1.9	2.0	2.0	2.0
Accountants	1.0	2.0	2.0	2.0
Staff Support	1.4	3.0	3.0	3.0
Total	4.3	7.0	7.0	7.0

The Department requested \$3,322,136, including \$889,725 General Fund, and 7.0 FTE. The staff recommendation is summarized below. The difference between the request and recommendation is a minor difference in the annualization of the FY 2009-10 postage increases. The staff calculation is consistent with Committee common policy. Actual expenditures for FY 2008-09 indicate that \$2,073,013 of the operating expense amounts were for "other purchased services" such as the EBTS financial services contract.

Summary of Staff Calculation Department of Human Services, Special Purpose Welfare Programs, Electronic Benefits Transfer Service					
	TOTAL	GF	CF	FF	FTE
Prior Year Personal Services as of S.B. 09-259 Long Bill	496,665	156,042	104,787	235,836	7.0
Annualize FY 09-10 DI #11	4,346	4,346	0	0	0.0
BA #NP1 - PERA	(6,512)	(3,256)	0	(3,256)	0.0
Subtotal - Personal Services	494,499	157,132	104,787	232,580	7.0
Prior Year Operating Expenses as of FY 2009-10 Long Bill	2,838,238	740,067	785,920	1,312,251	0.0
Annualize FY 09-10 DI #11	(10,456)	(5,228)	0	(5,228)	0.0
Annualize FY 09-10 DI #NP 2 postage increase	(143)	(72)	0	(71)	0.0
BA #NP5 mail equipment	42	21	0	21	0.0
Subtotal - Operating Expenses	2,827,681	734,788	785,920	1,306,973	0.0
Total	\$3,322,180	\$891,920	\$890,707	\$1,539,553	7.0

(7) Refugee Assistance

The Colorado Refugee Services Program is a federally funded program that helps refugees become self-sufficient and adjust to living in the United States. A staffing structure for this program is provided in the following table.

Refuge Assistance Staffing Summary	FY 2008-09 Actual*	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management	0.0	1.0	1.0	1.0
General Professional	0.3	8.0	8.0	8.0
Staff Support	0.0	1.0	1.0	1.0
Total	0.3	10.0	10.0	10.0

The Department requests an appropriation of \$7,096,970 for FY 2010-11, including \$3,083,526 federal funds (TANF block grant) for Decision Item #7.

Decision Item #7 - Additional TANF Funding for Refugee Services

The request is to allocate an additional \$3,083,526 to the Colorado Refugee Services Program from the federal Temporary Assistance for Needy Families (TANF) Block Grant. The additional funding would bring the amount of TANF funding in this line item to a total of \$3,899,376. This request will assist the program to serve: the increased number of refugee arrivals to Colorado, the increased dispersion of refugees through the state; the increased diversify and complexity of the caseload; and the increased difficulty in securing early employment and early self sufficiency for refugees because of the recession. These funds will allow Refugee Services to maintain the relatively high percentage of refugees who avoid TANF cash or services assistance and will assist the Department in better preparing refugees for more complete integration in their new American communities.

Key points related to the request:

- Refugees are qualified aliens who are exempt from the five-year federal bar on public assistance services. Upon admission to the U.S., they are immediately eligible for TANF, Medicaid, Food Assistance, and similar programs.
- Approximately 66 percent of the Colorado refugee population is eligible for TANF. However, through the end of FFY 2008-09, the majority of cash assistance and services for TANF-eligible refugees were covered by the federal Office of Refugee Resettlement under a federal program known as Wilson-Fish.
- Colorado was one of six states where the federal government had authorized the Wilson-Fish program to provide cash assistance to TANF-eligible refugees. Funding for the Wilson-Fish program has now been reduced, and Colorado anticipates that federal authorities will now require that TANF cover cash assistance and employment services for TANF-eligible refugees.
- The Department has been working for two years with counties on this issue and has developed an agreement in which the additional costs and responsibilities for serving the TANF-eligible refugees will be allocated between the Department's refugee office and counties. Effective October 1, 2009, counties are responsible for covering the basic cash assistance required for refugees, while the state refugee office provides the supportive services for the refugees using its network of contractors.

- Colorado has experienced rapid growth in the size, complexity, and dispersion of its refugee population. The refugee population has grown from 712 in FFY 2001-02 to a projected 2,626 in FY 2009-10. This is in part related to secondary migration related to the jobs in meat-packing plants in Weld and Fort Morgan counties. The current population includes Burmese, Iraqis, and Bhutanese who have greatly varying needs. In addition, due to the recession, refugees require services and support for longer than previously. Federal funding has not kept up with the growth in demand.

The services proposed to be funded by the request are reflected below.

Decision Item #7 - Request Detail		
Item	Description	Amount
Workstyles pre employment training	2-week contracted courses: Add 14 60-hour programs (CO Springs, Ft. Morgan, Greeley); add 2 45-hour women-specific (CO Springs); add 36 20-hour cultural orientation courses (Denver, Ft. Morgan, Greeley, and CO Springs.) Costs range from \$8-\$16 per hour per person to serve 1,176 people, depending on course.	\$382,900
English as a Second Language	Expand contract for ESL courses in Denver, CO Springs, Ft. Morgan, and Greeley. Adds funding for 208 in full year classes (\$973/student) and 258 in half year classes (\$487/student), as well as additional funding for tutors and supplies.	505,000
Paid Work Experience	Work with Denver Workforce Development for paid four-month placements @ \$1,300/month (\$7.50/hr) for 40 refugees.	208,000
On the Job Training	Work with Denver Workforce Development to extend OTJ training subsidy from six to 12 months (\$3,600/refugee for 60 refugees.	216,000
Drivers Education	Work with Denver Workforce Development (\$600 per class per refugee) for 120 refugees.	72,000
Transportation	Funds divided between agencies based on population to support refugee participation in Workstyles, ESL, cultural orientation, and mental health therapy. Based on bus passes @ \$55/month for 990 refugees for 5.5 months each.	299,475
Mental Health Services	Clinical services to support employability @ \$843/ refugee for 120 refugees.	101,160
Child Care	Central child care services to assist 715 parents, enabling them to attend training programs and job interviews (1,430 children per year for two weeks each at \$220.50/child).	315,315
Non-recurrent Short-term Benefits	Funding divided among agencies based on number of arrivals to address individual refugee needs. Based on county	240,850

Decision Item #7 - Request Detail		
Item	Description	Amount
	estimates of additional 10 percent of amount provided for cash assistance.	
Staffing - Employment	Distributed among agencies based on number of arrivals. Estimated to support the equivalent of 8.1 FTE at an average salary and benefits of \$46,777/person	378,894
Staffing - Case Management	Distributed among agencies based on number of arrivals. Estimated to support the equivalent of 7.8 FTE at an average salary and benefits of \$46,658/person	363,932
		\$3,083,526

Staff Recommendation. Staff recommends:

- **A total of \$1,989,484 federal TANF** funds be approved for this decision item.
- **A matching amount be reduced** from the Colorado Works Program Maintenance Fund appropriation.
- The Department be requested to submit data annually on the size of the refugee population, the percent that is TANF-eligible, and federal Refugee Resettlement funding provided.

The recommendation represents \$2.4 million less than the TANF funding authorized for FY 2009-10, which included \$4.4 million related to the American Recovery and Reinvestment Act. The staff recommendation is based on the following considerations:

- The data provided indicate a need for the funding requested. The key problem facing the Department is rapid growth in its refugee population (40 percent growth projected from FY 2008-09 through FY 2009-10 alone) and stagnant federal funding for refugee social services such as English as a Second Language, cultural orientation, and employment support services. While federal refugee funding for Colorado has increased overall, recent increases have been for services for unaccompanied minors and medical services.
- TANF is an appropriate source of funding. As indicated in the request, approximately 66 percent of refugees are eligible for TANF support. Colorado's previous reliance solely on federal refugee funding for cash assistance was an exception allowed in only six states. To the extent refugees are enrolled in the TANF cash assistance program, it is reasonable to expect that they will also receive employment-related services and supports from the TANF program, like other TANF program participants.

- Colorado's refugee services program has been successful in helping refugees achieve self-sufficiency. Data from FY 2007-08 showed 59 percent of Colorado refugees were self-sufficient within 8 months, though the average is now longer due to the recession. National data indicate that refugee employment rates within five years of entry to the country are only slightly below employment rates for the U.S. population as a whole.
- The budget submitted appears to reflect a reasonable array of services and conservative costs (e.g., contracted case management salaries and benefits at \$46,777 per employee).
- Staff would recommend the proposal as submitted were it not for two considerations:
 - (1) Projected ongoing demands on the TANF block grant substantially exceed projected ongoing funding available. Furthermore, in the present fiscal crisis, TANF funds are serving as an alternative to General Fund for critical social services. Thus, increasing expenditures for this program will speed TANF insolvency and the need to reduce base TANF appropriations overall.
 - (2) Staff is concerned that the federal government is cost-shifting to the State the vast majority of refugee social services costs by failing to increase funding commensurate with the refugees admitted to the U.S. The table below provides a history of program funding for recent years. The FY 2009-10 increase includes a temporary increase of \$4.4 million in TANF funds accessed through a supplemental pursuant to American Recovery and Reinvestment Act provisions.

Refugee Services Funding History					
	FFY 2006	FFY 2007	FFY 2008	FFY 2009	FFY 2010
Colorado Refugee Funding by Fund Source					
Federal Office Refugee Resettlement (ORR) Wilson Fish (cash assistance+administration)	\$2,542,146	\$2,791,424	\$3,012,081	\$4,245,531	\$2,465,616
Federal ORR - Refugee Social Services	777,106	1,192,301	1,131,123	1,170,646	1,384,710
Federal ORR - All Other (CDPHE and HCPF medical screening and services, unaccompanied minor funding, impacted-areas funding)	<u>1,995,620</u>	<u>2,374,671</u>	<u>2,424,986</u>	<u>5,723,849</u>	<u>8,395,939</u>
Subtotal - Federal ORR Funds	\$5,314,872	\$6,358,396	\$6,568,190	\$11,140,026	\$12,246,265
TANF Appropriations	<u>342,849</u>	<u>457,132</u>	<u>726,171</u>	<u>775,850</u>	<u>5,671,638</u>
Refugee Services Program Funding	\$5,657,721	\$6,815,528	\$7,294,361	\$11,915,876	\$17,917,903
TANF cash assistance - absorbed by counties	n/a	n/a	n/a	n/a	1,530,371
Total CO Refugee Funding	\$5,657,721	\$6,815,528	\$7,294,361	\$11,915,876	\$19,448,274

Refugee Services Funding History

	FFY 2006	FFY 2007	FFY 2008	FFY 2009	FFY 2010
Number of Refugees and Amount per Refugee					
Number of Refugees	1,110	1,165	1,523	1,880	2,626
<i>Percent change</i>	<i>n/a</i>	5.0%	30.7%	23.4%	39.7%
ORR Refugee Social Services/refugee	\$700	\$1,023	\$743	\$623	\$527
<i>Percent change</i>	<i>n/a</i>	46.2%	-27.4%	-16.2%	-15.3%
Total Federal ORR funding/refugee	\$4,788	\$5,458	\$4,313	\$5,926	\$4,663
<i>Percent change</i>	<i>n/a</i>	14.0%	-21.0%	37.4%	-21.3%
Total Funding/refugee	\$5,097	\$5,850	\$4,789	\$6,338	\$7,406
<i>Percent change</i>	<i>n/a</i>	14.8%	-18.1%	32.3%	16.8%

- In light of the above, staff examined reasonable funding levels from several perspectives.

Reasonable TANF share for refugee social services funding: If TANF funding for refugee services were targeted at 66 percent of total refugee social services funding, and based on the assumption that federal refugee social services funds of \$1,384,710 are solely to serve the 34 percent of the refugee population that is not eligible for TANF, total TANF funding should not exceed \$2,687,966-- \$1,862,116 over the current base. It may not always be practical to lock federal funding and state TANF funding levels for refugee services together. However, this provides one measure of the "reasonableness" of the state funding level.

Funding counties provide non-refugees for employment support: Staff solicited figures from two urban counties--one generally viewed as a high cost/rich service county and one generally viewed as a low cost/limited services county. Excluding costs for basic cash assistance and county administration, these counties quoted costs for services specific to TANF basic cash recipients of \$250 per month per household (low end) to \$738 per month per household (high end). The table below reflects a calculation using the high-end figure. The extent to which these figures are comparable to the refugee services figures are uncertain, given that the "regular" TANF population presumably differs in many respects from the refugee population and that county administration and case management costs are not included. Nonetheless, this also provides an indication of "reasonableness".

Example of County Cost for Support Services for Basic Cash Assistance Client	
TANF-eligible households - months of cash assistance FY 2008-09	2,413
Estimated refugee population growth FY 2008-09 to FY 2009-10	39.6%
TANF-eligible households - projected months cash assistance FY 2009-10	3,369
Estimated support cost/household/month	\$738
Total estimated FY 2010 cost	2,485,988
Less base TANF funding for Refugee Services	(815,850)
Total TANF indicated for FY 2009-10 (assumed to equal need for FY 2010-11)	\$1,670,138

Budget Recommendation Components. Staff believes some elements of the request could be pared. **The table below reflects an example of this, which serves as the basis for the staff recommendation. Staff anticipates that the actual components that Refugee Services might choose to keep or eliminate from the original proposal might differ from this budget.**

Recommendation - Decision Item #7		
Item	Description	Amount
Workstyles pre employment training	2-week contracted courses: Add 10 60-hour programs (CO Springs, Ft. Morgan, Greeley); add 2 45-hour women-specific (CO Springs); add 18 20-hour cultural orientation courses (Denver, Ft. Morgan, Greeley, and CO Springs.) Costs range from \$8-\$16 per hour per person to serve 654 people, depending on course.	\$249,950
English as a Second Language	Expand contract for ESL courses in Denver, CO Springs, Ft. Morgan, and Greeley. Adds funding for 208 in full year classes (\$973/student) and 258 in half year classes (\$487/student), as well as additional funding for tutors and supplies.	505,000
Paid Work Experience	Eliminate this component.	0
On the Job Training	Eliminate this component.	0
Drivers Education	Eliminate this component; incorporate in non-recurrent benefits as appropriate	0
Transportation	Funds divided between agencies based on population to support refugee participation in Workstyles, ESL, cultural orientation. Based on bus passes @ \$55/month for 990 refugees for 5.5 months each	299,475

Recommendation - Decision Item #7		
Item	Description	Amount
Mental Health Services	Eliminate this component. Assume related services will be covered through the Cash/Medical/Administration portion of refugee services funding and/or through the Medicaid mental health capitation program.	0
Child Care	Central child care services to assist 715 parents, enabling them to attend training programs and job interviews (1,430 children per year for two weeks each at \$220.50/child).	315,315
Non-recurrent Short-term Benefits	Funding divided among agencies based on number of arrivals to address individual refugee needs. Based on county estimates of additional 10 percent of amount provided for cash assistance.	240,850
Staffing - Employment	Distributed among agencies based on number of arrivals. Estimated to support the equivalent of 8.1 FTE at an average salary and benefits of \$46,777/person	378,894
Staffing - Case Management	Eliminate this component/combine with the staffing-employment role.	0
TOTAL		\$1,989,484

Note that although staff has recommended this request in part, to the extent that the Committee chooses to use the TANF block grant for additional refinancing of General Fund, staff would likely recommend that this figure be further reduced.

Line Item Recommendation. The staff recommendation is summarized in the table below. In addition to decision item adjustments, the staff **recommendation also includes an adjustment to more accurately reflect the estimated federal funding provided by the Office of Refugee Resettlement.** These funds are custodial and thus the amount is shown for informational purposes.

Summary of Staff Calculation		
Department of Human Services, Refuge Assistance		
	Federal Funds	FTE
Prior Year Long Bill Appropriation (S.B. 09-259)	\$4,017,490	10.0
Personal Services [non-add]	718,035	10.0
Operating Expenses [non-add]	3,299,455	0.0
TANF Interim Supplemental (ARRA funding)	4,383,512	0.0
Furlough adjustment	(5,557)	0.0

Summary of Staff Calculation Department of Human Services, Refuge Assistance		
	Federal Funds	FTE
FY 2009-10 Appropriation	8,395,445	10.0
Annualize FY 2009-10 supplementals	(4,377,955)	0.0
Decision Item #7 - TANF Refugee Services	1,989,484	0.0
BA # NP1 - PERA adjustment	(4,046)	0.0
Reflect federal Refugee Funding (info only)	9,044,825	0.0
Total Recommendation	15,047,753	10.0

(8) Systematic Alien Verification for Eligibility

This line item supports the State's interface with the federal alien verification database, which serves all programs for which citizenship or legal residence is a requirement. The Department requests an appropriation of \$55,002, including \$7,147 General Fund, and 1.0 FTE. **Staff recommends the Committee approve the Department's request for a continuation level of funding.** This is consistent with common policy. The personal services/operating expenses allocation is reflected in the table below.

Summary of Staff Calculation Department of Human Services, Special Purpose Welfare Programs, Systematic Alien Verification for Eligibility						
	TOTAL	GF	CF	CFE/RF	FF	FTE
FY 20010-11 Appropriation	<u>55,002</u>	<u>7,147</u>	<u>3,700</u>	<u>34,766</u>	<u>9,389</u>	<u>1.0</u>
Personal Services	43,721	5,715	2,913	27,614	7,479	1.0
Operating Expenses	11,281	1,432	787	7,152	1,910	0.0

(7) OFFICE OF SELF SUFFICIENCY

(D) Child Support Enforcement

Automated Child Support Enforcement System

This computer system is used by county staff to establish paternity, locate absent parents, manage child support enforcement caseloads and track collection efforts. This line item also includes funding for contractor services associated with establishing and operating the State Directory of New Hires; this Directory includes data reported by employers regarding each newly hired employee. The data is then compared to the database of parents with outstanding child support obligations. This line item also includes funding for the contractor-operated Family Support Registry. Staff levels for this program are summarized in the following table.

Automated Child Support Enforcement System Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management	0.5	0.9	0.9	0.9
General Professional	11.1	14.0	14.0	14.0
IT Professional	18.7	21.0	21.0	21.0
Staff Support	4.0	4.0	4.0	4.0
Total	34.3	39.9	39.9	39.9

The Department requests \$9,172,799, including \$2,975,222 General Fund, and 16.9 FTE for FY 2010-11. This includes a reduction of \$1,917,012 and 23.0 FTE for Decision Item NP-3 (IT consolidation) and reduction of \$43,878 related to Stand-alone Budget Amendment #1 which adjusts financing for information technology services to correctly incorporate the share that should be supported by Child Care Development Block Grant, among other adjustments.

The staff recommendation is reflected in the table below. Consistent with common policy, the staff recommendation includes:

- Adjustments to annualize the FY 2009-10 personal services reduction and reflect the reduction associated with the state's share of PERA contributions.
- Adjustments to annualize the FY 2009-10 mail upgrade decision item and reflect the new FY 2010-11 mail upgrade decision item. The only difference between the request and recommendation, apart from pending items, is a slight adjustment to the annualization of FY 2009-10 DI #NP2 (mail upgrade).
- August 2009 Supplemental #8 - This reduction, approved through FY 2009-10 supplemental action, eliminated \$400,000 in contract funding for child support enforcement systems which the Department indicated it did not need. This was related to the rebid of a contract. This adjustment is continued in FY 2010-11.

The staff recommendation does not yet reflect two adjustments related to IT consolidation and IT financing which are pending. Adjustments related to these items, as *requested*, are reflected in the table below the recommendation.

Summary of Staff Calculation Department of Human Services, Child Support Enforcement, Automated Child Support Enforcement System					
	TOTAL	GF	CF	FF	FTE
Personal Services as of FY 2010-11 Long Bill (SB 09-259)	\$8,242,841	\$2,700,394	\$300,590	\$5,241,857	39.9
Annualize 2.8 percent personal services reduction	46,545	15,254	1,681	29,610	0.0
BA #NP1 - PERA reduction	(62,944)	(21,401)	0	(41,543)	0.0
Subtotal - Personal Services	\$8,226,442	\$2,694,247	\$302,271	\$5,229,924	39.9
Operating Expenses as of FY 2010-11 Long Bill (SB 09-259)	3,309,958	1,083,160	124,228	2,102,570	0.0
August #8 - Reduce unneeded contract funds	(400,000)	(136,000)	0	(264,000)	0.0
Annualize FY09-10 DI #NP-2 - Mail upgrade	(4,823)	(1,640)	0	(3,183)	0.0
BA #NP 5 - mail upgrade	3,563	1,211	0	2,352	
Subtotal - Operating Expenses	\$2,908,698	\$946,731	\$124,228	\$1,837,739	0.0
Total Recommendation	\$11,135,140	\$3,640,978	\$426,499	\$7,067,663	39.9
PENDING ITEMS					
DI #NP3 - IT Consolidation request	(1,917,012)	(651,783)	0	(1,265,229)	(23.0)
SBA #1 - ITS Financing	(43,878)	(14,480)	0	(29,398)	0.0
PERA adjustment to DI NP #3	36,317	12,348	0	23,969	0.0
Recommend + Pending [subject to change]	9,210,567	2,987,063	426,499	5,797,005	16.9

Child Support Enforcement

This line item funds the following activities conducted by the Department:

1. Performance evaluation of the state's child support enforcement program, as required by federal law; and
2. Provision of technical assistance to county departments of social services.

It also manages the In-Hospital Paternity Establishment Program, which provides unmarried parents the opportunity to acknowledge paternity at the time of birth of a child. Federal law requires states to establish procedures for a simple civil process for voluntarily acknowledging paternity, including an in-hospital program. This program includes: providing training to hospital medical records staff semi-annually; providing training to local vital records staff,

hospital administrators, and pre-natal clinics; providing outreach and technical assistance to hospital personnel and the general public; interfacing with pregnancy prevention and father's advocacy groups; and interfacing with middle school, high school, and alternative school staff. About 35 percent of the state caseload involves interstate coordination. Finally, the 17-member Child Support Enforcement Commission reviews child support guidelines and general child support issues. The Commission makes recommendations to the Governor and the General Assembly every four years. Staffing levels for this program are summarized in the table below.

Child Support Enforcement Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
General Professional	16.7	18.5	18.5	18.5
Staff Support	6.0	6.0	6.0	6.0
Total	22.7	24.5	24.5	24.5

The Department requests an appropriation of \$4,610,126, including \$722,706 General Fund, and 24.5 FTE. This includes an increase of \$2,484,521 cash and federal funds pursuant to Decision Item #8. The recommendation differs slightly from the request related to the annualization of the FY 2009-10 mail equipment upgrade decision item.

Staff's calculation is summarized in the following table.

Summary of Staff Calculation Department of Human Services, Child Support Enforcement					
	TOTAL	GF	CF	FF	FTE
Personal Services - S.B. 09-259	\$1,775,723	\$603,746	\$0	\$1,171,977	24.5
BA #NP 1 - PERA adjustment	<u>(34,111)</u>	<u>(11,598)</u>	<u>0</u>	<u>(22,513)</u>	<u>0.0</u>
Subtotal - Personal Services	1,741,612	592,148	0	1,149,464	24.5
Operating Expenses - S.B. 09-259	399,622	135,872	0	263,750	0.0
Annualize FY09-10 DI #NP-2 - Mail upgrade	(12,018)	(4,088)	0	(7,930)	0.0
DI #8 - Child Support Enforcement	<u>2,484,521</u>	<u>0</u>	<u>844,737</u>	<u>1,639,784</u>	<u>0.0</u>
Subtotal - Personal Services	2,872,125	131,784	844,737	1,895,604	0.0
TOTAL Recommendation	\$4,613,737	\$723,932	\$844,737	\$3,045,068	24.5

**(7) OFFICE OF SELF SUFFICIENCY
(E) Disability Determination Services**

Program Costs

Disability Determination Services conducts medical disability determinations for the Social Security Administration for Colorado residents applying for Social Security Disability Insurance and Supplemental Security Income Programs. Funding for the program is 100.0 percent federal funds (Titles II and XVI of the Social Security Act). Actual determination is done by medical professionals with whom the Department contracts. Staffing patterns for this program are summarized below.

Disability Determination Services Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management	1.0	1.0	1.0	1.0
General Professionals	85.1	103.0	103.0	103.0
IT Professionals and Techs	10.5	10.6	10.6	10.6
Staff Support	25.3	25.9	25.9	25.9
Total	121.9	140.5	140.5	140.5

The Department requests an appropriation of \$17,706,314 federal funds and 131.7 FTE. The request includes a reduction of \$767,184 and 8.8 FTE pursuant to Decision Item NP-3 (IT consolidation), among other adjustments. The staff's calculation is summarized in the following table. Staff notes that funding related to this program is custodial and amounts are thus reflected in the Long Bill for informational purposes only.

Summary of Staff Calculation Department of Human Services, Disability Determination Services		
	Federal Funds	FTE
Personal Services - S.B. 09-259	15,378,892	140.5
BA #NP1 - PERA reduction	(180,632)	0.0
Subtotal - Personal Services	15,198,260	140.5
Operating Expenses - S.B. 09-259	2,275,795	0.0
Annualize FY09-10 DI #NP-2 - Mail upgrade	(722)	0.0
BA #NP 5 - mail upgrade	165	0.0
Subtotal - Operating Expenses	2,275,238	0.0
Recommendation	17,473,498	140.5

Summary of Staff Calculation		
Department of Human Services, Disability Determination Services		
	Federal Funds	FTE
Pending Item		
DI #NP3 - IT Consolidation	(767,184)	(8.8)
Total Recommendation + Pending [subject to change]	16,706,314	412.7

(10) ADULT ASSISTANCE PROGRAMS

Adult Assistance Programs are responsible for the administration of numerous assistance programs that focus on the elderly population. Programs determine medical disability for Colorado residents who apply for Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) benefits. Included in its responsibilities is processing disability cases for Medicaid. The division supervises the Aid to the Needy Disabled programs, which provide cash assistance to disabled individuals awaiting SSI eligibility determination and those individuals who meet state eligibility requirements but not federal requirements. In addition, the division (1) supervises Adult Protective Services programs (APS), which intervene on behalf of at-risk adults to correct or alleviate situations of abuse, neglect, or exploitation; (2) supervises and funds the provision of services to older Coloradans throughout the state through the auspices of 16 Area Agencies on Aging (AAA); and (3) supervises the county administered Old Age Pension (OAP) program, which provides cash assistance to eligible individuals age 60 and older.

(10) ADULT ASSISTANCE PROGRAMS

(A) Administration

This line, which constitutes the entire subdivision, covers centralized general administrative services for the division. A breakdown of staffing is shown in the following table.

Adult Assistance Programs, Administration, Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
Management	1.2	1.0	1.0	1.0
General Professional	3.0	4.0	4.0	4.0
Staff Support	0.0	1.0	1.0	1.0
TOTAL	4.2	6.0	6.0	6.0

The Department requests an appropriation of \$585,077, including \$103,418 General Fund, and 6.0 FTE. Staff's calculation is summarized in the next table. The difference sole between request and recommendation is an adjustment to the annualization of the FY 2009-10 mail upgrade decision item.

Staff Recommendation - Adult Assistance Programs, Administration	Total	GF	RF	FF	FTE
Personal Services - S.B. 09 -259	565,663	99,993	100,573	365,097	6.0
BA #NP1 - PERA reduction	(8,563)	(1,507)	(1,516)	(5,540)	0.0
Subtotal - Personal Services	557,100	98,486	99,057	359,557	6.0
Operating Expenses - S.B. 09-259	28,122	4,961	4,989	18,172	0.0
Annualize FY09-10 DI #NP-2 - Mail upgrade	(154)	(29)	(38)	(87)	0.0
BA #NP 5 - mail upgrade	44	9	9	26	0.0
Subtotal - Operating Expenses	28,012	4,941	4,960	18,111	0.0
Total	\$585,112	\$103,427	\$104,017	\$377,668	6.0

(10) ADULT ASSISTANCE PROGRAMS

(B) Old Age Pension Program

This program, authorized by the State Constitution, provides cash assistance to eligible individuals age 60 and older, and burial expenses when clients die. The OAP program has several types of administrative costs: (1) state administration for the personal services and operating costs of the state staff administering the program; (2) county administration for county staff who interact with clients and determine eligibility; (3) CBMS costs for programming and implementation of OAP-related parts of this system; and (4) EBTS costs for expenses related to providing electronic benefits to OAP recipients. There is a related OAP State Medical Program administered by the Department of Health Care Policy and Financing.

Revenue for the OAP Program is generated from an 85 percent share of state sales and excise taxes; revenues that are not utilized for the OAP Program pass through a series of related funds, and the large bulk of the funds are eventually transferred to the General Fund. As a result, greater expenditures in the OAP program mean less revenue in the General Fund to be used for other purposes. As the earmarked revenues are continuously appropriated by the State Constitution, the General Assembly does not directly control program expenditures; the Long Bill simply reflects anticipated program expenditures for informational purposes, because the level of these expenditures can have an impact on the revenue available to the General Fund. All cash funds in this sub-division are from the Old Age Pension Fund.

Cash Assistance Program

The Department requests \$76,455,661 for FY 2010-11. This amount includes:

- An estimate that incorporates corrections and changes included in the Department's August 2009 change request #18. This submission substantially reduced the Department's FY 2009-10 projection based on a corrected methodology and the expectation that no cost of living increase would be provided in January 2010.
- A reduction of \$14,433,383 for Budget Reduction #1 regarding the eligibility of noncitizens for the Old Age Pension Program. This requires statutory change.

Each of these issues is reviewed further below.

Base Projections for FY 2009-10 and FY 2010-11 and August 2009 Supplemental #18

The table below reflects the Department's estimate of OAP cash funding requirements for FY 2009-10 and FY 2010-11 as of August 2009. These projections are based on the growth trends in actual year FY 2008-09. No further projections will be made before the Long Bill is finalized; however, the Department reports that FY 2009-10 spending appears to be consistent with the FY 2009-10 estimate.

Old Age Pension Caseload and Costs Revised FY 2009-10 Estimate			
Program	Estimated Caseload	Projected monthly cost/case	Total estimated expenditures (caseload x monthly cost x 12)
OAP-A	18,987	\$280	\$63,746,194
OAP-B	4,950	\$439	\$26,098,578
OAP-C	6	\$266	\$19,176
TOTAL	23,943		\$89,863,948

Old Age Pension Caseload and Costs FY 2010-11 Estimate			
Program	Estimated Caseload	Projected monthly cost/case	Total estimated expenditures (caseload x monthly cost x 12)
OAP-A	19,269	\$276	\$63,911,419
OAP-B	5,113	\$439	\$26,957,986
OAP-C	6	\$273	\$19,639
TOTAL	24,388		\$90,889,044

The three categories of OAP clients reflected above include:

- ▶ individuals age 65 and older (OAP-A);
- ▶ individuals age 60 to 64 (OAP-B); and
- ▶ individuals age 60 or older and in a state institute (excluding penal institutions) who receive no Medicaid (OAP-C).

The maximum OAP benefit for calendar year 2009 is \$699 per month. The amounts shown reflect a 5.8 percent increase provided effective January 1, 2009.

August 2009 Request #18. The Department requested, and the Committee approved adjustments to the FY 2009-10 funding for Old Age Pension related to two components. These adjustments are incorporated into the calculation above for the FY 2009-10 base projection. The request reflects continuing this adjustments as part of the base for FY 2010-11.

The FY 2009-10 adjustments included:

- (1) A reduction to reflect the expectation that would not be a 2.0 percent cost of living for the program effective January 1, 2010 (\$1,801,722); and
- (2) A reduction to the original estimate of OAP expenditures for FY 2009-10, based on a technical correction to the projection methodology (\$4,326,194).

Although these adjustments were included in the FY 2009-10 supplemental bill for the Department of Human Services, they were not treated as having an impact on available FY 2009-10 General Fund for purposes of the JBC staff's General Fund Overview. This because the estimates used by Legislative Council Staff for Old Age Pension expenditures were not based on the figures in the Long Bill and had not incorporated assumptions related to the cost of living adjustment or the Department's projection errors for OAP.

JBC staff will be meeting with Legislative Council Staff, OSPB staff, and the Department to discuss the differences in projection methodology and consider whether Legislative Council Staff should incorporate estimates reflected in the Long Bill in their projections for the Old Age Pension program or whether figures in the Long Bill should be derived in some other way.

For the present, staff recommends the use of the Department's FY 2010-11 base projection in Long Bill calculations.

Budget Reduction #1 - Old Age Pension Eligibility for Noncitizens

The Department has requested that the Committee sponsor a bill to make statutory changes to eligibility for the Old Age Pension Program that would effectively remove most noncitizens from the program by:

- imposing a five year bar on eligibility from the date of entry to the U.S.; and

- enforcing a requirement that sponsors of immigrants bear financial responsibility for them, with certain exceptions.

The proposal is largely consistent with a JBC bill offered during the 2009 session that was postponed indefinitely at the Executive and sponsors' request due to concerns that it could lead the State to violate Medicaid provisions of the American Recovery and Reinvestment Act (ARRA).

The Department's request for FY 2010-11 was to make the proposed change effective January 1, 2011. However, due to concerns about whether federal provisions of ARRA might be extended, the Committee voted to draft a bill that would:

- impose the five year bar provisions effective July 1, 2010; and
- impose the requirements related to considering sponsor income effective January 1, 2011 or when ARRA restrictions on changes to eligibility for the Medicaid program are lifted, whichever is later.

An attachment to this packet provides additional background information on the proposed bill and its provisions. The fiscal impacts are summarized in the table below. As shown, the bill is anticipated to provide a minimum of \$14,108,817 cash fund savings in FY 2010-11. Additional savings of \$7,378,974 may be realized depending upon the status of federal Medicaid legislation. In FY 2010-11, savings are anticipated to be \$28.9 million in OAP cash funds. To achieve these savings changes are required to the Colorado Benefits Management System, which will need to be developed in FY 2009-10 and FY 2010-11.

Summary of Fiscal Impacts				
	Recipients	FY 2009-10	FY 2010-11	FY 2011-12
Old Age Pension - Department of Human Services				
Savings related to five year bar on eligibility from date of entry into US - OAP Cash Funds	(2,447)	\$0	(\$14,108,817)	(\$14,108,817)
Savings related to considering sponsor's income and resources in determining eligibility [<i>conditional for FY 2010-11</i>] - OAP Cash Funds	(2,020)	0	(7,378,974)	(14,757,948)
Total - Old Age Pension Cash	(4,467)	\$0	(\$21,487,791)	(\$28,866,765)
Medicaid - Health Care Policy and Financing				
Savings related to considering sponsor's income and resources in determining eligibility [<i>conditional for FY 2010-11</i>]	(108)			
General Fund		0	(124,255)	(265,538)
Federal Funds		0	(124,255)	(265,538)

Summary of Fiscal Impacts				
	Recipients	FY 2009-10	FY 2010-11	FY 2011-12
Total Medicaid	(108)	\$0	(\$248,510)	(\$531,076)
Colorado Benefits Management System (Human Services and Health Care Policy)				
General Fund		19,931	19,827	0
Cash Funds - Old Age Pension and Child Health Plan		2,219	2,208	0
Federal Funds		<u>23,850</u>	<u>23,726</u>	<u>0</u>
Total CBMS		\$46,000	\$45,761	\$0
Grand Total Impacts				
General Fund		\$19,931	(\$104,428)	(\$265,538)
Cash Funds		26,069	(21,485,583)	(28,866,765)
Federal Funds		<u>23,850</u>	<u>(100,529)</u>	<u>(265,538)</u>
Total Expenditures		\$69,850	(\$21,690,540)	(\$29,397,841)
Revenue - Increase in General Fund revenue from saving OAP Cash		(\$2,184)	\$21,485,618	\$28,866,765

Notes: (1) If enhanced federal Medicaid match rates provided under the American Recovery and Reinvestment Act, and associated restrictions on changes to Medicaid eligibility, are extended beyond December 31, 2010, the OAP savings related to considering sponsors' income will not be realized until such federal provisions expire.

(2) Individuals who would be excluded based on considering sponsor income *and* the five year bar are included in the five year bar population and not the considering sponsor income category for purposes of this table.

(3) CBMS amounts exclude double-counts

Staff recommends including the FY 2010-11 impacts of the bill in the FY 2010-11 Long Bill.

This includes both the savings components and the CBMS cost components for FY 2010-11. This assumes that the Committee will "fast track" this bill so that it is adopted before the Long Bill. Moving the bill quickly through the process is important, given the need to provide funding and implement changes to the CBMS system in FY 2009-10. (A supplemental FY 2009-10 appropriation would be included in the bill) Staff further recommends that the amount shown reflect the minimum savings anticipated for FY 2009-10, given the uncertainty of federal Medicaid legislation. **In the event the bill is not enacted prior to the Long Bill, staff would reflect an appropriation based on current law, without this component, in the Long Bill.**

The overall staff recommendation for the line item, including components related to this bill, are reflected in the table below. Note that the Department has not requested any adjustments related

to a January 2011 cost of living increase, as it does not currently anticipate that the State Board of Human Services will award such an increase.

Staff Recommendation - Adult Assistance Programs, OAP Cash Assistance	Cash Funds
FY 2009-10 appropriation, including supplemental adjustments	\$89,863,948
Adjustments to base estimate for FY 2010-11	1,025,096
Subtotal - FY 2010-11 base estimate	90,889,044
Adjustment for noncitizen eligibility bill (5 year bar)	(14,108,817)
Total Recommendation	\$76,780,227

Refunds

This line item provides an offset to the cash assistance program expenditures through the refunds of overpayments or payments made to ineligible clients. The Department requests \$588,362 cash funds. This represents a continuation of the FY 2009-10 appropriation. **Staff recommends the Committee approve the department's request.**

Burial Reimbursements

This line item funds reimbursements of burial expenses for eligible Old Age Pension beneficiaries. The Department requests a continuation appropriation of \$918,364 cash funds. **Staff recommends that the Committee approve the department's request.**

State Administration

This appropriation funds the administrative related activities incurred by the state for the Old Age Pension program and the Old Age Pension Health Care program. The staffing summary for this line is shown in the following table.

Old Age Pension Program, State Administration				
Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
General Professional	9.3	12.0	6.8	12.0
Staff Support	1.0	2.0	0.2	2.0
TOTAL	10.3	14.0	7.0	14.0

The Department requests an appropriation of \$1,143,369 cash funds (Old Age Pension Fund) and 14.0 FTE. **The staff recommendation is reflected below, calculated in accordance with Committee common policy decisions.** The only difference between the request and

recommendation is a slight difference in the annualization of the FY 2009-10 mail upgrade decision item.

Summary of State Administration Recommendation Department of Human Services, Old Age Pension Program		
	Cash Funds	FTE
Personal Services - SB 09-259	934,231	14.0
BA #NP1 - PERA reduction	(17,933)	0.0
Personal Services - Subtotal	916,298	14.0
Operating Expenses - SB 09-259	227,106	0.0
Annualize FY09-10 DI #NP-2 - Mail upgrade	(175)	0.0
BA #NP 5 - mail upgrade	52	0.0
BR #1 - noncitizen OAP eligibility (SAVE system)	141	0.0
Operating Expenses - Subtotal	227,124	0.0
Total	\$1,143,422	28.0

County Administration

The OAP county administration appropriation helps fund county administration expenses related to the Old Age Pension program. This money is not included in the County Administration section of the Long Bill, and is included for informational purposes as the funds are continuously appropriated. The Department requests \$2,566,974, including an increase of \$116,189 Old Age Pension Cash Funds for Decision Item #3.

Decision Item #3 - Increase County Administration in Old Age Pension

The request is to increase Old Age Pension Cash Funds for County Administration in the Old Age Pension (OAP) Program by \$116,289 for FFY 2010-11. This is an informational adjustment, as the OAP Program is mandated by the Colorado Constitution and is funded at levels determined by the State Board of Human Services. The adjustment is based on the average over-expenditures for the Old Age Pension County Administration line item since FY 2005-06. These over-expenditures are based on random moment sampling that allocates county administrative expenditures among different programs. County workload associated with OAP has increased in recent years.

Staff recommends the request for \$2,566,974, including Decision Item #3. As noted, this is essentially an informational notation, as the State Board of Human Services has ultimate authority over Old Age Pension expenditure authorization.

(10) ADULT ASSISTANCE PROGRAMS

(C) Other Grant Programs

Aid to the Needy Disabled Programs

The line item includes the funding for three related programs: Aid to the Needy Disabled - Colorado Supplement, Aid to the Needy Disabled - State-Only, and Aid to the Blind Supplemental. Each of these is described here. In general, these programs are allocated a fixed level of funding and operate within the overall budget by modifying the grant standard amount, *i.e.*, if the number of participants increases, funding provided per person declines. Total funding is comprised of General Fund, a 20 percent local share, and federal reimbursements for individuals who receive Aid to the Needy Disabled - State Only who are ultimately deemed eligible for the federal Supplemental Security Income (SSI) program.

Aid to the Needy Disabled - Colorado Supplement. This program provides a state supplement to individuals receiving less than the maximum federal Supplemental Security Income (SSI). The federal SSI Program is an entitlement program that provides financial assistance to persons with a disability that precludes them from securing or retaining employment for at least 12 months. This program is funded through a combination of General Fund, county funds, and various refunds and recoveries.

Colorado is subject to a federal maintenance of effort (MOE) requirement, dating to the creation of the SSI program in the 1970s, that requires that the state maintain the same level of state expenditure for SSI recipients during each calendar year. This is achieved through the Colorado supplement programs (AND-CS, Aid to the Blind, Old Age Pension, Property Tax Rebate, Home Care Allowance and Adult Foster Care). Only funds disbursed to individuals who are on the federal SSI program count toward the MOE.

The state has failed to meet this MOE target in five of the last six years. The state has been successful in executing a corrective action in each of the following years, and so has not technically been in violation of the requirement. Failure to meet the MOE puts the state at risk of severe federal sanctions; the minimum sanction that can be applied is the loss of three months of federal Medicaid matching funds.

From a recipient perspective, the combined impact of the MOE and the need for corrective action may lead to highly unpredictable benefit levels. During the period from July through December, the Department tries to increase spending in order to meet the MOE target; from January through June, it attempts to limit spending to stay within appropriations. Beneficiary payment levels are repeatedly adjusted to meet these conflicting goals.

During the 2009 session, the Joint Budget Committee sponsored H.B. 09-1215 to create a stabilization fund to assist the Department in meeting the MOE requirement. Pursuant to this

legislation, federal reimbursements received and other overpayments above the level appropriated are deposited to the State SSI Stabilization Fund, which is continuously appropriated to the Department to assist in addressing federal maintenance of effort requirements. Amounts in excess of \$1.5 million at the end of the fiscal year are transferred to the General Fund. The Department reports that about \$900,000 is currently in this fund and will be used to address the SSI MOE shortfalls for CY 2008 and CY 2009.

Aid to the Needy Disabled State-only Grant Program. This program provides assistance to persons with a disabling condition, lasting six months or longer, who are awaiting SSI determination. If an individual is found to be eligible for SSI, the Social Security Administration will reimburse the state for all AND-SO payments made to the person while waiting for SSI eligibility determination. These reimbursements are referred to as interim assistance reimbursements (IARs) and are used to offset the state and county costs of this program. ■

The remainder of AND-SO recipients generally have a disability that is expected to last six months or less (which is less than the 12-month duration required under SSI) or have a disability resulting from alcohol or drug abuse (a disabling condition that does not qualify individuals for SSI assistance). The state-only program does not count towards the State's MOE expenditures.

To qualify for this program, a person must be 18-59 years old and be certified by a physician or other designated medical professional as totally disabled and unable to work at any occupation for at least six months. Applicant's income must not exceed \$200 per month and resources may not exceed \$2,000. About 18 percent of AND-SO recipients are homeless.

In FY 2008-09, the Department received federal SSI interim assistance reimbursements for 1,217 clients--11.8 percent of the unduplicated caseload and 20.5 percent of the average monthly caseload. Total reimbursements projected to be received in FY 2009-10 are \$4,260,570 or about 27 percent of total expenditures for the program.

Of total interim reimbursements, \$2.3 million would be appropriated in this line item, while the balance will be available to assist the Department with expenditures that qualify for the SSI MOE.

Aid to the Blind State Supplemental Grant Program. This program provides supplemental income to individuals who are legally blind and unable to secure or retain employment.

FY 2008-09 Actual Program Expenditures. The tables below reflect the actual utilization of these three programs in FY 2008-09. As shown, utilization of Aid to the Blind is minimal, while amounts associated with the AND - State Only program represent the vast majority of expenditures.

Aid to the Needy Disabled - State Only Program FY 2008-09	
Average Monthly Caseload	5,933
Net Expenditures	\$15,976,194
Average monthly award	\$224

Aid to the Needy Disabled - SSI Colorado Supplement FY 2008-09	
Average Monthly Caseload	922
Net Expenditures	\$ 2,440,774
Average monthly award	\$221

Aid to the Blind/SSI - Colorado Supplement FY 2008-09	
Average Monthly Caseload	1
Net Expenditures	\$ 461
Average monthly award	\$38

The Department requests an appropriation of \$17,428,495 including \$11,421,471 General Fund for this line item. This reflects a continuation of the prior year appropriation. **Staff recommends the Committee approve the Department's request.**

Burial Reimbursements

This program provides assistance, up to a maximum of \$1,000, to help defray the costs of burial expenses for Aid to the Needy Disabled/Aid to the Blind recipients; the maximum is \$1,500 for children receiving supplemental security income payments. This is an optional state program. However, if not funded by the State, counties would pay these costs. The Department requests a continuation level appropriation of \$508,000 (\$402,985 General Fund and \$105,015 cash funds). **Staff recommends the Committee approve the Department's request.**

Home Care Allowance

This is a cash assistance program for individuals that need minimal help in daily living to prevent nursing home placement. S.B. 06-219 transferred responsibility for funding of this program to the Department of Human Services from the Department of Health Care Policy and Financing. The principle reason for transferring responsibility is that the program makes a significant

contribution to the SSI MOE described above. The Department requests a continuation level appropriation of \$10,880,411 (\$10,336,390 General Fund and \$544,021 cash funds from local funds). **Staff recommends the Committee approve the Department's request for continuation funding.**

In addition, staff recommends roll forward authority for \$1.0 million be provided, through a footnote. The Department has faced a problem related to systems modifications for adjustment payments necessary for SSI.

House Bill 10-1146 (Hullingerhorst/Tochtrop), if enacted, would make significant changes to this program by eliminating individuals who are eligible for Medicaid Home and Community Based Services from the program. However, in order to maintain spending required under federal SSI MOE requirements, the Department would replace any caseload lost through this change by expanding services to individuals on the waiting list for developmental disability services. Thus, total funding for Home Care Allowance would not be expected to change based on the initial fiscal note for the bill.

Adult Foster Care

Responsibility for the funding of this program was transferred from the Department of Health Care Policy and Financing to the Department of Human Services by S.B. 06-219, again in light of the fact that it makes a contribution towards the SSI MOE. The Department requests a continuation appropriation of \$157,469 (\$149,596 General Fund and \$7,873 cash funds from local funds). **Staff recommends the Committee approve the Department's request.**

(10) ADULT ASSISTANCE PROGRAMS

(D) Community Services for the Elderly

This section encompasses programs funded by the federal Older Americans Act and state-only resources for senior services. Responsibilities include developing a state plan for aging services, overseeing federal grants and providing assistance and funding to 16 local Area Agencies on Aging and local service providers to provide services to seniors age 60 years and older.

Administration

This line item funds salary and contractual services related to the state administration of old age programs. A staffing summary for this line is provided in the table below.

Adult Assistance Programs, Community Services for the Elderly, Administration				
Staffing Summary	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	FY 2010-11 Recommendation
General Professional	6.5	6.8	6.8	6.8
Staff Support	0.1	0.2	0.2	0.2
TOTAL	6.6	7.0	7.0	7.0

The Department requests an appropriation of \$676,223 (including \$179,868 General Fund) and 7.0 FTE for this line item. The staff recommendation is reflected in the table below. The only difference between the request and recommendation is an adjustment related to annualization of the mail equipment upgrade.

Staff Recommendation - Adult Assistance Programs, Community Services for the Elderly, Administration	Total	GF	FF	FTE
Personal Services - S.B. 09-259	607,244	161,520	445,724	7.0
BA #NP1 - PERA adjustment	(8,876)	(2,361)	(6,515)	0.0
Personal Services - Subtotal	598,368	159,159	439,209	7.0
Operating Expenses - S.B. 09-259	78,539	20,891	57,648	0.0
Annualize FY09-10 DI #NP-2 - Mail upgrade	(682)	(182)	(500)	0.0
BA #NP 5 - mail upgrade	202	54	148	0.0
Operating Expenses - Subtotal	78,059	20,763	57,296	0.0
Total Recommendation	\$676,427	\$179,922	\$496,505	7.0

Colorado Commission on Aging

This line item funds an administrative position for the Commission, which meets quarterly. The position assists the Commission with special projects, in addition to regular administrative duties. It includes salary, the state's contribution to PERA, Medicare taxes, and general operating expenses. The department requests \$82,132, including \$21,125 General Fund and 1.0 FTE for this line item. The 1.0 FTE is categorized as support staff. **Staff recommends the Committee approve an appropriation of \$82,045 and 1.0 FTE, calculated in accordance with Committee common policy.** Staff calculations are summarized in the following table.

Staff Recommendation - Adult Assistance Programs, Colorado Commission on Aging	Total	General Fund	Federal Funds	FTE
Personal Services	54,531	14,026	40,505	1.0
BA #NP1 - PERA adjustment	(1,350)	(347)	(1,003)	0
Personal Services - Subtotal	53,181	13,679	39,502	1.0

Staff Recommendation - Adult Assistance Programs, Colorado Commission on Aging	Total	General Fund	Federal Funds	FTE
Operating Expenses	27,601	7,099	20,502	
Annualize FY09-10 DI #NP-2 - Mail upgrade	(67)	(17)	(50)	
BA #NP 5 - mail upgrade	20	5	15	0
Operating Expenses - Subtotal	27,554	7,087	20,467	
Total Recommendation	\$80,735	\$20,766	\$59,969	1.0

Senior Community Services Employment

This program promotes useful part-time employment in community services activities for unemployed, low-income persons age 55 or older. Program participants are provided training and counseling services to move them from subsidized to unsubsidized jobs. This line item is fully funded with federal grants. The department requests an appropriation of \$861,514 and 0.5 FTE. The 0.5 FTE is categorized as a trainee. **Staff recommends the Committee approve the Department's request, which is calculated in compliance with Committee common policy actions.** Staff calculations are summarized in the following table.

Staff Recommendation - Adult Assistance Programs, Senior Community Service Employment	Federal Funds
Prior Year Appropriation (S.B. 09-259)	
Personal Services	30,604
Operating Expenses	833,253
BA #NP1 - PERA adjustment	(2,343)
Total Recommendation	861,514

Older Americans Act Programs

This line item provides funding for Area Agencies on Aging to contract with provider agencies to deliver a variety of services to older persons. Services provided include:

- Supportive services and senior centers - Functions include case management, client representation, shopping assistance, transportation, chore services, personal care services, adult day care, health screening, legal services, and an ombudsman;
- Nutrition services such as congregate meals, nutrition screening and education;
- In-home services for persons above the eligibility thresholds for Medicaid, Home Care Allowance and Adult Foster Care (homemaker services, personal care services, home repair services, visiting services); and,

- Disease prevention and health promotion services (e.g., health risk assessments, programs regarding physical fitness, education regarding diagnosis, prevention and treatment of age-related diseases and chronic disabling conditions)

In general, services are available to individuals age 60 and over, regardless of income or assets. While the federal government does not allow a means test, it does require that priority be given to those with the greatest social and economic need, with particular attention to minority individuals and those who are frail, homebound, or otherwise isolated. Provider agencies often request donations or fees on a sliding scale for services such as transportation and congregate meals.

Federal Stimulus Package. The American Recovery and Reinvestment Act of 2009 (federal stimulus package) included \$100.0 million for nutrition services for the elderly, primarily for congregate nutrition services and home-delivered meals. The Department received \$1,265,254. As of December 2009, 99 percent had been expended.

The Department requests an appropriation of \$14,748,811 (including \$610,506 General Fund), including an increase of \$606,824 (\$33,759 General Fund) for Decision Item #2.

Decision Item #2 - Funding for Community Services for the Elderly

The request is to access \$594,492 federal funds from the Administration on Aging for FFY 2009 for Community Services for the Elderly. This includes support activities such as congregate meals, home-delivered meals, and transportation through the Area Agencies on Aging. To access the additional federal funds, a 5.0 percent match is required. The request is to reallocate \$33,759 General Fund from the State Funding for Senior Services line item to the Older Americans Act Program line item to provide the necessary match. The overall impact by line item is reflected in the table below.

	Total	General Fund	Federal Funds
Older Americans Act Programs	\$606,824	\$33,759	\$573,065
State Funding for Senior Services	(33,759)	(33,759)	0
Area Agencies on Aging Administration	<u>21,427</u>	<u>0</u>	<u>21,427</u>
Total - Decision Item #2	\$594,492	\$0	\$594,492

Overall, Older Americans Act programs require a 15 percent non-federal match. Of this amount 5.0 percent must come from the State. **Staff recommends the decision item as requested.** The decision item has a net \$0 General Fund impact, as it reallocates funds among line items and enables the Department to access additional federal funds for services for the elderly.

Staff recommends that the Committee approve the Department's request for \$14,748,811, including Decision Item #2.

National Family Caregiver Support Program

The NFCSP is the largest new program under the Older Americans Act since nutritional programs started in 1972. The department has worked closely with the Area Agencies on Aging to develop a statewide comprehensive system that is responsive to a diverse group of caregivers. The program provides:

1. Information to caregivers about available services;
2. Assistance gaining access to services;
3. Individual counseling, organization of support groups and caregiver training to assist the caregivers in making decisions and solving problems relating to their caregiver roles;
4. Respite care to enable caregivers to be temporarily relieved from their care-giving responsibilities; and,
5. Supplemental services, on a limited basis to complement the care provided by caregivers.

These funds are intended for grandparents (60 years and older) caring for non-disabled children, elderly parents of disabled or developmentally disabled children, and family members and friends caring for older people. States are encouraged to give priority to elderly parents of disabled children and low-income older individuals. The state is not currently subject to a MOE requirement for the portion of OAA funds related to the NFCSP, but the Department believes this program may be incorporated into the MOE in future years.

The Department requests an appropriation of \$2,263,386, including \$142,041 General Fund and \$423,805 cash funds from local funds. This reflects a continuation level of funding. **Staff recommends the Committee approve the Department's request.**

State Ombudsman Program

The state contracts with the Legal Center for Persons with Disabilities and Older Persons to serve as the State Ombudsman for Colorado. Staffing for this program includes one State Long-Term Care Ombudsman, a part-time assistant and a part-time legal developer. There are also 17 paid local ombudsmen and 90 volunteer ombudsmen. The Legal Center provides services to Area Agencies on Aging and their local ombudsmen staff with training and technical services associated with local program administration. The Legal Center also monitors local programs for efficiency and effectiveness and provides reports of data and information to the Department. The department requests an appropriation of \$272,031, including \$112,798 net General Fund, reflecting a continuation level of funding. **Staff recommends the Committee approve the Department's request.**

State Funding for Senior Services

This line was created to reflect state funding for senior services above and beyond the state match required for Older Americans Act programs. The cash funds portion of the appropriation is from the Older Coloradans Fund. That fund receives revenue from a diversion of funds that would otherwise go to the General Fund. Section 26-11-205.5 (2) requires that moneys appropriated from this fund are administered through the Area Agencies on Aging, but the funds can be used with more flexibility than is afforded under OAA programs. The state funding for senior services allows more than 25,000 Older Coloradans to receive transportation, nutrition services, in-home assistance and other miscellaneous services.

The Department requests an appropriation of \$8,966,241, including \$966,241 General Fund and \$8,000,000 cash funds from the Older Coloradans Fund. This represents continuation funding, less \$33,759 General Fund, which is reallocated to the Older American Act Programs line item pursuant to Decision Item #2. **Staff recommends the request. However, staff notes that this is an area where the Committee has flexibility and could choose to reduce General Fund appropriations. A General Fund reduction for the \$966,241 in this line item could be taken through budget action. A reduction to the remaining \$8.0 million would require statutory change.**

Area Agencies on Aging Administration

This line item provides funding for the 16 Area Agencies on Aging (AAAs) to develop and administer area plans on services for the aging for their respective regions. The Department requests an appropriation of \$1,375,384 federal funds, including the Impact of Decision Item #2. The appropriation is entirely federal funds. **Staff recommends the Committee approve the department's request.**

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

Long Bill Footnotes

Staff recommends the following footnotes be **continued**.

- 20 Department of Human Services, County Administration, County Share of Offsetting Revenues** -- It is the intent of the General Assembly that, pursuant to Section 26-13-108, C.R.S., the Department utilize recoveries to offset the costs of providing public assistance. This appropriation represents an estimate of the county share of such recoveries and, if the amount of the county share of such recoveries is greater than the amount reflected in this appropriation, the Department is authorized to disburse an amount in excess of this appropriation to reflect the actual county share of such recoveries.

Comment: This footnote does not request the Department to file a report. Data provided by the Department indicates that the County's share of offsetting revenue was \$3,880,448.

- 26 Department of Human Services, Office of Self Sufficiency, Colorado Works Program, County Block Grants** -- Pursuant to Sections 26-2-714 (7) and 26-2-714 (9), C.R.S., under certain conditions, a county may transfer federal Temporary Assistance for Needy Families (TANF) funds within its Colorado Works Program Block Grant to the federal child care development fund or to programs funded by Title XX of the federal Social Security Act. One of the conditions specified is that the amount a county transfers must be specified by the Department of Human Services as being available for transfer within the limitation imposed by federal law. It is the intent of the General Assembly that the Department allow individual counties to transfer a greater percent of federal TANF funds than the state is allowed under federal law as long as: (a) Each county has had an opportunity to transfer an amount up to the federal maximum allowed; and, (b) the total amount transferred statewide does not exceed the federal maximum.

Comment: This footnote enables the State to maximize the transfers of TANF funds for child welfare and child care pursuant to the overall restrictions in federal law (up to 30 percent total, with a maximum of 10 percent for child welfare and 20 percent for child care). Full information about county transfers from TANF to the federal Child Care Development Fund and to Title XX programs is provided by the Department in a report in response to Request for Information.

Staff recommends the following footnotes be **continued as modified**.

28 Department of Human Services, County Administration, County Incentive Payments; Office of Self Sufficiency, Colorado Works Program, County Block Grants -- It is the intent of the General Assembly that, pursuant to Sections 26-13-108 and 26-13-112.5 (2), C.R.S., the Department distribute child support incentive payments to counties. ~~This appropriation represents an estimate of~~ IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT AT LEAST one-half of the State share of recoveries of amounts of support for public assistance recipients BE DISTRIBUTED TO COUNTIES, as described in Section 26-13-108, C.R.S. If the amount of one-half of the State share of such recoveries is greater than the amount reflected in this appropriation, the Department is authorized to distribute an amount in excess of this appropriation to reflect one-half of the actual State share of such recoveries.

Comment: This footnote does not request the Department to file a report. In response to a staff inquiry, the Department noted that the current footnote is in error. The appropriation in the Long Bill represents an estimate of 100 percent of the State share of recoveries, rather than 50 percent. Section 26-13-108 (1), C.R.S., now specifies that the state "may" redirect the state's share to the county as an incentive. The Department agreed to pass 100 percent of state recoveries to counties when changes to federal law under the Deficit Reduction Act prohibited states and counties from collecting a match on expenditure of federal child support enforcement incentive dollars.

The federal match was reinstated, at least temporarily, pursuant to the American Recovery and Reinvestment.) For FY 2008-09, the State's share of recoveries was \$5,950,042, and this amount was distributed to counties as a state incentive.

The Department has submitted an operating decision item and a capital construction decision item that it anticipates will require approximately 50 percent of the state share in total for FY 2010-11, if approved. However, because the capital construction amount will not be reflected in the Long Bill, the current wording of the footnote would still be inaccurate. The change recommended is intended to address this.

27 Department of Human Services, Office of Self Sufficiency, Colorado Works Program, County Block Grants -- It is the intent of the General Assembly that the appropriation of local funds for Colorado works program county block grants may be decreased by a maximum of ~~\$100,000~~ \$500,000 to reduce one or more small counties' fiscal year ~~2009-10~~ 2010-11 targeted or actual spending level, pursuant to Section 26-2-714 (8), C.R.S.

Comment: The Works Allocation Committee is authorized (Section 26-2-714 (8), C.R.S.) to mitigate (reduce) a small county's targeted and/or actual spending level, up to a maximum amount identified in the Long Bill. A small county is one with less than 0.38% of the total statewide Works caseload, as determined by the Department of Human

Services. This footnote authorizes the Works Allocation Committee to approve a maximum of \$100,000 in mitigation. The purpose of the current statute appears to be to provide the General Assembly the flexibility to determine, each year, through this footnote, whether more, less or no mitigation expenditures are to be allowed. It is possible that additional counties will pursue relief under this provision in light of the elimination of funding for county tax base relief. In light of this, staff is recommending a higher cap figure, which may or may not be used at counties' option.

New FY 2009-10 Footnote

Staff recommends the addition of the following footnote for FY 2009-10 as a Long Bill add-on:

N Department of Human Services, Adult Assistance Programs, Other Grant Programs, Home Care Allowance - Up to \$1,000,000 General Fund, if not expended prior to July 1, 2010, may be rolled forward for expenditure in FY 2010-11.

Comment: The Department has reported difficulty in implementing changes to the Colorado Benefits Management System so that Home Care Allowance amounts can be adjusted before the end of FY 2009-10. These adjustments, and related distribution of funds, must be completed during CY 2010 to ensure that the State complies with the federal Maintenance of Effort requirement for the SSI program. The roll forward will ensure that the funds are distributed within the calendar year, even if computer system adjustments are not completed before the end of the state fiscal year.

Requests for Information

Staff recommends the following requests for information be **continued**:

29 Department of Human Services, Executive Director's Office, General Administration, Injury Prevention Program -- The Department is requested to provide information regarding the cost-effectiveness of this program. Such information should include: Actual and planned annual expenditures for this line item, by program; the actual number of workers' compensation claims filed, by type of injury and by program; and the related costs associated with workers' compensation claims filed, by type of injury and by program. This information should be provided to the Joint Budget Committee annually on or before October 15.

Comment: The Department has faced significant problems in recent years with injury issues and workers compensation claims. Some of these issues appear to have been addressed during FY 2008-09. However, staff recommends continuing this request so that these issues can continue to be tracked.

- 37 Department of Human Services, Office of Self Sufficiency, Colorado Works Program, Works Program Evaluation** -- The Department is requested to submit a summary of the activities conducted under the Works Program Evaluation activity. The summary should include specific questions which the Department set out to answer, the methodologies used, the results obtained, and suggestions on how the results can be used to improve the Works program. The report should be provided to the Joint Budget Committee and the House and Senate Health and Human Services Committees by November 1 of each year.

Comment: In 2009, the Joint Budget Committee approved a Decision Item request from the Colorado Department of Human Services in the amount \$350,000 federal Temporary Assistance to Needy Families (TANF) funds to continue evaluation of the Colorado Works Program. This decision item replaced a previous statutory requirement for a report. The Department was unable to provide much information prior to FY 2010-11 budget briefings because it had only begun to negotiate related contracts. However, staff anticipates that future reports may prove useful.

Staff recommends the following requests for information be **continued as modified:**

- 45 Department of Human Services, Totals** -- The Department is requested to submit a report concerning the status of federal Temporary Assistance for Needy Families (TANF) funds. The requested report should include the following: (a) an analysis of the TANF Long Term Reserve, including estimated TANF funds available for appropriation, estimated TANF appropriations by Long Bill line item, and the estimated closing Long Term Reserve balance, for each of the most recent actual fiscal year, the current fiscal year, and the request fiscal year; (b) an analysis of the TANF maintenance of effort (MOE) payments, showing the actual and forecast MOE expenditures, by program, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; and (c) an analysis of the counties' TANF reserve balances that includes, for each county, for the most recent actual fiscal year, the starting ~~Works Program~~ TANF Reserve Account balances FOR THE WORKS PROGRAM, TITLE XX, AND CHILD CARE DEVELOPMENT FUND ACCOUNTS, the annual TANF allocation, the total expenditures, the net transfers to child care and child welfare, any amounts remitted to the state under the provisions of S.B. 08-177, and the closing reserve balance FOR ALL COUNTY TANF ACCOUNTS. The report should be provided to the Joint Budget Committee annually on or before November 1. AN UPDATE TO THIS INFORMATION REFLECTING DATA AS OF THE CLOSE OF THE FEDERAL FISCAL YEAR SHOULD BE PROVIDED TO THE JOINT BUDGET COMMITTEE ON OR BEFORE JANUARY 1.

Comment: This annual report includes information critical for tracking the use of TANF funds. The changes will add additional information on the status of TANF reserves

transferred to child welfare and child care accounts and will provide for an update to the information prior to supplementals.

Staff recommends the following request for information be **added**:

N **Department of Human Services, Office of Self Sufficiency, Special Purpose Welfare Programs, Refugee Assistance** - The Department is requested to submit a report by November 1 of each fiscal year on the size of the Colorado refugee population, the percent that is TANF-eligible, federal funding received from the Department of Health and Human Services, Office of Refugee Resettlement in the most recent actual fiscal year, and federal funding projected to be received in the current and next fiscal year from the Office of Refugee Resettlement.

OTHER BALANCING OPTIONS

These options are presented without staff recommendation in order to maximize the Committee's choices. The Committee may wish to consider these options now or in the future. Amounts shown are the maximum that could be realized; smaller amounts could be used instead.

Numbering does not indicate priority.

Options with Appropriations Impacts	GF	CF	RF	FF	Total	FTE
1 Reduce Funding for Human Resources Reduce human resources funding proportionate to reduction in Department FTE.	(64,248)	(4,350)	(23,974)	(48,015)	(140,587)	(3.0)
2 Reduce County Block Grant and Child Support Decision Item /Refinance County Admin Remaining amounts in the State's share of cash fund revenues from retained child support collections could probably be used to offset General Fund for county administration; this is, in effect, a cut to the Colorado Works county allocations. In addition, a portion of the request for state child support enforcement funding that relies on retained earnings could be redirected in the same way.	(658,611)	0	0	0	(658,611)	0.0
3 Eliminate General Fund for Senior Services The remaining General Fund appropriation for senior services could be eliminated.	(966,241)	0	0	0	(966,241)	0.0
4 Further Refinance Child Welfare with TANF and Reduce Other TANF Expenditures The Department previously indicated that based on child welfare expenditures, additional child welfare amounts could be refinanced with TANF. The above figure represents this amount. Based on the Department's report of child welfare expenditures that qualify as TANF MOE, the available figure may be higher. Any refinance will exacerbate the "cliff effect" that will be created when TANF reserves are exhausted. Staff assumes that further refinance would be accompanied by reductions in TANF appropriations for other purposes.	(7,000,000)	0	0	0	(7,000,000)	0.0
5 Eliminate Aid to the Needy Disabled - State Only Program	(9,000,000)	(5,000,000)	0	0	(14,000,000)	0.0

Options with Appropriations Impacts	GF	CF	RF	FF	Total	FTE
<p>In August 2009, the Governor proposed suspending this program for half of FY 2009-10, resulting in savings of \$4.5 million General Fund FY 2009-10. The proposal was later withdrawn. If this program were permanently eliminated, initial General Fund savings might even be higher than the figure shown. However, there would be a decline in SSI interim reimbursement amounts, which would eventually offset any savings by approximately \$4.0 million per year.</p>						

Options with Revenue Impacts	GF	CF	RF	FF	Total	FTE
1	3,250,000	(3,250,000)	0	0	0	0.0
<p>Transfer LEAP Funds to the General Fund</p> <p>In years in which the Operational Account of the Severance Tax Trust Fund has sufficient revenue, up to \$3.25 million is transferred to the Department of Human Services to provide state funding for the Low-income Energy Assistance Program. This transfer could be made to the General Fund instead. The program also receives federal moneys; in FY 2008-09, a total of approximately \$70.0 million in federal funds were received. A statutory change would be required to implement this change.</p>						
2	600,000	0	0	0	600,000	0.0
<p>Electronic Benefits Transfer System User Fee</p> <p>During the previous recession, the State imposed a fee of one dollar per month on individuals whose public assistance was delivered through the Electronic Benefits Transfer System. When used previously, this fee generated approximately \$600,000 in annual revenue. This money could be credited to the General Fund. A statutory change would be required.</p>						
3	8,000,000	(8,000,000)	0	0	0	0.0
<p>Reduce Cash Funding for Senior Services</p> <p>Section 39-26-123 (3) (a) (III) (D) diverts \$8,000,000 of the transfer from the Old Age Pension Fund to the General Fund to the Older Coloradans Fund. Funds in the Older Coloradans cash fund are appropriated to the State Funding for Senior Services line item. This diversion is statutory and could be changed by bill. A reduced diversion would result in a corresponding increase in General Fund revenues.</p>						

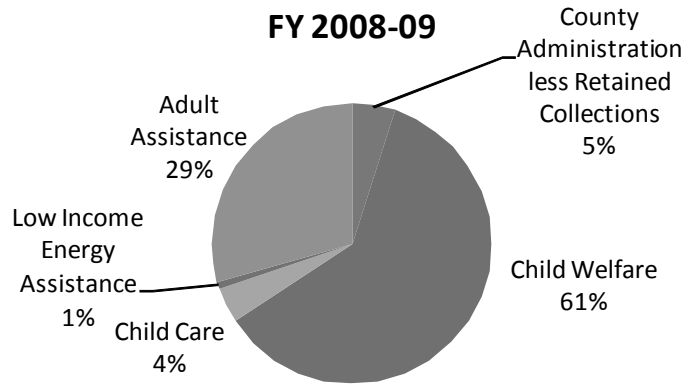
Attachment

FY 2008-09 Total County Human Services Expenditures - All Settlements by Colorado Financial Management System

	Total Expenditure	State Share	State Percent	County Share	County Percent	Federal Share	Federal Percent	Notes
County Administration for Medicaid, Food Stamps, Adult Assistance	\$79,617,869	\$25,360,320	32%	\$16,015,413	20%	\$38,242,136	48%	
Child Welfare Program	411,430,497	223,053,801	54%	67,459,483	16%	120,917,214	29%	a
Child Care Assistance Program	93,516,968	15,354,221	16%	9,584,387	10%	68,578,360	73%	a
Colorado Works (TANF)	161,020,489	0	0%	22,228,966	14%	138,791,523	86%	a
Child Support Enforcement	51,530,611	0	0%	18,250,118	35%	33,280,493	65%	a, b
Food Assistance Job Search, Employment First, Fraud Investigation	6,464,313	497,802	8%	1,650,359	26%	4,316,153	67%	
Food Assistance - Benefits (Food Stamps)	434,689,714	0	0%	0	0%	434,689,714	100%	b
Low-income Energy Assistance Program - Benefit Payments	66,752,266	2,950,597	4%	43,140	0%	63,758,529	96%	c
Adult Assistance (Aid to Needy Disabled, Old Age Pension) - Benefit Payments	111,781,229	108,239,014	97%	3,542,214	3%	0	0%	c
Excess Expenditures and Pass-through Reimbursement	38,040,664	0	0%	25,461,465	67%	12,579,199	33%	b, d
Child Care - ARRA Funding	10,569,228	0	0%	0	0%	10,569,228	100%	
Retained Collections	(19,640,985)	(5,940,042)	30%	(3,880,448)	20%	(9,820,495)	50%	
Miscellaneous	<u>7,657,009</u>	<u>(1,332,116)</u>	<u>-17%</u>	<u>608,515</u>	<u>8%</u>	<u>8,380,609</u>	<u>109%</u>	
Total	\$1,453,429,871	\$368,183,597	25%	\$160,963,611	11%	\$924,282,663	64%	
Programs with no state or county funding (Food Assistance, Child Care ARRA)	<u>(445,258,942)</u>	<u>0</u>	0%	<u>0</u>	0%	<u>(445,258,942)</u>	100%	
Total less Programs with no state or county funding	\$1,008,170,929	\$368,183,597	37%	\$160,963,611	16%	\$479,023,721	48%	

State Expenditures by Program

FY 2008-09



County Expenditures by Program

FY 2008-09

