



Colorado General Assembly  
Joint Budget Committee

# JOINT BUDGET COMMITTEE STAFF FY 2020-21 BUDGET BRIEFING SUMMARY

## *Department of Human Services*

*Office of Information Technology Services, County Administration, Office of Early Childhood, Office of Self Sufficiency, and Adult Assistance Programs*

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare programs in the state. The Department's FY 2019-20 appropriation consists of 44.5 percent General Fund, 18.8 percent cash funds, 9.1 percent reappropriated funds, and 27.6 percent federal funds.

### FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2019-20 APPROPRIATION:</b>						
SB 19-207 (Long Bill)	\$947,293,166	\$227,364,907	\$237,747,494	\$43,640,220	\$438,540,545	534.4
Other legislation	3,100,061	1,083,077	1,863,829	19,440	133,715	1.7
<b>TOTAL</b>	<b>\$950,393,227</b>	<b>\$228,447,984</b>	<b>\$239,611,323</b>	<b>\$43,659,660</b>	<b>\$438,674,260</b>	<b>536.1</b>
<b>FY 2020-21 REQUESTED APPROPRIATION:</b>						
FY 2019-20 Appropriation	\$950,393,227	\$228,447,984	\$239,611,323	\$43,659,660	\$438,674,260	536.1
R1 Improving child care quality	5,498,096	2,749,048	0	0	2,749,048	7.2
R2 Early intervention caseload	3,231,940	3,231,940	0	0	0	0.0
R3 Colorado Child Care Assistance Program	6,762,446	940,292	2,666,581	0	3,155,573	0.0
R6 Family first and Trails	515,488	335,067	0	0	180,421	0.0
R8 Scholarships for early childhood educators	600,000	500,000	0	0	100,000	0.9
R9 Evidence based home visiting	521,605	521,605	0	0	0	0.9
R10 Child support pass through	800,182	800,182	0	0	0	0.0
R11 Respite care task force	374,770	374,770	0	0	0	0.0
R12 Subsidized training and employment	4,000,000	0	0	0	4,000,000	0.0
R14 Joint agency interoperability	12,099,423	2,326,384	0	9,507,438	265,601	0.0
R15 Human resource staffing	880,341	399,196	2,002	345,168	133,975	7.7
R17 Records and Reports Fund	648,048	422,847	225,201	0	0	6.0
R24 Old age pension adjustment	(22,268,490)	0	(22,268,490)	0	0	0.0
R27 Colorado Child Care Assistance Program intrastate redistribution	(1,500,000)	0	0	0	(1,500,000)	0.0
R31 Resource and referral funding reduction	(630,350)	(315,175)	0	0	(315,175)	0.0
R33 Older Coloradans Cash Fund	0	(3,000,000)	3,000,000	0	0	0.0
R35 Common policy provider rate adjustment	1,316,736	572,473	155,465	3,486	585,312	0.0
Annualize prior year budget actions	2,648,528	471,926	216,635	210,450	1,749,517	0.2
Indirect cost assessment	386,737	0	5,009	46,427	335,301	0.0
Non-prioritized request items	315,976	106,286	469	177,769	31,452	0.0
Annualize prior year legislation	(2,927,469)	2,280,602	(1,211,165)	29,215	(4,026,121)	1.6
Centrally appropriated line item	(1,095,077)	(273,820)	(3,190)	(604,803)	(213,264)	0.0

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Technical adjustments	(207,695)	7,849	(258,894)	0	43,350	0.0
<b>TOTAL</b>	<b>\$962,364,462</b>	<b>\$240,899,456</b>	<b>\$222,140,946</b>	<b>\$53,374,810</b>	<b>\$445,949,250</b>	<b>560.6</b>
<b>INCREASE/(DECREASE)</b>	\$11,971,235	\$12,451,472	(\$17,470,377)	\$9,715,150	\$7,274,990	24.5
Percentage Change	1.3%	5.5%	(7.3%)	22.3%	1.7%	4.6%

Note: The above summary table does not include centrally appropriated line items that appear in the Executive Director's Office request. Requests for items such as health, life, and dental insurance for the proposed FTE were presented to the Committee during the Executive Director's Office briefing on December 4, 2019.

**R1 IMPROVING CHILD CARE QUALITY:** The request includes \$5,619,496 total funds, including \$2,809,748 General Fund and \$2,809,748 federal funds, and 7.2 FTE in FY 2020-21. This request can be broken into three distinct parts: quality improvement, licensing, and provider recruitment. Of the \$4,658,308 total funds requested for quality improvement, \$4.5 million will be allocated to the state's Early Childhood Councils, which are created by Section 26-6.5-103 (1), C.R.S. The Department will use the remaining \$158,308 total funds and 1.8 FTE requested for quality improvement to oversee local and county practices, and to provide technical assistance and training to county departments of human services and child care programs. The funding for licensing will be used by the Department. The funding for provider recruitment will be allocated to Early Childhood Councils. This request annualizes to \$5,637,598 total funds, including \$2,818,799 General Fund, and 8.0 FTE in FY 2021-22 and beyond.

R1 IMPROVING CHILD CARE QUALITY (FY 2020-21)		
CATEGORY	TOTAL FUNDS	FTE
Quality improvement	\$4,658,308	1.8
Licensing	461,188	5.4
Provider recruitment	500,000	0.0
<b>Total</b>	<b>\$5,619,496</b>	<b>7.2</b>

**R2 EARLY INTERVENTION CASELOAD:** The request includes \$3,231,940 General Fund in FY 2020-21, annualizing to \$4,973,412 in FY 2021-22 and beyond, to address the cost of an estimated 3.7 percent increase in caseload growth in the Early Intervention program. Additionally, the Department indicates that caseload growth has been higher than expected in FY 2019-20 and is planning to submit a supplemental request to address the cost increase. The Department will also submit an RFI concerning Early Intervention caseload growth by January 1, 2020.

**R3 COLORADO CHILD CARE ASSISTANCE PROGRAM:** The request includes \$6,762,446 total funds, including \$940,292 General Fund, \$2,666,581 cash funds, and \$3,155,573 federal funds in FY 2020-21 for Colorado Child Care Assistance Program (CCCAP) direct services. The cash funds are from the county share of the program and the federal funds are from the Child Care Development Fund. CCCAP is State-supervised and county-administered. This request will annualize to \$8.7 million total funds in FY 2021-22, primarily because of an increase in cash funds.

**R6 FAMILY FIRST AND TRAILS:** *This request was discussed during the Department of Human Services briefing on December 4, 2019.*

**R8 SCHOLARSHIPS FOR EARLY CHILDHOOD EDUCATORS:** The request includes \$600,000 total funds, including \$500,000 General Fund and \$100,000 federal funds, and 0.9 FTE in FY 2020-21 and ongoing. Of the amount requested, \$478,776 would be used to fund a contract with the Early Childhood Council Leadership Association (ECCLA) to provide scholarships to individuals pursuing a career in early childhood education. This request is one

of several across three Executive Departments made by the Governor to address the shortage of qualified, high quality early childhood educators.

**R9 Evidence based home visiting:** The request includes \$521,605 General fund and 0.9 FTE in FY 2020-21, annualizing to \$588,996 General Fund and 1.0 FTE in 2021-22 and beyond, to expand the Healthy Steps and Home Instruction for Parents of Preschool Youngers evidence-based programs. These programs serve communities and families with risk factors associated with low kindergarten readiness.

**R10 CHILD SUPPORT PASS THROUGH:** The request includes \$800,182 General Fund in FY 2020-21 and beyond to ensure sufficient funding is available to continue the Child Support pass-through program, which was enacted in S.B. 15-012 (Colorado Works Pass-through Child Support Payment). The Department indicates that it will also submit a supplemental request to address a program funding shortfall in FY 2019-20.

**R11 RESPITE CARE TASK FORCE:** The request includes \$374,770 General Fund in FY 2020-21 and FY 2021-22 to complete the implementation of the recommendations of the Respite Care Task Force, pursuant to Section 26-1-702, C.R.S., and to ensure sufficient funding for respite services.

**R12 SUBSIDIZED TRAINING AND EMPLOYMENT:** The request includes \$4,000,000 federal funds in Temporary Assistance for Needy Families (TANF) funds for FY 2020-21 and beyond to continue funding the Colorado Works Subsidized Training and Employment Program, created in Section 26-2-706.6 (9), C.R.S. This program provides employers with wage subsidies to encourage the hiring of TANF recipients so that they may gain on-the-job experience and earned income. The Colorado Works Subsidized Training and Employment Program contributes to Colorado meeting its federally required Work Participation Rate, which affects the state's TANF distribution.

**R14 JOINT AGENCY INTEROPERABILITY:** The request includes \$12,099,423 total funds, including \$2,326,384 General Fund, \$9,507,438 reappropriated funds, and \$265,601 federal funds, in FY 2020-21 and ongoing for funding operations and maintenance of the Joint Agency Interoperability Project. The Department also requests roll-forward spending authority for \$795,113 into FY 2021-22. The Joint Agency Interoperability Project enables systems or applications to exchange information to allow the Department, county employees, and external partners to better coordinate services provided to children, youth, and families in Colorado.

This request has a companion non-prioritized request in the Department of Health Care Policy and Financing with a cost of \$4,015,032 total funds, including \$2,007,516 General Fund and \$2,077,516 federal funds, in FY 2020-21 and ongoing. This amount will be reappropriated to the Department of Human Services' Office of Self Sufficiency.

**R15 HUMAN RESOURCE STAFFING:** *This request was discussed during the Department of Human Services briefing on December 4, 2019.*

**R17 RECORDS AND REPORTS FUND:** The request includes \$648,048 total funds, including \$422,847 General Fund and \$225,201 cash funds, and 6.0 FTE in FY 2020-21 and beyond to support background checks for individuals and entities that work with children or at-risk adults, as well as funding support for the appeals process of the Child and Adult Mistreatment Dispute Review Section. The Department indicates that it will also submit a supplemental request to address a program funding shortfall in FY 2019-20.

**R19 REPLACE LEGACY PHONE SYSTEMS:** The request includes \$917,525 General fund in FY 2020-21, annualizing to \$787,983 General Fund in FY 2021-22 and beyond, for the installation of new phone systems at the Colorado Mental Health Institute at Pueblo and at the Division of Youth Services' facilities, specifically the Gilliam, Lookout Mountain, Platte Valley, Spring Creek, and Marvin Foote facilities. The current phone systems use unsupported

technology and infrastructure. The updated phone systems would use Managed Internet Protocol Communications, which is the State's standard technology. *Please note that this decision item is not included in the summary table because the appropriation would occur in the affected divisions.*

**R24 OLD AGE PENSION ADJUSTMENT:** The request includes a reduction of \$22,268,490 cash funds from the Old Age Pension Fund in FY 2020-21 and beyond to reflect the decrease in caseload and to align the appropriation with actual and projected expenditures for the Old Age Pension Cash Assistance Program.

**R27 COLORADO CHILD CARE ASSISTANCE PROGRAM INTRASTATE REDISTRIBUTION:** The request includes a reduction of \$1,500,000 federal funds, specifically Child Care Development Funds, from the Intrastate Redistribution line item in FY 2020-21 and beyond. This reduction would partially offset the cost of the Department's R1 request. The Intrastate Redistribution line item was established in FY 2018-19 to ensure the Department had the CCDF spending authority to implement federal requirements related to regulations under the Child Care and Development Block Grant Act of 2014

**R31 RESOURCE AND REFERRAL FUNDING REDUCTION:** The request includes a reduction of \$630,350 total funds, including \$315,175 General Fund and \$315,175 federal funds from Child Care Development Fund, in FY 2020-21 and beyond to offset a portion of the Department's R1 request. This reduction affects 16 local service agencies across the state that currently offer Child Care Resource and Referral (CCR&R) services for their communities.

**R33 OLDER COLORADANS CASH FUND:** The request includes a net zero refinance of \$3,000,000 General Fund with \$3,000,000 cash fund from the Older Coloradans Cash Fund, created in Section 26-11-205.5 (5)(a), C.R.S. This request is a result of approximately \$30.9 million additional funds received in the Older Coloradans Cash Fund from the Senior Citizen and Disabled Veteran Property Tax Exemption fund during FY 2018-19 and FY 2019-20. Refinancing will have no impact on the total amount available for senior funding in FY 2020-21.

**R35 COMMON POLICY PROVIDER RATE ADJUSTMENT:** *This request was discussed during the Department of Human Services briefing on December 4, 2019.*

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The request includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year salary survey	\$1,222,822	\$219,728	\$172,507	\$0	\$830,587	0.0
FY 19-20 R6 Child support employment	867,297	0	0	0	867,297	0.0
Prior year salary survey	453,463	239,147	0	194,426	19,890	0.0
FY 19-20 NP4 Local administration transformation	84,743	13,924	40,756	0	30,063	0.0
FY 19-20 Employment affairs staffing	10,612	0	0	10,612	0	0.0
FY 19-20 R21 Salesforce Shield	7,829	680	21	5,412	1,716	0.0
FY 19-20 NP1 OIT CMBS/PEAK	1,762	(1,553)	3,351	0	(36)	0.0
FY 19-20 R10 APS program specialist	0	0	0	0	0	0.2
<b>TOTAL</b>	<b>\$2,648,528</b>	<b>\$471,926</b>	<b>\$216,635</b>	<b>\$210,450</b>	<b>\$1,749,517</b>	<b>0.2</b>

**INDIRECT COST ASSESSMENT:** The request includes an increase of \$398,856 total funds for indirect cost assessments.

**NON-PRIORITIZED REQUEST ITEMS:** The request includes an increase of \$315,976 total funds for adjustments related to budget requests from the Department of Personnel for its annual fleet vehicle request and the Governor's

Office of Information Technology package of request items for FY 2020-21. *These request items will be addressed in separate staff briefings for the Department of Personnel and the Governor's Office.*

NON-PRIORITIZED REQUEST ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget request package	\$348,324	\$106,286	\$889	\$181,652	\$59,497	0.0
DPA Annual fleet vehicle request	(32,348)	0	(420)	(3,883)	(28,045)	0.0
<b>TOTAL</b>	<b>\$315,976</b>	<b>\$106,286</b>	<b>\$469</b>	<b>\$177,769</b>	<b>\$31,452</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The request includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 19-1223 Social Security disability application assistance	\$2,304,999	\$3,754,999	(\$1,450,000)	\$0	\$0	0.0
SB18-200 PERA	240,062	92,192	9,682	48,655	89,533	0.0
HB 17-1284 Data system check for employees service at-risk adults	4,039	(235,087)	239,126	0	0	2.5
SB 17-292 Colorado works employment opportunities with wages	(4,000,000)	0	0	0	(4,000,000)	0.0
HB 17-1045 Extend home care allowance grant program	(695,107)	(695,107)	0	0	0	0.0
HB 19-1193 Behavioral health supports for high-risk families	(500,000)	(500,000)	0	0	0	(0.6)
SB 19-235 Automatic Voter Registration	(136,240)	(61,301)	(9,973)	0	(64,966)	0.0
SB 19-063 Infant and family child care action plan	(50,688)	0	0	0	(50,688)	0.0
HB 18-1108 Commission deaf hard of hearing deafblind	(50,000)	(50,000)	0	0	0	0.0
HB 19-1262 Full-day kindergarten	(25,094)	(25,094)	0	0	0	(0.3)
HB 19-1069 Sign language interpreters title certification	(19,440)	0	0	(19,440)	0	0.0
<b>TOTAL</b>	<b>(\$2,927,469)</b>	<b>\$2,280,602</b>	<b>(\$1,211,165)</b>	<b>\$29,215</b>	<b>(\$4,026,121)</b>	<b>1.6</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The request includes adjustments to centrally appropriated line items for the following:

CENTRALLY APPROPRIATED LINE ITEM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
CORE	\$339,314	\$158,269	\$665	\$135,876	\$44,504	0.0
Legal services	189,455	0	2,455	22,744	164,256	0.0
Capitol Complex leased space	19,752	0	256	2,371	17,125	0.0
Payments to OIT	(1,416,059)	(432,089)	(3,617)	(738,478)	(241,875)	0.0
Workers' compensation	(132,353)	0	(1,715)	(15,889)	(114,749)	0.0
Payment to risk management / property funds	(64,607)	0	(838)	(7,756)	(56,013)	0.0
ALJ	(30,579)	0	(396)	(3,671)	(26,512)	0.0
<b>TOTAL</b>	<b>(\$1,095,077)</b>	<b>(\$273,820)</b>	<b>(\$3,190)</b>	<b>(\$604,803)</b>	<b>(\$213,264)</b>	<b>0.0</b>

**TECHNICAL CHANGES:** The request includes minor technical adjustments that result in a net reduction of \$207,695 total funds, including an increase of \$7,849 General Fund.

## SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

**R14 JOINT AGENCY INTEROPERABILITY:** The Department requests an increase of \$12,099,423 total funds, including \$2,326,384 General Fund, \$9,507,438 reappropriated funds, and \$265,601 federal funds, in FY 2020-21 and ongoing for funding operations and maintenance of the Joint Agency Interoperability Project (JAI Project). The Department also requests roll-forward spending authority for \$795,113 into FY 2021-22. The JAI Project enables systems or applications to exchange information to allow the Department, county employees, and external partners to better coordinate services provided to children, youth, and families in Colorado.

**DECISION ITEMS AFFECTING THE CHILD CARE DEVELOPMENT FUND:** The Department submitted five decision items (R1, R3, R8, R27, and R31) affecting the Child Care Development Fund for FY 2020-21. The cumulative impact of these five decision items is a request for \$10.9 million total funds, including \$3.9 million General Fund, \$2.7 million cash funds, and \$4.3 million federal funds, and 7.2 FTE. The Department requests that the majority of this funding as ongoing.

REQUESTED APPROPRIATIONS AFFECTING THE CHILD CARE DEVELOPMENT FUND						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
R1 Improving child care quality	\$5,619,496	\$2,809,748	\$0	\$0	\$2,809,748	7.2
R3 Colorado Child Care Assistance Program	6,762,446	940,292	2,666,581	0	3,155,573	0.0
R8 Scholarships for early childhood educators	600,000	500,000	0	0	100,000	0.9
R27 Colorado Child Care Assistance Program intrastate redistribution	(1,500,000)	0	0	0	(1,500,000)	0.0
R31 Resource and referral funding	(630,350)	(315,175)	0	0	(315,175)	0.0
<b>TOTAL</b>	<b>\$10,851,592</b>	<b>\$3,934,865</b>	<b>\$2,666,581</b>	<b>\$0</b>	<b>\$4,250,146</b>	<b>8.1</b>

**R33 OLDER COLORADANS CASH FUND:** The Department requests to refinance \$3.0 million General fund in the State Funding for Senior Services line item with \$3.0 million cash funds in FY 2020-21. This request is a result of approximately \$30.9 million additional funds received in the Older Coloradans Cash Fund, created in Section 26-11-205.5 (5)(a), C.R.S., from the Senior Citizen and Disabled Veteran Property Tax Exemption fund during FY 2018-19 and FY 2019-20. Refinancing will have no impact on the total amount available for senior funding in FY 2020-21.

**FEDERAL RULES CHANGES TO SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM:** The federal government has proposed a new rule for the work requirements for the Supplemental Nutrition Assistance Program (SNAP), which is expected to take effect April 1, 2020. This briefing issue provides a summary of this rule and its impact.

## FOR MORE INFORMATION

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**TO READ THE ENTIRE BRIEFING:** [http://leg.colorado.gov/sites/default/files/fy2020-21\\_humbrf2.pdf](http://leg.colorado.gov/sites/default/files/fy2020-21_humbrf2.pdf)

