



JOINT BUDGET COMMITTEE STAFF FY 2021-22 BUDGET BRIEFING SUMMARY

Colorado General Assembly
Joint Budget Committee

Department of Human Services
EDO, OITS, County Admin., OEC, OSS, AAP

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 2020-21 appropriation consists of 42.9 percent General Fund, 18.5 percent cash funds, 9.0 percent reappropriated funds, and 29.6 percent federal funds.

FY 2020-21 APPROPRIATION AND FY 2021-22 REQUEST

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION:						
HB 20-1360 (Long Bill)	\$2,286,142,552	\$974,723,623	\$420,761,170	\$210,141,860	\$680,515,899	5,187.6
Other legislation	(7,466,334)	(14,294,594)	(524,235)	(1,163,044)	8,515,539	(9.0)
TOTAL	\$2,278,676,218	\$960,429,029	\$420,236,935	\$208,978,816	\$689,031,438	5,178.6
FY 2021-22 REQUESTED APPROPRIATION:						
FY 2020-21 Appropriation	\$2,278,676,218	960,429,029	\$420,236,935	\$208,978,816	\$689,031,438	5,178.6
R1 Behavioral health services for children in crisis	910,000	910,000	0	0	0	0.0
R2 Family First Prevention Services Act	1,791,157	1,656,730	0	0	134,427	3.6
R3 Support for early childhood educator workforce	1,200,000	1,200,000	0	0	0	0.0
R4 Extend eligibility for foster care youth	0	0	0	0	0	0.0
R5 National school lunch commodity storage and distribution	720,739	238,400	57,339	0	425,000	0.4
R6 Early intervention program changes	(2,636,345)	(2,636,345)	0	0	0	1.0
R7 Substance use treatment	(11,419,598)	(11,419,598)	0	0	0	0.0
R8 Early childhood programs refinance	0	(1,378,696)	0	0	1,378,696	0.0
R9 Align youth services facilities with caseload	(4,721,930)	(4,721,930)	0	0	0	(4.0)
R10 Align youth parole services with caseload	(2,000,000)	(2,000,000)	0	0	0	0.0
R11 Preserve Mindsource core purpose	(900,000)	(450,000)	0	(450,000)	0	0.0
R12 CCCAP early childhood educator salary increase	3,000,000	0	0	0	3,000,000	0.0
R13 Adjustment to funding for older Coloradans	3,390,204	(7,020,044)	7,020,044	0	3,390,204	0.0
R14 Nurse Home Visitor Program	513,801	0	513,801	0	0	0.0
R15 Community behavioral health services	(2,833,334)	(1,500,000)	(1,333,334)	0	0	0.0
R16 Transition single-district program	(1,015,325)	(1,015,325)	0	0	0	0.0
R17 Adjustments to Colorado youth detention continuum	(1,326,913)	(1,326,913)	0	0	0	0.0
R18 Adjust market rate study frequency	(55,000)	(55,000)	0	0	0	0.0
R19 Adjust public awareness campaigns	(134,520)	(114,000)	0	0	(20,520)	0.0
R20 Adjust Veteran Community Living Centers	0	(2,669,922)	2,669,922	0	0	0.0
R21 PACE State Ombudsman refinance	0	0	0	0	0	0.0
R22 Adjust collaborative management incentive funding	(750,000)	(750,000)	0	0	0	0.0
R23 Align contracted youth services with caseload	(2,374,300)	(2,310,266)	0	101,896	(165,930)	0.0

DEPARTMENT OF HUMAN SERVICES

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
R24 Administration efficiency and vacancy savings	(1,430,375)	(1,230,073)	0	(200,302)	0	(13.5)
R25 Colorado Works STEP	3,999,360	0	0	0	3,999,360	0.0
R26 Meal interagency agreement true-up	140,827	0	0	140,827	0	0.0
R27 Reduce child welfare public awareness campaign	(500,000)	(500,000)	0	0	0	0.0
R28 Reduce appropriations for child welfare funding model	(150,000)	(150,000)	0	0	0	0.0
R29 Refinance child welfare	0	(10,000,000)	0	0	10,000,000	0.0
R30 Reduction of central administrative staff	(550,270)	(339,032)	(611)	(199,117)	(11,510)	(7.0)
Annualize prior year balancing action	66,149,422	65,211,787	(1,486,317)	563,596	1,860,356	(0.1)
Centrally appropriated line items	17,102,391	6,386,065	3,067,946	(2,165,155)	9,813,535	(0.5)
Annualize prior year legislation	2,347,570	9,276,078	620,367	960,412	(8,509,287)	11.1
Indirect cost assessment	21,061	(1,282,274)	423,901	(782,119)	1,661,553	0.0
Technical correction	0	0	0	0	0	1.2
Nonprioritized budget requests	(2,009,625)	(1,793,362)	0	100,242	(316,505)	0.0
Annualize prior year budget actions	(25,268,255)	5,597,913	(1,797,032)	(861,789)	(28,207,347)	21.7
TOTAL	\$2,319,886,960	\$996,243,222	\$429,992,961	\$206,187,307	\$687,463,470	5,192.5
INCREASE/(DECREASE)	\$41,210,742	\$35,814,193	\$9,756,026	(\$2,791,509)	(\$1,567,968)	13.9
Percentage Change	1.8%	3.7%	2.3%	(1.3%)	(0.2%)	0.3%

Note: This table displays the entirety of the Department of Human Services FY 2021-22 budget request. The highlighted rows above are discussed in this JBC staff briefing and described below.

R3 Support for Early Childhood Educator Workforce: The requests includes \$1.2 million General Fund in FY 2021-22 and ongoing to create and fund a Recruitment and Retention Grant and Scholarship Program. The Department anticipates that this program will provide financial assistance 400-600 individuals currently employed in or planning to join the early childhood educator workforce. The Program would help those individuals earn credits, credentials, and degrees, and to meet licensing requirements to serve as qualified, high quality early childhood educators.

R5 NATIONAL SCHOOL LUNCH COMMODITY STORAGE AND DISTRIBUTION: The request includes \$720,739 total funds, including \$238,400 General Fund, and 0.4 FTE to establish a warehouse and distribution system to support Colorado implementation of the National School Lunch Program. This commodity food program provides a stable, reliable, and less costly source of USDA Foods for participating schools and child care providers in the state.

R6 EARLY INTERVENTION PROGRAM CHANGES: The request includes a reduction of \$2,636,345 General Fund and an increase of 1.0 FTE in FY 2021-22 and ongoing to account for programmatic changes that reduced the caseload for Early Intervention services and for the transfer of the federal Individuals with Disabilities Act, Part C authority for evaluations from the Department of Education to the Department of Human Services. There are two components to this request:

- A reduction of \$5,187,658 General Fund due to programmatic changes to the provision of Early Intervention services; and
- An increase of \$2,551,313 General Fund and 1.0 FTE to accommodate the transfer of the federal Individuals with Disabilities Act, Part C authority for evaluations from the Department of Education to the Department of Human Services.

This request has a companion request in the Department of Education (R4) and requires legislations. The Department requests that the Joint Budget Committee sponsor this legislation.

R8 EARLY CHILDHOOD PROGRAMS FEDERAL FUNDS REFINANCE: The request includes a net zero refinance of \$1,378,696 General Fund with an equivalent amount of federal Child Care Development Fund funds in FY 2021-22 and ongoing. This refinance would affect the Infant-Toddler Quality and Availability and Early Childhood Mental Health programs.

R12 CCCAP EARLY CHILDHOOD EDUCATOR SALARY INCREASE: The request includes \$3.0 million in federal Child Care Development Fund funds for FY 2021-22 and ongoing to create and implement a pilot grant program studying the impact of subsidized wages for early childhood educators. The program would target child care providers that are serving families in the Colorado Child Care Assistance Program and who are rated in the Colorado Shines Quality Rating and Improvement System (CO Shines) at a level 3 or above.

R13 ADJUSTMENT TO FUNDING FOR OLDER COLORADANS: The request includes \$3,390,204 total funds, including a one-time refinance of \$7,020,044 General Fund with an equivalent amount of cash funds from the Older Coloradans Cash Fund and an increase of \$3,390,204 federal funds from the Older Americans Act.

R14 NURSE HOME VISITOR PROGRAM: The request includes \$513,801 cash funds from the Nurse Home Visitor Program Fund to support the higher costs of the program and the continuation of the services provided.

R18 ADJUST MARKET RATE STUDY FREQUENCY: The request includes a reduction of \$55,000 General Fund and the renaming of the applicable Long Bill line item. This request requires legislation to change the statutory requirements for an annual market rate study. The Department requests the Joint Budget Committee sponsor legislation to require the market rate study tri-annually, instead of annually.

R21 PACE STATE OMBUDSMAN REFINANCE: The request includes a net zero transfer of \$163,250 General Fund from the State Funding for Senior Services line item to the State Ombudsman Program line item to provide ongoing funding for the PACE State Ombudsman. The position was established by S.B. 16-199 (Program of All-inclusive Care For The Elderly) and the funding for the program is set to expire at the end of FY 2020-21.

R25 Colorado Works STEP: The requests includes \$3,999,360 in federal Temporary Assistance for Needy Families (TANF) funds for FY 2021-22 through FY 2023-24 to reinstate the Colorado Works Subsidized Training and Employment Program (CW STEP).

ANNUALIZE PRIOR YEAR BALANCING ACTIONS: The request includes an increase of \$66.1 million total funds for prior year balancing actions, summarized in the following table.

ANNUALIZE PRIOR YEAR BALANCING ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
FY 20-21 Ft. Logan personal services reduction	\$14,482,717	\$14,482,717	\$0	\$0	\$0	0.0
FY20-21 GF HLD reduction	10,956,710	10,956,710	0	0	0	0.0
FY 20-21 provider rate reduction	8,701,887	5,353,890	1,322,998	113,596	1,911,403	0.0
FY 20-21 JBC one-time adjustments	7,115,707	18,505,162	(11,338,408)	0	(51,047)	(0.6)
FY 20-21 Delay HB 19-1287	5,000,000	0	5,000,000	0	0	0.0
FY 20-21 Circle program treatment reduction	3,081,081	581,081	2,500,000	0	0	0.0
FY 20-21 R25 Substance use treatment	2,800,000	1,300,000	1,500,000	0	0	0.0
FY 20-21 AND program reduction	2,700,000	2,700,000	0	0	0	0.0
FY 20-21 Delay SB 19-008	1,146,861	1,146,861	0	0	0	0.5
Prior year R12 Contract physician salary adjustment	1,127,667	1,127,667	0	0	0	0.0
FY 20-21 Jail-based behavioral health reduction	1,100,000	1,100,000	0	0	0	0.0
FY 20-21 Services for Juvenile and Adult Offenders reduction	1,000,000	0	1,000,000	0	0	0.0
FY 20-21 Assertive Community Treatment reduction	1,000,000	1,000,000	0	0	0	0.0

ANNUALIZE PRIOR YEAR BALANCING ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
FY 20-21 Brain Injury Trust Fund	900,000	450,000	0	450,000	0	0.0
FY 20-21 Forensic services reduction	807,479	807,479	0	0	0	0.0
FY 20-21 Contract Medical Services reduction	750,000	750,000	0	0	0	0.0
FY 20-21 STIRRT program reduction	750,000	750,000	0	0	0	0.0
FY 20-21 Delay SB 19-228	652,376	0	652,376	0	0	0.0
FY 20-21 Community Transition Services reduction	600,000	600,000	0	0	0	0.0
FY 20-21 Crisis system public information campaign	600,000	600,000	0	0	0	0.0
FY 20-21 Secure transportation pilot program	546,639	0	546,639	0	0	0.0
FY 19-20 Budget balancing adjustment	126,689	126,689	0	0	0	0.0
FY 20-21 Budget balancing adjustment	114,418	114,418	0	0	0	0.0
FY 20-21 Forensic community -based services reduction	89,191	89,191	0	0	0	0.0
FY 20-21 Veterans Community Living Center	0	2,669,922	(2,669,922)	0	0	0.0
TOTAL	\$66,149,422	\$65,211,787	(\$1,486,317)	\$563,596	\$1,860,356	(0.1)

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Health, life, and dental	\$7,080,752	\$1,744,065	\$1,975,981	(\$2,603,794)	\$5,964,500	0.0
Payments to OIT	4,116,031	1,592,904	0	2,523,127	0	0.0
SAED	1,163,153	731,927	522,074	(1,876,124)	1,785,276	0.0
AED	1,162,907	730,465	522,146	(1,875,310)	1,785,606	0.0
Payment to risk management / property funds	1,026,962	721,954	0	305,008	0	0.0
Shift differential	951,686	766,069	76,469	23,545	85,603	0.0
PERA Direct Distribution	841,552	(89,609)	(74,354)	1,005,515	0	0.0
Indirect cost assessment	355,624	0	29,214	190,456	135,954	0.0
Workers' compensation	195,523	109,884	0	85,639	0	0.0
Capitol Complex leased space	147,843	53,371	0	94,472	0	0.0
ALJ	46,915	16,608	0	30,307	0	0.0
Legal services	30,526	18,177	0	12,349	0	(0.5)
Short-term disability	7,022	3,508	16,416	(69,498)	56,596	0.0
CORE	(24,105)	(13,258)	0	(10,847)	0	0.0
TOTAL	\$17,102,391	\$6,386,065	\$3,067,946	(\$2,165,155)	\$9,813,535	(0.5)

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net increase of \$2.3 million total funds to reflect the FY 2021-22 impact of bills passed in previous sessions, summarized in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 20-1379 Suspend DD to PERA	\$7,450,138	\$5,576,328	\$74,354	\$1,799,456	\$0	0.0
HB 20-1398 Funding Capital Construction	1,561,967	1,561,967	0	0	0	0.0
HB 20-1153 Colorado partnership	809,172	809,172	0	0	0	5.8
SB18-200 PERA unfunded liability	625,620	528,252	0	97,368	0	0.0
HB 20-1391 Behavioral Health programs	546,013	0	546,013	0	0	3.0
SB 20-162 Family First	120,990	1,142,189	0	(936,412)	(84,787)	2.3
SB 20-029 COLA for CO Works	(8,424,500)	0	0	0	(8,424,500)	0.0
HB 20-1390 DYS pilot	(331,170)	(331,170)	0	0	0	0.0
SB 20-028 Substance use disorder recovery	(10,660)	(10,660)	0	0	0	0.0
TOTAL	\$2,347,570	\$9,276,078	\$620,367	\$960,412	(\$8,509,287)	11.1

INDIRECT COST ASSESSMENT: The request includes net adjustments to indirect costs across all divisions.

NONPRIORITIZED REQUEST ITEMS: The request includes the following nonprioritized request items, which are linked to decision items in other departments and common policy decisions.

NONPRIORITIZED BUDGET REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP2 Annual fleet vehicle request	\$128,767	\$65,027	\$0	\$63,740	\$0	0.0
NP1 COE program financial restructure	82,960	46,458	0	36,502	0	0.0
NP3 Extend pause annual depreciation lease payment	(1,561,967)	(1,561,967)	0	0	0	0.0
NP5 OIT FY22 budget request package	(659,385)	(342,880)	0	0	(316,505)	0.0
TOTAL	(\$2,009,625)	(\$1,793,362)	\$0	\$100,242	(\$316,505)	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net decrease of \$25.3 million total funds for prior year budget actions, summarized in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
FY 20-21 R3 CCCAP MOE	\$1,906,795	\$1,102,968	\$1,102,968	\$0	(\$299,141)	0.0
FY 20-21 R4 L2 Operating and staffing	976,683	976,683	0	0	0	20.5
FY 20-21 EDO personal services reduction	396,186	396,186	0	0	0	1.0
FY 20-21 R10 Child support pass-through	153,569	153,569	0	0	0	0.0
FY 20-21 R1 Improve child care quality	122,101	0	0	0	122,101	0.2
FY 20-21 Child welfare targeted provider rate increase	119,425	0	0	119,425	0	0.0
FY 20-21 R1 CMHIP reduction	113,639	113,639	0	0	0	0.0
FY 20-21 Plan Successful Gambling Addiction Program	50,000	0	50,000	0	0	0.0
FY 20-21 R30 Revert evaluation funding	50,000	0	50,000	0	0	0.0
FY 20-21 R33 Older Coloradans Cash Fund refinance	0	3,000,000	(3,000,000)	0	0	0.0
FY 20-21 Necessary expenditures due to COVID-19	(26,125,246)	0	0	0	(26,125,246)	0.0
FY 20-21 County Block Grant Support Fund	(1,500,000)	0	0	0	(1,500,000)	0.0
FY 20-21 Statewide indirect cost recoveries	(977,295)	0	0	(977,295)	0	0.0
FY 20-21 R27 CCCAP redistribution	(405,061)	0	0	0	(405,061)	0.0
FY 20-21 R19 Replace phone systems	(105,792)	(105,792)	0	0	0	0.0
FY 20-21 R34 MH technical correction	(30,000)	(30,000)	0	0	0	0.0
FY 20-21 Family First policy	(10,660)	(10,660)	0	0	0	0.0
FY 20-21 R15 HR staffing	(2,599)	1,320	0	(3,919)	0	0.0
TOTAL	(\$25,268,255)	\$5,597,913	(\$1,797,032)	(\$861,789)	(\$28,207,347)	21.7

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

2020 SESSION BUDGET BALANCING ACTIONS: Confronting the budget challenges of the 2020 legislative session, the Joint Budget Committee and the General Assembly took a variety of budget balancing actions in the Department of Human Services for both FY 2019-20 and FY 2020-21.

FUNDING REQUESTS FOR NON-STATUTORY PROGRAMS: The Office of Early Childhood and the Office of Self Sufficiency have submitted FY 2021-22 funding requests for programs that do not have specific statutory authority. These requests may be justified by broad interpretations of current law, but funding programs in this manner carries risks for oversight and accountability in future years.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2020.