

This file contains two documents related to the Department of Human Services:

- A six-page memorandum dated March 13, 2008, concerning technical errors made in prior staff figure setting, and concerning a Department supplemental request related to roll-forward authority for anticipated cash revenues in the Aid to the Needy Disabled programs.
- A document dated February 28, 2008, which includes all of staff's funding recommendations related to the Department's FY 2008-09 budget request.

MEMORANDUM

TO: Joint Budget Committee

FROM: Michael Cain, Joint Budget Committee Staff [(303) 866-4958]

SUBJECT: Staff Comeback on the Department of Human Services

DATE: March 9, 2008

This memo covers a technical error made in the Department of Health Care Policy and Financing supplemental bill H.B. 08-1285, technical errors and incomplete items from figure setting for the Department of Human Services for FY 2008-09, and an extremely late supplemental request for the Department of Human Services for FY 2007-08.

Health Care Policy and Financing Correction

In H.B. 08-1285, for FY 2007-08, staff applied an increase of \$6,494 (including \$3,044 General Fund) associated with dissolution of the Office of CBMS to the wrong line item. It was applied to "Transfer to the Department of Human Services for Related Administration" in the Executive Director's Office, but should have been applied to "(A) Executive Director's Office - Medicaid Funding" in the division-level section that provides for the bulk of the transfers to the Department of Human Services. **Staff requests permission to correct the error.** There is no impact on the grand totals for either department for FY 2007-08. This correction results in a reduction by the same amount in the recommendation for "related administration" line for FY 2008-09; **staff requests permission to make the same \$6,494 reduction to the line for FY 2008-09.**

Human Services Corrections

The figure-setting packet for the Department of Human Services, Executive Director's Office and Office of Self Sufficiency, voted on by the Committee on February 28, 2008, contained technical errors. This memo identifies the errors and shows the changes to the affected lines in the budget. In addition, some of the centralized appropriations were pending Committee completion of figure setting for the remaining divisions of the Department. This memo provides corrected figures and previously pending figures.

Short-Term Disability

Short-term disability was pending Committee completion of figure setting for other divisions. **Staff recommends an appropriation of \$331,564, including \$235,575 net General Fund, calculated**

in accordance with Committee decisions.

Short-term Disability	\$331,564
General Fund	204,610
Cash Funds	4,746
Cash Funds Exempt / Reappropriated Funds	71,984
Federal Funds	50,224
<i>*Medicaid Cash Funds</i>	<i>62,006</i>
<i>*Net General Fund</i>	<i>235,575</i>

Amortization Equalization Disbursement

Amortization equalization disbursement was pending Committee completion of figure setting for other divisions. **Staff recommends an appropriation of \$4,012,420, including \$2,838,975 net General Fund, calculated in accordance with Committee decisions.**

Amortization Equalization Disbursement	\$4,012,420
General Fund	2,465,817
Cash Funds	58,409
Cash Funds Exempt / Reappropriated Funds	870,055
Federal Funds	618,139
<i>*Medicaid Cash Funds</i>	<i>747,252</i>
<i>*Net General Fund</i>	<i>2,838,975</i>

Supplemental Amortization Equalization Disbursement

Supplemental amortization equalization disbursement was pending Committee completion of figure setting for other divisions. **Staff recommends an appropriation of \$1,827,413, including \$1,283,579 net General Fund, calculated in accordance with Committee decisions.**

Supplemental Amortization Equalization Disbursement	\$1,827,413
General Fund	1,114,864
Cash Funds	27,379
Cash Funds Exempt / Reappropriated Funds	395,417

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Federal Funds	289,753
* <i>Medicaid Cash Funds</i>	337,853
* <i>Net General Fund</i>	1,283,579

Salary Survey

Staff presented incorrect figures for the salary survey line during figure setting. **Staff recommends an appropriation of \$9,460,039, including \$6,584,245 net General Fund.** This recommendation is calculated in accordance with Committee common policy actions. The detailed funding split is shown in the following table. This correction results in an increase of approximately \$55,000.

Salary Survey and Senior Executive Service	\$9,460,039
General Fund	5,672,397
Cash Funds	130,363
Cash Funds Exempt / Reappropriated Funds	2,054,876
Federal Funds	1,602,403
* <i>Medicaid Cash Funds</i>	1,831,336
* <i>Net General Fund</i>	6,584,245

Performance-based Pay Awards

Staff's presentation of the performance-based pay awards contained a transcription error. **Staff recommends an appropriation of \$3,951,587, including \$2,815,128 net General Fund.** This recommendation is calculated in accordance with Committee common policy actions. The detailed funding split is shown in the following table. This correction results in an increase of \$3,000 cash funds.

Performance-based Pay Awards	3,951,587
General Fund	2,420,937
Cash Funds	49,582
Cash Funds Exempt / Reappropriated Funds	896,523
Federal Funds	584,545
* <i>Medicaid Cash Funds</i>	789,488
* <i>Net General Fund</i>	2,815,128

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Colorado Benefits Management System

CBMS SAS-70 Audit

Over a period of years, the funding split for these lines in the Department of Human Services (and corresponding lines shown in the Department of Health Care Policy and Financing) has drifted away from the split that would result from strict application of the CBMS calculator agreed to with the federal agencies that provide a portion of the funding. **Staff requests permission to refinance the lines based on the calculator.** This change will significantly simplify the process of reaching agreement with the departments and the Governor's Office of State Planning and Budgeting on the more detailed funding splits shown in lettersnotes. This refinancing will result in an increase of approximately \$86,000 *net* General Fund when compared to the Committee's previous action.

Disability Determination Services

Staff's previous recommendation took a base reduction against the large contractual services portion of the personal services component of this line item. These moneys are paid to outside medical professionals who perform disability determination under contract to the state, and are paid for the work done. Staff believes that these contracts should not be subject to the base reduction. **Staff recommends an appropriation of \$17,208,434 federal funds for this line item.** This change results in an increase of \$40,000.

Human Services Late Supplemental

The Department now anticipates an increase in cash fund revenues for the Aid to the Needy Disabled program line. Such an increase would normally result in a reversion to the General Fund. The Department requests permission to retain the funds, if they actually materialize, for use in FY 2008-09 to assist in meeting the State's maintenance of effort (MOE) requirement for payments to federal supplemental security income (SSI) assistance. The Department proposes providing the roll-forward spending authority through a lettersnote change. **Staff recommends the Committee approve the Department's request.** The recommendation is based on the following analysis.

The State is required to meet an MOE requirement related to the federal SSI program. The federal supplemental security income program makes payments to disabled individuals who meet the necessary qualifications. Colorado is required to supplement payments to SSI recipients at a particular target level (maintenance of effort). Colorado's target is based on total expenditures, and the State counts payments made under a variety of programs toward that target. Colorado has met the MOE target only once in the past five years, although the State has made up each shortfall with corrective actions during the following year. If Colorado is ever found to be in noncompliance, the minimum sanction that would be imposed is the loss of federal Medicaid matching dollars for three

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months (approximately \$300 million). The Department missed the MOE target for CY 2007, and anticipates that it will miss it again for CY 2008.

Some important factors affecting spending towards the MOE vary, and are outside the Department's control. Some of the programs that are counted towards the MOE have impacts that vary from year to year. For example, if fewer SSI recipients file for the property tax rebate, the result is lower spending on the target population. The nature of the MOE then requires that spending on other programs be increased. Information that the Department needs may be delayed. Again using the property tax rebate as an example, the Department finds out in October that payments for the period July through September have decreased, but very little of the calendar year remains to try and recover.

Attempts to meet both the MOE and the budget result in fluctuating assistance for clients. The MOE test is applied on a calendar year, and establishes an effective floor under certain types of spending. The Department's budget for the programs that count towards the MOE establish a ceiling on that spending. As a result, the Department is often in the position of adjusting grant awards (or providing supplemental grants) during the period from July to December in order to meet the calendar year MOE, then abruptly reducing grants in January to June in order to meet the budget constraint. Such fluctuations are a particular problem because many of the programs serve those who are extremely poor.

Aid to the Needy Disabled revenues have been problematic. Interim assistance reimbursements (IARs) are a significant source of cash revenues for the Aid to the Needy Disabled programs. The State provides assistance during the period while a potential SSI recipient is waiting a decision by the federal Social Security Administration on their eligibility. When an SSI applicant qualifies, their initial benefit payment covers the entire period from the time of their application. Out of that payment, the State is reimbursed for the assistance they provided during the waiting period. Predicting the amount of IAR revenues that will be received has been difficult for the Department, resulting in a series of supplemental requests, some of which have turned out to be quite inaccurate.

Both problems would be helped if there were some form of reserves. Some of the Department's difficulties in responding to MOE problems are caused by the variations in IAR revenues. An unanticipated increase in IAR revenues in January-June will be reverted to the General Fund at the end of June, so will not be available to deal with an MOE problem during July-December. The Department's proposal is for letternote language that will allow, for a single year, such excess revenues to be retained for expenditure in FY 2008-09. This is not a long-term solution to either problem, but if the excess IAR revenues actually materialize, could help with the CY 2008 MOE problem without an increase to the FY 2008-09 budget approved by the Committee. **Staff**

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recommends the Committee approve the Department's request. Staff will continue to work with the Department, and with the Governor's Office of State Planning and Budgeting, to consider longer-term solutions to these problems.

COLORADO GENERAL ASSEMBLY

JOINT BUDGET COMMITTEE



FY 2008-09 STAFF FIGURE SETTING: DEPARTMENT OF HUMAN SERVICES

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

JBC Working Document - Subject to Change

Staff Recommendation Does Not Represent Committee Decision

**Prepared By:
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February 28, 2008**

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**FY 2008-09 FIGURE SETTING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

DEPARTMENT OF HUMAN SERVICES

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

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	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request

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	1,926,194	1,958,275	1,990,213	2,098,090	2,076,123	2,076,123
FTE	<u>20.1</u>	<u>19.3</u>	<u>22.4</u>	<u>22.4</u>	<u>22.4</u>	<u>22.4</u>
General Fund	(709,866)	(486,221)	583,844	631,696	625,083	625,083
Cash Funds	100,946	388,420	95,012	99,300	98,257	98,257
Cash Funds Exempt / Reappropriated Funds	2,486,619	939,482	436,429	455,297	450,527	450,527
Federal Funds	48,495	1,116,594	874,928	911,797	902,256	902,256
*Medicaid Cash Funds	314,413	699,186	335,553	350,079	346,412	346,412
*Net General Fund	(552,659)	(136,629)	744,649	799,762	791,385	791,385
Health, Life, and Dental	<u>11,943,502</u>	<u>14,200,144</u>	<u>18,740,921</u>	<u>22,792,706</u>	<u>22,609,877</u>	<u>22,609,877</u>
General Fund	7,134,820	8,486,004	11,288,865	13,243,291	13,243,291	13,243,291
Cash Funds	132,888	151,878	206,401	267,601	267,601	572,834
Cash Funds Exempt / Reappropriated Funds	3,033,210	3,572,668	4,700,950	6,618,925	6,436,096	6,130,863
Federal Funds	1,642,584	1,989,594	2,544,705	2,662,889	2,662,889	2,662,889
*Medicaid Cash Funds	2,670,405	1,462,932	4,166,653	5,268,487	5,185,658	5,185,658
*Net General Fund	8,470,023	9,218,024	13,376,560	15,927,534	15,836,120	15,836,120
Short-term Disability	<u>358,717</u>	<u>221,746</u>	<u>285,124</u>	<u>339,592</u>	<u>Pending</u>	<u>Pending</u>
General Fund	207,851	130,709	177,262	208,446	0	0
Cash Funds	13,497	5,879	6,853	4,184	0	0
Cash Funds Exempt / Reappropriated Funds	66,731	46,649	53,969	77,630	0	0
Federal Funds	70,638	38,509	47,040	49,332	0	0
*Medicaid Cash Funds	56,456	43,886	45,502	71,256	0	0
*Net General Fund	236,079	152,675	199,889	243,443	0	0

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
S.B. 04-257 Amortization Equalization Disbursement	<u>638,967</u>	<u>1,498,493</u>	<u>2,651,400</u>	<u>4,214,651</u>	Pending	Pending	
General Fund	414,874	896,173	1,595,958	2,590,778	0	0	
Cash Funds	19,694	38,052	66,922	52,065	0	0	
Cash Funds Exempt / Reappropriated Funds	94,678	315,321	537,787	957,643	0	0	
Federal Funds	109,721	248,947	450,733	614,165	0	0	
*Medicaid Cash Funds	81,273	298,480	457,454	877,552	0	0	
*Net General Fund	455,510	1,045,256	1,824,042	3,016,680	0	0	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>0</u>	<u>0</u>	<u>486,293</u>	<u>1,358,068</u>	Pending	Pending	
General Fund	0	0	284,882	837,187	0	0	
Cash Funds	0	0	13,955	16,768	0	0	
Cash Funds Exempt / Reappropriated Funds	0	0	97,514	306,172	0	0	
Federal Funds	0	0	89,942	197,941	0	0	
*Medicaid Cash Funds	0	0	82,918	282,971	0	0	
*Net General Fund	0	0	323,693	974,104	0	0	
Salary Survey and Senior Executive Service	<u>6,559,320</u>	<u>6,253,819</u>	<u>8,901,972</u>	<u>9,405,444</u>	<u>9,405,443</u>	<u>9,405,443</u>	
General Fund	4,016,514	4,095,089	5,535,610	5,638,150	5,638,149	5,638,149	
Cash Funds	86,651	62,620	96,112	132,117	132,117	132,117	
Cash Funds Exempt / Reappropriated Funds	1,461,479	1,508,376	2,061,301	2,034,264	2,034,264	2,034,264	
Federal Funds	994,676	587,734	1,208,949	1,600,913	1,600,913	1,600,913	
*Medicaid Cash Funds	1,263,672	1,502,475	1,854,972	1,794,778	1,794,778	1,794,778	
*Net General Fund	4,648,350	4,846,896	6,465,795	6,534,003	6,534,003	6,534,003	
Performance-based Pay Awards	<u>0</u>	<u>0</u>	<u>3,427,553</u>	<u>3,951,586</u>	<u>3,948,587</u>	<u>3,948,587</u>	
General Fund	0	0	2,118,826	2,420,937	2,420,937	2,420,937	
Cash Funds	0	0	43,882	49,581	46,582	46,582	
Cash Funds Exempt / Reappropriated Funds	0	0	752,680	896,523	896,523	896,523	
Federal Funds	0	0	512,165	584,545	584,545	584,545	
*Medicaid Cash Funds	0	0	655,562	789,488	789,488	789,488	
*Net General Fund	0	0	2,446,642	2,815,128	2,815,128	2,815,128	
Shift Differential	<u>2,869,556</u>	<u>4,145,074</u>	<u>4,304,380</u>	<u>3,990,612</u>	<u>3,907,967</u>	<u>3,907,967</u>	
General Fund	1,775,448	2,666,651	2,837,484	2,635,087	2,615,314	2,615,314	
Cash Funds	1,551	2,297	2,005	366	366	366	
Cash Funds Exempt / Reappropriated Funds	1,087,476	1,467,594	1,457,549	1,344,606	1,281,734	1,281,734	
Federal Funds	5,081	8,532	7,342	10,553	10,553	10,553	
*Medicaid Cash Funds	924,893	1,442,508	1,435,870	1,339,703	1,276,831	1,276,831	
*Net General Fund	2,237,895	3,387,905	3,555,418	3,304,939	3,253,730	3,253,730	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
Workers' Compensation	<u>5,134,805</u>	<u>6,389,052</u>	<u>6,764,507</u>	<u>8,609,785</u>	Pending	Pending	DI #DPA-3
General Fund	2,664,077	3,657,451	3,568,131	4,543,272	0	0	
Cash Funds	16,699	21,624	15,946	25,740	0	0	
Cash Funds Exempt / Reappropriated Funds	2,159,837	2,369,935	2,887,853	3,663,577	0	0	
Federal Funds	294,192	340,042	292,577	377,196	0	0	
*Medicaid Cash Funds	1,432,488	1,866,281	2,025,619	2,568,577	0	0	
*Net General Fund	3,380,321	4,591,041	4,580,941	5,827,561	0	0	
Operating Expenses	<u>480,613</u>	<u>479,937</u>	<u>494,827</u>	<u>494,827</u>	<u>494,827</u>	<u>494,827</u>	
General Fund	383,386	285,017	138,806	138,806	138,806	138,806	
Cash Funds	0	99,512	119,393	119,393	119,393	119,393	
Cash Funds Exempt / Reappropriated Funds	97,227	93,992	160,504	160,504	160,504	160,504	
Federal Funds	0	1,416	76,124	76,124	76,124	76,124	
*Medicaid Cash Funds	97,227	93,992	149,989	149,989	149,989	149,989	
*Net General Fund	432,000	332,013	213,801	213,801	213,801	213,801	
Legal Services	1,190,549	1,249,611	1,328,161	1,328,161	Pending	Pending	
Hours	<u>18,439.0</u>	<u>18,439.0</u>	<u>18,439.0</u>	<u>18,439.0</u>	<u>18,439.0</u>	<u>18,439.0</u>	
General Fund	1,069,847	1,249,596	876,587	876,587	0	0	
Cash Funds	120,702	15	159,379	159,379	0	0	
Cash Funds Exempt / Reappropriated Funds	0	0	13,281	13,281	0	0	
Federal Funds	0	0	278,914	278,914	0	0	
Administrative Law Judge Services	<u>771,975</u>	<u>852,141</u>	<u>833,592</u>	<u>861,058</u>	Pending	Pending	
General Fund	738,482	772,025	500,155	516,635	0	0	
Cash Funds	33,493	80,116	50,016	51,663	0	0	
Federal Funds	0	0	283,421	292,760	0	0	
Payment to Risk Management and Property Funds	<u>758,537</u>	<u>2,138,482</u>	<u>1,296,369</u>	<u>1,916,482</u>	Pending	Pending	
General Fund	579,155	1,757,345	1,080,521	1,597,461	0	0	
Cash Funds	38,731	4,301	2,859	4,318	0	0	
Cash Funds Exempt / Reappropriated Funds	115,237	240,813	159,104	234,943	0	0	
Federal Funds	25,414	136,023	53,885	79,760	0	0	
*Medicaid Cash Funds	84,868	174,044	99,600	148,754	0	0	
*Net General Fund	621,589	1,844,367	1,130,321	1,671,838	0	0	
Staff Training	<u>8,537</u>	<u>15,762</u>	<u>31,870</u>	<u>31,870</u>	<u>31,870</u>	<u>31,870</u>	
General Fund	1,418	1,628	0	0	0	0	
Cash Funds	270	175	0	0	0	31,870	
Cash Funds Exempt / Reappropriated Funds	6,849	13,959	31,870	31,870	31,870	0	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			Change Request
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	
Injury Prevention Program	89,913	105,211	105,970	105,970	105,970	105,970	
General Fund	89,913	105,211	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	0	0	105,970	105,970	105,970	105,970	
*Medicaid Cash Funds	0	0	105,970	105,970	105,970	105,970	
*Net General Fund	89,913	105,211	52,985	52,985	52,985	52,985	
CBMS Emergency Processing Unit	0	0	213,822	213,822	213,822	213,822	
FTE	0.0	0.0	4.0	4.0	4.0	4.0	
General Fund	0	0	73,768	73,768	73,768	73,768	
Cash Funds	0	0	17,106	17,106	17,106	17,106	
Federal Funds	0	0	122,948	122,948	122,948	122,948	
CBMS Eligibility Audit - Cash Funds Exempt	102,375	198,844	0	0	0	0	
General fund	0	81,715	0	0	0	0	
Cash Funds	0	7,781	0	0	0	0	
Federal Funds	102,375	109,348	0	0	0	0	
(1) EXECUTIVE DIRECTOR'S OFFICE							
Subtotal - (A) General Administration	32,833,560	39,706,591	51,856,974	61,712,724	42,794,486	42,794,486	
FTE	20.1	19.3	26.4	26.4	26.4	26.4	
General Fund	18,365,919	23,698,393	30,660,699	35,952,101	24,755,348	24,755,348	
Cash Funds	565,122	862,670	895,841	999,581	681,422	1,018,525	
Cash Funds Exempt / Reappropriated Funds	10,609,343	10,568,789	13,456,761	16,901,205	11,397,488	11,060,385	
Federal Funds	3,293,176	4,576,739	6,843,673	7,859,837	5,960,228	5,960,228	
*Medicaid Cash Funds	6,925,695	7,583,784	11,415,662	13,747,604	9,649,126	9,649,126	
*Net General Fund	21,828,768	27,491,723	36,365,246	42,848,768	29,570,920	29,570,920	

(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.

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
Office of Performance Improvement	4,224,980	4,419,592	4,613,062	5,039,428	4,997,731	4,997,731	DI #5
FTE	<u>62.1</u>	<u>63.7</u>	<u>69.1</u>	<u>74.1</u>	<u>74.1</u>	<u>74.1</u>	DI #5
General Fund	1,636,351	1,422,341	1,682,777	1,846,981	1,834,005	1,834,005	
Cash Funds	68,912	169,041	171,124	182,528	181,126	231,126	
Cash Funds Exempt / Reappropriated Funds	631,722	757,434	730,765	797,502	790,052	740,052	
Federal Funds	1,887,995	2,070,776	2,028,396	2,212,417	2,192,548	2,192,548	
*Medicaid Cash Funds	571,664	670,136	642,044	701,178	694,587	694,587	
*Net General Fund	1,922,181	1,757,409	2,003,799	2,197,570	2,181,299	2,181,299	
HIPAA Security Remediation	242,644	289,590	514,021	522,314	522,013	522,013	
FTE	<u>1.0</u>	<u>1.5</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
General Fund	214,482	214,376	382,224	388,444	388,218	388,218	
Cash Funds	(380)	0	377	377	377	377	
Cash Funds Exempt / Reappropriated Funds	9,466	56,462	101,068	102,726	102,666	102,666	
Federal Funds	19,076	18,752	30,352	30,767	30,752	30,752	
*Medicaid Cash Funds	(1,950)	56,462	101,068	102,726	102,666	102,666	
*Net General Fund	213,560	242,607	432,758	439,807	439,552	439,552	
(1) EXECUTIVE DIRECTOR'S OFFICE							
Subtotal - (B) Special Purpose	4,467,624	4,709,182	5,127,083 /a	5,561,742	5,519,744	5,519,744	
FTE	<u>63.1</u>	<u>65.2</u>	<u>71.1</u>	<u>76.1</u>	<u>76.1</u>	<u>76.1</u>	
General Fund	1,850,833	1,636,717	2,065,001	2,235,425	2,222,223	2,222,223	
Cash Funds	68,532	169,041	171,501	182,905	181,503	231,503	
Cash Funds Exempt / Reappropriated Funds	641,188	813,896	831,833	900,228	892,718	842,718	
Federal Funds	1,907,071	2,089,528	2,058,748	2,243,184	2,223,300	2,223,300	
*Medicaid Cash Funds	569,714	726,598	743,112	803,904	797,253	797,253	
*Net General Fund	2,135,741	2,000,016	2,436,557	2,637,377	2,620,851	2,620,851	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
TOTAL - (1) EXECUTIVE DIRECTOR'S OFFICE	37,301,184	44,415,773	56,984,057 /a	67,274,466	48,314,230	48,314,230	
FTE	<u>83.2</u>	<u>84.5</u>	<u>97.5</u>	<u>102.5</u>	<u>102.5</u>	<u>102.5</u>	
General Fund	20,216,752	25,335,110	32,725,700	38,187,526	26,977,571	26,977,571	
Cash Funds	633,654	1,031,711	1,067,342	1,182,486	862,925	1,250,028	
Cash Funds Exempt / Reappropriated Funds	11,250,531	11,382,685	14,288,594	17,801,433	12,290,206	11,903,103	
Federal Funds	5,200,247	6,666,267	8,902,421	10,103,021	8,183,528	8,183,528	
*Medicaid Cash Funds	7,495,409	8,310,382	12,158,774	14,551,508	10,446,379	10,446,379	
*Net General Fund	23,964,509	29,491,739	38,801,803	45,486,145	32,191,771	32,191,771	

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.

(2) OFFICE OF INFORMATION TECHNOLOGY SERVICES

The primary function of this division is to develop and maintain the Department's information technology systems, including Colorado Trails and the Colorado Benefits Management System. It also contains appropriations for the department's use of certain centralized programs (e.g. Communications Services Payments and Purchase of Services from Computer Center) that are operated in the Department of Personnel and Administration. The cash funds, cash funds exempt, and federal funds are related to the programs supported by each system. A number of programs are supported by Medicaid funding as indicated below.

Personal Services	5,740,794	5,881,730	5,617,053	6,023,302	5,961,739	5,961,739	DI #11
FTE	<u>69.4</u>	<u>68.4</u>	<u>76.2</u>	<u>78.6</u>	<u>78.6</u>	<u>78.6</u>	DI #11
General Fund	4,158,632	4,269,113	4,348,432	4,644,705	4,597,188	4,597,188	
Cash Funds	21,436	23,620	24,062	25,826	25,563	143,438	
Cash Funds Exempt / Reappropriated Funds	500,445	503,321	548,258	587,227	581,236	463,361	
Federal Funds	1,060,281	1,085,676	696,301	765,544	757,752	757,752	
*Medicaid Cash Funds	206,668	210,748	224,909	239,951	237,497	237,497	
*Net General Fund	4,261,966	4,374,488	4,460,886	4,764,823	4,716,077	4,716,077	
Operating Expenses	<u>336,173</u>	<u>345,772</u>	<u>386,576</u>	<u>407,176</u>	<u>407,176</u>	<u>407,176</u>	DI #11
General Fund	264,503	307,488	307,488	324,068	324,068	324,068	
Cash Funds	0	0	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	16,040	15,288	16,040	16,855	16,855	16,855	
Federal Funds	55,630	22,996	63,048	66,253	66,253	66,253	
*Medicaid Cash Funds	16,040	15,288	16,040	16,855	16,855	16,855	
*Net General Fund	272,523	315,132	315,508	331,546	331,546	331,546	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
Purchase of Services from Computer Center	<u>4,954,518</u>	<u>4,095,419</u>	<u>4,400,854</u>	<u>4,430,930</u>	Pending	Pending	
General Fund	2,168,451	1,797,175	1,920,498	1,933,623	0	0	
Cash Funds	28,358	17,603	5,966	6,006	0	0	
Cash Funds Exempt / Reappropriated Funds	3,565	61,799	3,007	3,028	0	0	
Federal Funds	2,754,144	2,218,842	2,471,383	2,488,273	0	0	
*Medicaid Cash Funds	3,086	57,974	2,814	2,753	0	0	
*Net General Fund	2,169,994	1,826,162	1,921,857	1,935,000	0	0	
Microcomputer Lease Payments	<u>714,321</u>	<u>525,174</u>	<u>539,344</u>	<u>539,344</u>	<u>539,344</u>	<u>539,344</u>	
General Fund	406,397	301,832	301,832	301,832	301,832	301,832	
Cash Funds	9,953	15,466	15,466	15,466	15,466	15,466	
Cash Funds Exempt / Reappropriated Funds	173,215	125,663	128,647	128,647	128,647	128,647	
Federal Funds	124,756	82,213	93,399	93,399	93,399	93,399	
*Medicaid Cash Funds	85,584	60,579	63,563	63,563	63,563	63,563	
*Net General Fund	449,189	332,122	333,613	333,613	333,613	333,613	
Colorado Trails	9,128,010	9,231,413	9,276,217	9,409,157	9,376,829	9,376,829	
FTE	<u>41.9</u>	<u>41.7</u>	<u>48.0</u>	<u>48.0</u>	<u>48.0</u>	<u>48.0</u>	
General Fund	4,928,194	4,974,287	5,008,216	5,079,990	5,062,536	5,062,536	
Cash Funds Exempt / Reappropriated Funds	0	28,003	0	0	0	0	
Federal Funds	4,199,816	4,229,123	4,268,001	4,329,167	4,314,293	4,314,293	
County Financial Management System (CFMS)	<u>1,511,751</u>	<u>1,498,846</u>	<u>1,515,836</u>	<u>1,515,836</u>	<u>1,515,836</u>	<u>1,515,836</u>	
General Fund	781,835	476,670	781,835	781,835	781,835	781,835	
Cash Funds Exempt / Reappropriated Funds	0	305,166	0	0	0	0	
Federal Funds	729,916	717,010	734,001	734,001	734,001	734,001	
Health Information Management System	<u>334,492</u>	<u>305,608</u>	<u>339,168</u>	<u>339,168</u>	<u>339,168</u>	<u>339,168</u>	
General Fund	206,614	209,891	211,290	211,290	211,290	211,290	
Cash Funds Exempt / Reappropriated Funds	127,878	95,717	127,878	127,878	127,878	127,878	
*Medicaid Cash Funds	0	0	0	0	0	0	
*Net General Fund	206,614	209,891	211,290	211,290	211,290	211,290	
Client Index Project	155,912	153,045	156,116	156,506	156,116	156,116	
FTE	<u>0.0</u>	<u>0.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	
General Fund	89,634	89,634	89,634	89,858	89,634	89,634	
Federal Funds	66,278	63,411	66,482	66,648	66,482	66,482	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
National Aging Program Information System	<u>62,102</u>	<u>78,420</u>	<u>93,114</u>	<u>93,114</u>	<u>93,114</u>	<u>93,114</u>	
General Fund	15,526	13,791	15,526	15,526	15,526	15,526	
Cash Funds	0	0	0	0	0	7,752	
Cash Funds Exempt / Reappropriated Funds	0	0	7,752	7,752	7,752	0	
Federal Funds	46,576	64,629	69,836	69,836	69,836	69,836	
Colorado Benefits Management System (CBMS)	22,906,890	21,517,388	25,221,948	25,729,652	22,857,178	22,857,178	DI #15
FTE	<u>39.6</u>	<u>33.3</u>	<u>47.1</u>	<u>47.1</u>	<u>47.1</u>	<u>47.1</u>	
General Fund	3,573,984	3,457,574	3,912,534	3,549,492	3,544,234	3,544,234	
Cash Funds	1,814,249	1,705,153	2,001,922	1,814,833	1,812,146	1,812,146	
Cash Funds Exempt / Reappropriated Funds	8,092,080	7,411,617	8,787,402	7,975,468	7,963,929	7,963,929	
Federal Funds	9,426,577	8,943,044	10,520,090	12,389,859	9,536,869	9,536,869	
*Medicaid Cash Funds	8,099,439	7,412,103	8,784,577	7,975,468	7,963,929	7,963,929	
*Net General Fund	7,908,821	7,787,338	7,965,978	7,228,920	7,218,190	7,218,190	
CBMS SAS-70 Audit	<u>119,341</u>	<u>111,900</u>	<u>149,000</u>	<u>149,000</u>	<u>149,000</u>	<u>149,000</u>	
General Fund	0	21,986	23,386	23,386	23,386	23,386	
Cash Funds	0	8,980	11,957	11,957	11,957	11,957	
Cash Funds Exempt / Reappropriated Funds	54,305	34,571	51,718	51,718	51,718	51,718	
Federal Funds	65,036	46,363	61,939	61,939	61,939	61,939	
*Medicaid Cash Funds	54,305	34,571	51,718	51,718	51,718	51,718	
*Net General Fund	0	38,183	47,614	47,614	47,614	47,614	
CBMS Federal Reallocation	<u>0</u>	<u>0</u>	<u>1,564,135</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	0	0	
Cash Funds	0	0	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	0	0	1,564,135	0	0	0	
Federal Funds	0	0	0	0	0	0	
*Medicaid Cash Funds	0	0	359,018	0	0	0	
*Net General Fund	0	0	0	0	0	0	
CBMS TANF REAUTHORIZATION CHANGES (New Line)							
Federal Funds	0	0	0	0	2,838,755	2,838,755	DI #15
Multiuse Network Payments	<u>2,116,534</u>	<u>1,809,954</u>	<u>2,207,742</u>	<u>2,271,121</u>	<u>Pending</u>	<u>Pending</u>	DI #DPA-1
General Fund	1,291,086	1,104,071	1,346,723	1,385,383	0	0	
Cash Funds	21,165	18,100	22,077	22,711	0	0	
Cash Funds Exempt / Reappropriated Funds	169,322	140,187	176,619	181,690	0	0	
Federal Funds	634,961	547,596	662,323	681,337	0	0	
*Medicaid Cash Funds	99,899	93,507	103,775	106,212	0	0	
*Net General Fund	1,341,036	1,150,825	1,398,610	1,438,489	0	0	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
Communication Services Payments	<u>74,502</u>	<u>140,720</u>	<u>156,510</u>	<u>308,792</u>	Pending	Pending	
General Fund	54,386	119,612	133,034	262,474	0	0	
Cash Funds	0	0	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	20,116	21,108	23,476	46,318	0	0	
Federal Funds	0	0	0	0	0	0	
TOTAL - (2) OFFICE OF INFORMATION TECHNOLOGY							
SERVICES	48,155,340	45,695,389	51,623,613	51,373,098	44,234,255	44,234,255	
FTE	<u>150.9</u>	<u>143.4</u>	<u>174.3</u>	<u>176.7</u>	<u>176.7</u>	<u>176.7</u>	
General Fund	17,939,242	17,143,124	18,400,428	18,603,462	14,951,529	14,951,529	
Cash Funds	1,895,161	1,788,922	2,081,450	1,896,799	1,865,132	1,990,759	
Cash Funds Exempt / Reappropriated Funds	9,156,966	8,742,440	11,434,932	9,126,581	8,878,015	8,752,388	
Federal Funds	19,163,971	18,020,903	19,706,803	21,746,256	18,539,579	18,539,579	
*Medicaid Cash Funds	8,565,021	7,884,770	9,606,414	8,456,520	8,333,562	8,333,562	
*Net General Fund	22,479,718	21,708,135	22,683,601	22,520,978	18,807,861	18,807,861	

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(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 Medicaid, Adult Protection, and Food Stamps.

County Administration	<u>51,083,943</u>	<u>40,204,044</u>	<u>40,938,883</u>	<u>41,491,558</u>	<u>40,938,883</u>	<u>40,938,883</u>	DI #NP-1
General Fund	11,138,800	13,359,022	16,227,939	16,447,016	16,227,939	16,227,939	
Cash Funds	0	0	0	0	0	7,781,078	
Cash Funds Exempt / Reappropriated Funds	26,772,955	11,922,659	7,781,078	7,886,123	7,781,078	0	
Federal Funds	13,172,188	14,922,363	16,929,866	17,158,419	16,929,866	16,929,866	
*Medicaid Cash Funds	17,188,911	0	0	0	0	0	
*Net General Fund	16,701,994	13,359,022	16,227,939	16,447,016	16,227,939	16,227,939	
Administration Related to CBMS Implementation	<u>4,154,926</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	1,199,372	0	0	0	0	0	
Cash Funds	0	0	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	1,946,773	0	0	0	0	0	
Federal Funds	1,008,781	0	0	0	0	0	
*Medicaid Cash Funds	1,946,773	0	0	0	0	0	
*Net General Fund	2,172,759	0	0	0	0	0	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
County Contingency Payments pursuant to Section 26-1-126, C.R.S. - General Fund	11,069,321	11,069,321	11,069,321	11,069,321	11,069,321	11,069,321	
County Share of Offsetting Revenues	<u>4,306,120</u>	<u>3,728,422</u>	<u>3,789,313</u>	<u>3,789,313</u>	<u>3,789,313</u>	<u>3,789,313</u>	
Cash Funds	0	0	0	0	0	3,789,313	
Cash Funds Exempt / Reappropriated Funds	4,306,120	3,728,422	3,789,313	3,789,313	3,789,313	0	
County Incentive Payments	<u>3,038,382</u>	<u>2,848,504</u>	<u>3,084,361</u>	<u>3,084,361</u>	<u>3,084,361</u>	<u>3,084,361</u>	
Cash Funds	0	0	0	0	0	3,084,361	
Cash Funds Exempt / Reappropriated Funds	3,038,382	2,848,504	3,084,361	3,084,361	3,084,361	0	
Emergency Property Tax Relief - General Fund	0	1,193,897	0	0	0	0	
TOTAL - (4) COUNTY ADMINISTRATION	<u>73,652,692</u>	<u>59,044,188</u>	<u>58,881,878</u>	<u>59,434,553</u>	<u>58,881,878</u>	<u>58,881,878</u>	
General Fund	23,407,493	25,622,240	27,297,260	27,516,337	27,297,260	27,297,260	
Cash Funds	0	0	0	0	0	14,654,752	
Cash Funds Exempt / Reappropriated Funds	36,064,230	18,499,585	14,654,752	14,759,797	14,654,752	0	
Federal Funds	14,180,969	14,922,363	16,929,866	17,158,419	16,929,866	16,929,866	
*Medicaid Cash Funds	<u>19,135,684</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
*Net General Fund	<u>29,944,074</u>	<u>25,622,240</u>	<u>27,297,260</u>	<u>27,516,337</u>	<u>27,297,260</u>	<u>27,297,260</u>	

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(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	2,042,393	1,379,197	1,605,384	1,664,967	1,647,548	1,647,548
FTE	<u>23.8</u>	<u>16.0</u>	<u>22.0</u>	<u>22.0</u>	<u>22.0</u>	<u>22.0</u>
General Fund	473,087	639,286	611,889	671,472	663,988	663,988
Federal Funds	1,569,306	739,911	993,495	993,495	983,560	983,560

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
Operating Expenses	<u>106,131</u>	<u>69,735</u>	<u>85,601</u>	<u>77,156</u>	<u>77,156</u>	<u>77,156</u>	
General Fund	29,174	35,433	58,106	53,884	53,884	53,884	
Federal Funds	76,957	34,302	27,495	23,272	23,272	23,272	
(7) SELF SUFFICIENCY							
Subtotal - (A) Administration	2,148,524	1,448,932	1,690,985	1,742,123	1,724,704	1,724,704	
FTE	<u>23.8</u>	<u>16.0</u>	<u>22.0</u>	<u>22.0</u>	<u>22.0</u>	<u>22.0</u>	
General Fund	502,261	674,719	669,995	725,356	717,872	717,872	
Federal Funds	1,646,263	774,213	1,020,990	1,016,767	1,006,832	1,006,832	

(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.

Colorado Works Administration	0	1,025,858	1,157,773	1,432,394	1,430,023	1,430,023	DI #13
FTE	<u>0.0</u>	<u>11.6</u>	<u>14.0</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	DI #13
General Fund	0	0	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	0	0	0	0	0	0	
Federal Funds	0	1,025,858	1,157,773	1,432,394	1,430,023	1,430,023	
County Block Grants	<u>124,284,391</u>	<u>119,321,019</u>	<u>154,441,672</u>	<u>154,441,672</u>	<u>154,441,672</u>	<u>154,441,672</u>	
General Fund	627,726	627,726	627,726	405,504	405,504	405,504	DI #16
Cash Funds	0	0	0	0	0	25,323,033	
Cash Funds Exempt / Reappropriated Funds	25,786,567	25,092,840	25,323,033	25,323,033	25,323,033	0	
Federal Funds	97,870,098	93,600,453	128,490,913	128,713,135	128,713,135	128,713,135	DI #16
Reimbursement to Counties for Prior Year Expenditures Due to Reduction in Federal Maintenance of Effort Requirement - Federal Funds	5,524,726	0	11,049,452	5,524,726	5,524,726	5,524,726	
Funds to Help Katrina Victims - Federal Funds	265,006	11,381	0	0	0	0	
Short-term Works Emergency Fund - Federal Funds	8,566	0	1,000,000	1,000,000	1,000,000	1,000,000	
County Reserve Accounts - Federal Funds	0	0	79,820,105	79,820,105	79,820,105	79,820,105	
County Training - Federal Funds	337,411	332,272	444,917	445,140	444,917	444,917	
FTE	0.0	0.0	2.0	2.0	2.0	2.0	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
Domestic Violence Training - Federal Funds	108,737	105,142	0	0	0	0	
FTE	0.6	0.7	0.0	0.0	0.0	0.0	
Domestic Abuse Program	837,352	839,090	975,000	983,919	983,617	983,617	
FTE	<u>0.9</u>	<u>1.7</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
Cash Funds	0	0	0	0	0	330,711	
Cash Funds Exempt / Reappropriated Funds	187,352	189,090	325,000	331,013	330,711	0	
Federal Funds	650,000	650,000	650,000	652,906	652,906	652,906	
Works Program Evaluation - Federal Funds	491,360	497,114	500,000	500,000	500,000	500,000	
Workforce Development Council - Federal Funds	64,007	76,813	88,838	88,838	88,838	88,838	
TANF Federal Reporting CBMS Maintenance - Federal Funds	0	36,240	0	0	0	0	
Federal TANF Reauthorization CBMS Changes - Federal Funds	0	0	250,000	0	0	0	
PROMOTING RESPONSIBLE FATHERHOOD GRANT (New Line)	<u>0</u>	<u>0</u>	<u>0</u>	<u>222,222</u>	<u>2,222,222</u>	<u>2,222,222</u>	
General Fund	0	0	0	222,222	222,222	222,222	DI #16
Federal Funds	0	0	0	0	2,000,000	2,000,000	DI #16
(7) SELF SUFFICIENCY							
Subtotal - (B) Colorado Works Program	131,921,556	122,244,929	249,727,757	244,459,016	246,456,120	246,456,120	
FTE	<u>1.5</u>	<u>14.0</u>	<u>18.0</u>	<u>22.0</u>	<u>22.0</u>	<u>22.0</u>	
General Fund	627,726	627,726	627,726	627,726	627,726	627,726	
Cash Funds	0	0	0	0	0	25,653,744	
Cash Funds Exempt / Reappropriated Funds	25,973,919	25,281,930	25,648,033	25,654,046	25,653,744	0	
Federal Funds	105,319,911	96,335,273	223,451,998	218,177,244	220,174,650	220,174,650	
(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	69,947,472	46,426,404	39,674,338	39,693,262	39,692,345	39,692,345	
FTE	<u>5.2</u>	<u>4.8</u>	<u>6.6</u>	<u>6.6</u>	<u>6.6</u>	<u>6.6</u>	
Cash Funds	0	0	5,950,000	5,950,000	5,950,000	5,950,000	
Cash Funds Exempt / Reappropriated Funds	19,147,670	7,100,000	2,149,832	2,149,832	2,149,832	2,149,832	
Federal Funds	50,799,802	39,326,404	31,574,506	31,593,430	31,592,513	31,592,513	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
(2) Food Stamp Job Search Units							
Program Costs	2,004,535	2,017,047	2,027,218	2,045,018	2,043,946	2,043,946	
FTE	<u>5.4</u>	<u>6.1</u>	<u>6.2</u>	<u>6.2</u>	<u>6.2</u>	<u>6.2</u>	
General Fund	150,861	157,243	162,638	171,538	171,002	171,002	
Cash Funds	0	0	0	0	0	409,382	
Cash Funds Exempt / Reappropriated Funds	409,382	409,382	409,382	409,382	409,382	0	
Federal Funds	1,444,292	1,450,422	1,455,198	1,464,098	1,463,562	1,463,562	
Supportive Services	<u>259,195</u>	<u>261,438</u>	<u>261,452</u>	<u>261,452</u>	<u>261,452</u>	<u>261,452</u>	
General Fund	77,124	78,430	78,435	78,435	78,435	78,435	
Cash Funds	0	0	0	0	0	52,291	
Cash Funds Exempt / Reappropriated Funds	52,291	52,291	52,291	52,291	52,291	0	
Federal Funds	129,780	130,717	130,726	130,726	130,726	130,726	
(7) OFFICE OF SELF SUFFICIENCY							
Subtotal - (C) (2) Food Stamp Job Search Units	2,263,730	2,278,485	2,288,670	2,306,470	2,305,398	2,305,398	
FTE	<u>5.4</u>	<u>6.1</u>	<u>6.2</u>	<u>6.2</u>	<u>6.2</u>	<u>6.2</u>	
General Fund	227,985	235,673	241,073	249,973	249,437	249,437	
Cash Funds	0	0	0	0	0	461,673	
Cash Funds Exempt / Reappropriated Funds	461,673	461,673	461,673	461,673	461,673	0	
Federal Funds	1,574,072	1,581,139	1,585,924	1,594,824	1,594,288	1,594,288	
(3) Food Distribution Program							
FTE	<u>6.3</u>	<u>6.4</u>	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>	
General Fund	24,300	42,367	42,818	44,684	44,591	44,591	
Cash Funds	187,962	215,577	228,987	237,478	237,050	237,050	
Cash Funds Exempt / Reappropriated Funds	17,000	0	0	0	0	0	
Federal Funds	215,726	268,339	261,029	270,327	269,858	269,858	
(4) Low-Income Telephone Assistance Program							
FTE	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	
Cash Funds	0	47,220	60,811	62,311	62,223	62,223	
Cash Funds Exempt	45,287	0	0	0	0	0	
(5) Income Tax Offset							
General Fund	<u>4,801</u>	<u>447</u>	<u>4,128</u>	<u>4,128</u>	<u>4,128</u>	<u>4,128</u>	
Federal Funds	2,401	224	2,064	2,064	2,064	2,064	
Federal Funds	2,400	223	2,064	2,064	2,064	2,064	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
(6) Electronic Benefits Transfer Service	3,110,773	3,173,108	3,188,582	3,202,421	3,201,710	3,201,710	
FTE	<u>4.7</u>	<u>4.7</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	
General Fund	712,820	771,200	825,881	831,557	831,264	831,264	
Cash Funds	286,922	244,959	253,696	253,696	253,696	890,707	
Cash Funds Exempt / Reappropriated Funds	634,993	634,993	634,746	637,131	637,011	0	
Federal Funds	1,476,038	1,521,956	1,474,259	1,480,037	1,479,739	1,479,739	
(7) Refugee Assistance - Federal Funds	1,744,623	2,478,608	3,927,073	4,018,924	4,017,490	4,017,490	DI #19
FTE	1.9	0.4	10.0	10.0	10.0	10.0	
(8) Systematic Alien Verification for Eligibility	42,952	39,015	49,912	53,154	53,040	53,040	
FTE	<u>1.1</u>	<u>0.4</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
General Fund	8,683	5,482	6,346	6,759	6,735	6,735	
Cash Funds	0	1,074	3,474	3,700	3,700	3,700	
Cash Funds Exempt / Reappropriated Funds	28,612	26,981	31,639	33,694	33,628	33,628	
Federal Funds	5,657	5,478	8,453	9,001	8,977	8,977	
(7) OFFICE OF SELF SUFFICIENCY							
Subtotal - (C) Special Purpose Welfare Programs	77,604,626	54,969,570	49,726,348	49,893,159	49,887,833	49,887,833	
FTE	<u>25.5</u>	<u>23.7</u>	<u>36.2</u>	<u>36.2</u>	<u>36.2</u>	<u>36.2</u>	
General Fund	976,189	1,054,946	1,118,182	1,135,037	1,134,091	1,134,091	
Cash Funds	474,884	508,830	6,496,968	6,507,185	6,506,669	7,605,353	
Cash Funds Exempt / Reappropriated Funds	20,335,235	8,223,647	3,277,890	3,282,330	3,282,144	2,183,460	
Federal Funds	55,818,318	45,182,147	38,833,308	38,968,607	38,964,929	38,964,929	
(7) OFFICE OF SELF SUFFICIENCY							
(D) Child Support Enforcement							
Automated Child Support Enforcement System	11,127,635	11,157,269	11,613,279	11,490,192	11,455,066	11,455,066	BRI #1
FTE	<u>36.1</u>	<u>34.4</u>	<u>37.9</u>	<u>39.9</u>	<u>39.9</u>	<u>39.9</u>	BRI #1
General Fund	3,724,933	3,738,016	3,803,547	3,761,698	3,749,754	3,749,754	
Cash Funds	59,285	67,470	145,010	145,010	145,010	426,499	
Cash Funds Exempt / Reappropriated Funds	107,969	106,052	281,489	281,489	281,489	0	
Federal Funds	7,235,448	7,245,731	7,383,233	7,301,995	7,278,813	7,278,813	
Child Support Enforcement	1,790,253	1,712,326	2,027,077	2,091,993	2,075,707	2,075,707	
FTE	<u>21.5</u>	<u>21.6</u>	<u>24.5</u>	<u>24.5</u>	<u>24.5</u>	<u>24.5</u>	
General Fund	616,031	584,243	689,206	711,278	705,740	705,740	
Federal Funds	1,174,222	1,128,083	1,337,871	1,380,715	1,369,967	1,369,967	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
(7) OFFICE OF SELF SUFFICIENCY							
Subtotal - (D) Child Support Enforcement	12,917,888	12,869,595	13,640,356	13,582,185	13,530,773	13,530,773	
FTE	57.6	56.0	62.4	64.4	64.4	64.4	
General Fund	4,340,964	4,322,259	4,492,753	4,472,976	4,455,494	4,455,494	
Cash Funds	59,285	67,470	145,010	145,010	145,010	426,499	
Cash Funds Exempt / Reappropriated Funds	107,969	106,052	281,489	281,489	281,489	0	
Federal Funds	8,409,670	8,373,814	8,721,104	8,682,710	8,648,780	8,648,780	
(7) OFFICE OF SELF SUFFICIENCY							
(E) Disability Determination Services	14,187,062	14,768,552	16,962,577	17,294,355	17,160,434	17,160,434	
FTE	124.9	122.0	140.5	140.5	140.5	140.5	
Cash Funds Exempt / Reappropriated Funds	0	0	0	0	0	0	
Federal Funds	14,187,062	14,768,552	16,962,577	17,294,355	17,160,434	17,160,434	
*Medicaid Cash Funds	0	0	0	0	0	0	
*Net General Fund	0	0	0	0	0	0	
TOTAL - (7) OFFICE OF SELF SUFFICIENCY							
FTE	233.3	231.7	279.1	285.1	285.1	285.1	
General Fund	6,447,140	6,679,650	6,908,656	6,961,095	6,935,183	6,935,183	
Cash Funds	534,169	576,300	6,641,978	6,652,195	6,651,679	33,685,596	
Cash Funds Exempt / Reappropriated Funds	46,417,123	33,611,629	29,207,412	29,217,865	29,217,377	2,183,460	
Federal Funds	185,381,224	165,433,999	288,989,977	284,139,683	285,955,625	285,955,625	
*Medicaid Cash Funds	0	0	0	0	0	0	
*Net General Fund	6,447,140	6,679,650	6,908,656	6,961,095	6,935,183	6,935,183	

* 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.

(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	422,635	481,518	545,909	566,707	565,426	565,426	
FTE	4.3	5.4	6.0	6.0	6.0	6.0	
General Fund	36,572	94,645	95,936	99,876	99,636	99,636	
Cash Funds Exempt / Reappropriated Funds	91,318	88,552	96,550	100,458	100,217	100,217	
Federal Funds	294,745	298,321	353,423	366,373	365,573	365,573	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			Change Request
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	
(10) ADULT ASSISTANCE PROGRAMS							
(B) Old Age Pension Program							
Cash Assistance Program - Cash Funds	69,951,930	72,932,800	77,451,318	80,871,918	80,871,918	80,871,918	DI #17
Refunds - Cash Funds Exempt	<u>588,362</u>	<u>588,362</u>	<u>588,362</u>	<u>588,362</u>	<u>588,362</u>	<u>588,362</u>	
Cash Funds	0	0	0	0	0	588,362	
Cash Funds Exempt / Reappropriated Funds	588,362	588,362	588,362	588,362	588,362	0	
Burial Reimbursements - Cash Funds	941,164	953,409	918,364	918,364	918,364	918,364	
State Administration - Cash Funds	1,113,481	1,139,579	1,072,357	1,116,885	1,114,694	1,114,694	
FTE	11.6	12.0	14.0	14.0	14.0	14.0	
County Administration - Cash Funds	2,520,039	2,356,916	2,450,785	2,450,785	2,450,785	2,450,785	
(10) ADULT ASSISTANCE PROGRAMS							
Subtotal - (B) Old Age Pension Program							
FTE	<u>11.6</u>	<u>12.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	
Cash Funds	74,526,614	77,382,704	81,892,824	85,357,952	85,355,761	85,944,123	
Cash Funds Exempt / Reappropriated Funds	588,362	588,362	588,362	588,362	588,362	0	
(10) ADULT ASSISTANCE PROGRAMS							
(C) Other Grant Programs							
Aid to the Needy Disabled Programs	<u>0</u>	<u>0</u>	<u>17,989,835</u>	<u>17,428,495</u>	<u>17,428,495</u>	<u>17,428,495</u>	
General Fund	0	0	11,870,543	11,421,471	11,421,471	11,421,471	
Cash Funds	0	0	0	0	0	2,779,944	
Cash Funds Exempt / Reappropriated Funds	0	0	6,119,292	6,007,024	6,007,024	3,227,080	
Aid to the Needy Disabled State Supplemental Grant Program	<u>4,861,492</u>	<u>1,821,308</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	4,331,824	1,223,268	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	529,668	598,040	0	0	0	0	
Aid to the Blind State Supplemental Grant Program	<u>6,803</u>	<u>4,844</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	5,356	1,789	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	1,447	3,055	0	0	0	0	
Aid to the Needy Disabled State-only Grant Program	<u>13,540,055</u>	<u>15,500,190</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	8,456,742	10,094,834	0	0	0	0	
Cash Funds Exempt / Reappropriated Funds	5,083,313	5,405,356	0	0	0	0	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
Burial Reimbursements	<u>449,966</u>	<u>466,693</u>	<u>508,000</u>	<u>508,000</u>	<u>508,000</u>	<u>508,000</u>	
General Fund	349,222	365,949	402,985	402,985	402,985	402,985	
Cash Funds	0	0	0	0	0	105,015	
Cash Funds Exempt / Reappropriated Funds	100,744	100,744	105,015	105,015	105,015	0	
Home Care Allowance	<u>9,492,664</u>	<u>10,767,160</u>	<u>10,880,411</u>	<u>10,880,411</u>	<u>10,880,411</u>	<u>10,880,411</u>	
General Fund	0	10,223,139	10,336,390	10,336,390	10,336,390	10,336,390	
Cash Funds	0	0	0	0	0	544,021	
Cash Funds Exempt / Reappropriated Funds	9,492,664	544,021	544,021	544,021	544,021	0	
Adult Foster Care	<u>78,123</u>	<u>37,340</u>	<u>157,469</u>	<u>157,469</u>	<u>157,469</u>	<u>157,469</u>	
General Fund	0	29,467	149,596	149,596	149,596	149,596	
Cash Funds	0	0	0	0	0	7,873	
Cash Funds Exempt / Reappropriated Funds	78,123	7,873	7,873	7,873	7,873	0	
(10) ADULT ASSISTANCE PROGRAMS							
Subtotal - (C) Other Grant Programs	<u>28,429,103</u>	<u>28,597,535</u>	<u>29,535,715</u>	<u>28,974,375</u>	<u>28,974,375</u>	<u>28,974,375</u>	
General Fund	13,143,144	21,938,446	22,759,514	22,310,442	22,310,442	22,310,442	
Cash Funds	0	0	0	0	0	3,436,853	
Cash Funds Exempt / Reappropriated Funds	15,285,959	6,659,089	6,776,201	6,663,933	6,663,933	3,227,080	
(10) ADULT ASSISTANCE PROGRAMS							
(D) Community Services for the Elderly							
Administration	502,870	417,781	639,997	659,182	657,866	657,866	
FTE	<u>6.2</u>	<u>5.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	
General Fund	133,055	48,240	170,232	175,335	174,985	174,985	
Federal Funds	369,815	369,541	469,765	483,847	482,881	482,881	
Colorado Commission on Aging	69,695	75,721	77,005	79,428	79,309	79,309	
FTE	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
General Fund	17,359	18,769	19,808	20,431	20,400	20,400	
Federal Funds	52,336	56,952	57,197	58,997	58,909	58,909	
Senior Community Services Employment - Federal Funds	869,452	869,187	861,146	862,446	862,379	862,379	
FTE	0.0	0.0	0.5	0.5	0.5	0.5	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
Older Americans Act Programs	9,800,886	13,343,175	14,141,987	14,141,987	14,141,987	14,141,987	
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	544,537	572,463	576,747	576,747	576,747	576,747	
Cash Funds	0	0	0	0	0	3,079,710	
Cash Funds Exempt / Reappropriated Funds	0	3,039,710	3,079,710	3,079,710	3,079,710	0	
Federal Funds	9,256,349	9,731,002	10,485,530	10,485,530	10,485,530	10,485,530	
National Family Caregiver Support Program	<u>1,984,507</u>	<u>2,157,124</u>	<u>1,420,414</u>	<u>2,263,386</u>	<u>2,263,386</u>	<u>2,263,386</u>	DI #18
General Fund	140,792	142,041	142,041	142,041	142,041	142,041	
Cash Funds	0	0	0	0	0	423,805	
Cash Funds Exempt / Reappropriated Funds	213,062	213,062	213,062	423,805	423,805	0	
Federal Funds	1,630,653	1,802,021	1,065,311	1,697,540	1,697,540	1,697,540	
State Ombudsman Program	<u>222,031</u>	<u>222,031</u>	<u>222,031</u>	<u>237,031</u>	<u>237,031</u>	<u>237,031</u>	
General Fund	61,898	61,898	61,898	76,898	76,898	76,898	
Cash Funds Exempt / Reappropriated Funds	1,800	1,800	1,800	1,800	1,800	1,800	
Federal Funds	158,333	158,333	158,333	158,333	158,333	158,333	
*Medicaid Cash Funds	1,800	1,800	1,800	1,800	1,800	1,800	
*Net General Fund	62,798	62,798	62,798	77,798	77,798	77,798	
State Funding for Senior Services	<u>3,250,000</u>	<u>5,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>	
General Fund	1,250,000	1,925,961	2,000,000	2,000,000	2,000,000	2,000,000	
Cash Funds	2,000,000	3,074,039	5,000,000	5,000,000	5,000,000	5,000,000	
Area Agencies on Aging Administration - Federal Funds	1,018,194	1,264,409	981,915	1,353,957	1,353,957	1,353,957	DI #18
(10) ADULT ASSISTANCE PROGRAMS							
Subtotal - (D) Community Services for the Elderly	17,717,635	23,349,428	25,344,495	26,597,417	26,595,915	26,595,915	
FTE	<u>7.2</u>	<u>6.0</u>	<u>8.5</u>	<u>8.5</u>	<u>8.5</u>	<u>8.5</u>	
General Fund	2,147,641	2,769,372	2,970,726	2,991,452	2,991,071	2,991,071	
Cash Funds	2,000,000	3,074,039	5,000,000	5,000,000	5,000,000	8,503,515	
Cash Funds Exempt / Reappropriated Funds	214,862	3,254,572	3,294,572	3,505,315	3,505,315	1,800	
Federal Funds	13,355,132	14,251,445	14,079,197	15,100,650	15,099,529	15,099,529	
*Medicaid Cash Funds	1,800	1,800	1,800	1,800	1,800	1,800	
*Net General Fund	2,148,541	2,770,272	2,971,626	2,992,352	2,991,971	2,991,971	

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			
	Actual	Actual	Appropriation	Request	Staff Rec. Old Format	Staff Rec. New Format	Change Request
TOTAL - (10) ADULT ASSISTANCE PROGRAMS	121,684,349	130,399,547	137,907,305	142,084,813	142,079,839	142,079,839	
FTE	<u>23.1</u>	<u>23.4</u>	<u>28.5</u>	<u>28.5</u>	<u>28.5</u>	<u>28.5</u>	
General Fund	15,327,357	24,802,463	25,826,176	25,401,770	25,401,149	25,401,149	
Cash Funds	76,526,614	80,456,743	86,892,824	90,357,952	90,355,761	97,884,491	
Cash Funds Exempt / Reappropriated Funds	16,180,501	10,590,575	10,755,685	10,858,068	10,857,827	3,329,097	
Federal Funds	13,649,877	14,549,766	14,432,620	15,467,023	15,465,102	15,465,102	
*Medicaid Cash Funds	1,800	1,800	1,800	1,800	1,800	1,800	
*Net General Fund	15,328,257	24,803,363	25,827,076	25,402,670	25,402,049	25,402,049	

* 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.

TOTAL - HUMAN SERVICES - EDO/OITS/CA/SS/AA	519,573,221	485,856,475	637,144,876 /a	647,137,768	622,270,066	622,270,066	
FTE	<u>490.5</u>	<u>483.0</u>	<u>579.4</u>	<u>592.8</u>	<u>592.8</u>	<u>592.8</u>	
General Fund	83,337,984	99,582,587	111,158,220	116,670,190	101,562,692	101,562,692	
Cash Funds	79,589,598	83,853,676	96,683,594	100,089,432	99,735,497	149,465,626	
Cash Funds Exempt / Reappropriated Funds	119,069,351	82,826,914	80,341,375	81,763,744	75,898,177	26,168,048	
Federal Funds	237,576,288	219,593,298	348,961,687	348,614,402	345,073,700	345,073,700	
*Medicaid Cash Funds	35,197,914	16,196,952	21,766,988	23,009,828	18,781,741	18,781,741	
*Net General Fund	98,163,698	108,305,127	121,518,396	127,887,225	110,634,124	110,634,124	

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 2008-09 FIGURE SETTING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

DEPARTMENT OF HUMAN SERVICES

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

(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/her administrative staff, as well as the Department's budgeting office, Public Information Officer, County Liaison, and Field Administration staff. The FY 2007-08 appropriation for General Administration included 22.4 FTE, and the FY 2008-09 budget request includes a continuation of 22.4 FTE. The EDO also is the location of many of the centrally appropriated items for the Department, although certain items are reflected in the Office of Information Technology Services and the Office of Operations.

Staffing Summary - (1) Executive Director's Office (A) General Administration	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Executive Director	1.0	1.0	1.0	1.0
Management / General Professional	10.3	10.1	11.0	11.0
Program Assistant	3.0	2.9	4.0	4.0
Financial/Budget	5.8	5.3	6.4	6.4
TOTAL	20.1	19.3	22.4	22.4

Reappropriated funds in the Executive Director's Office. Several of the lines in the EDO's budget show all of the cash funds exempt transferred to reappropriated funds in the new format. These lines are ones that are funded largely with internal indirect cost recoveries, and this treatment is the one recommended by the Department. Staff is somewhat uncomfortable with this approach. In this packet alone, nearly \$50 million of cash funds exempt appropriations were reclassified as cash funds, and it seems unlikely that this would have no effect on the indirect assessments. However, the Department of Human Service's internal indirect cost structure is exceedingly complex; staff does not generally have the information available to track such appropriations back to their original funding

sources. Staff's recommendation on funding splits in the new format follow the Department's recommendation in such cases.

Personal Services

The Department requests an appropriation of \$2,098,090 (including \$799,762 *net* General Fund) and 22.4 FTE for personal services in General Administration for FY 2008-09. **Staff recommends the Committee approve an appropriation of \$2,076,123 (including \$791,385 *net* General Fund) and 22.4 FTE for this line item.** The staff recommendation is calculated pursuant to Committee common policy. Cash fund sources include patient fees collected by the State's Mental Health Institutes and from various other sources. A summary of staff's calculation is provided in the following table. All funds characterized as cash funds exempt in the old format will be reappropriated funds in the new format.

Summary of Personal Services Recommendation (1) Executive Director's Office (A) General Administration - Department of Human Services							
	TOTAL	FTE	GF	CF	CFE/RF	FF	Net GF
Prior Year Appropriation (S.B. 07-239)	\$1,990,213	22.4	\$583,844	\$95,012	\$436,429	\$874,928	\$744,649
Prior Year Salary Survey	79,974	0.0	36,051	3,137	13,805	26,981	41,364
Prior Year Performance Pay	26,908	0.0	11,502	1,101	4,844	9,461	13,366
Base Reduction	(20,972)	0.0	(6,314)	(993)	(4,551)	(9,114)	(7,994)
Total	\$2,076,123	22.4	\$625,083	\$98,257	\$450,527	\$902,256	\$791,385

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 requests \$22,792,706 for health, life, and dental insurance for FY 2008-09, including \$15,927,534 *net* General Fund. Pursuant to Committee common policy, **staff recommends the Committee approve an appropriation of \$22,609,877, including \$15,836,120 *net* General Fund, for this line item.** \$305,233 dollars were recharacterized from cash funds exempt to cash funds for this line item.

Committee common policy is that decision items or budget amendments involving the addition of FTE do not include health, life and dental expenses for the first year. From time to time, exceptions to this policy are made, particularly in the case of relatively large additions. At least one such decision item is included in the Department's budget request for FY 2008-09, and the Committee has not yet acted on that item. **Staff requests permission to incorporate future Committee actions on health, life, and dental as necessary.**

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. 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 \$339,592 for short-term disability, including \$243,443 *net* General Fund. A rate of 0.13 percent, pursuant to Office of State Planning and Budgeting common policy, was used to calculate the requested figures. Committee common policy for short-term disability also employs a 0.13 percent rate on base salaries. **Staff's recommendation is pending until the Committee completes its figure setting of the Department of Human Services.**

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 \$4,214,651, including \$3,016,680 *net* General Fund, for this line item. Calculation of the appropriation for this line item depends on decisions made by the Committee in all divisions of the Department. **Staff's recommendation is pending until the Committee completes its figure setting of the Department of Human Services.**

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 \$1,358,068, including \$974,104 *net* General Fund, for this line item. Calculation of the appropriation for this line item depends on decisions made by the Committee in all divisions of the Department. **Staff's recommendation is pending until the Committee completes its figure setting of the Department of Human Services.**

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 \$9,405,444 including \$6,534,003 *net* General Fund, for salary survey. **Staff recommends an appropriation of \$9,405,443, including \$6,534,003 net General Fund, which is in accordance with Committee common policy action.** The one-dollar difference in the two figures appears to be due to rounding differences between the Department and the Committee staff common policy calculations. Staff's recommendation recharacterizes all cash funds exempt funds for this line as reappropriated funds.

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 \$3,951,586, including \$2,815,128 *net* General Fund, for this line item. **Staff recommends an appropriation of \$3,948,587, including \$2,815,128 net General Fund, which is in accordance with Committee common policy action.**

Staff's recommendation recharacterizes all cash funds exempt funds for this line as reappropriated funds.

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 \$3,990,612 for shift differential in FY 2008-09 including, \$3,304,939 *net* General Fund. **Staff recommends the Committee approve an appropriation of \$3,907,967, including \$3,253,730 *net* General Fund, which is consistent with Committee common policy action.** Staff's recommendation recharacterizes all cash funds exempt funds for this line as reappropriated funds.

The Committee common policy on shift differential did not consider decision items or budget amendments which may have a large impact on this line (e.g., new 24-hour facilities). At least one such decision item is included in the Department's budget request for FY 2008-09, and the Committee has not yet acted on that item. **Staff requests permission to incorporate future Committee actions on shift differential as necessary.**

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 \$8,609,785 for this line item. Of this amount, including \$5,827,561 is *net* General Fund. **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. The Department requests a continuation level of funding of \$494,827, including \$213,801 *net* General Fund, for this line item. **Staff recommends the Committee approve the Department's request for a continuation level of funding.** Staff's recommendation recharacterizes all cash funds exempt funds for this line as reappropriated funds.

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 of its appropriation, including the hours it anticipates needing. The total request is for \$1,328,161, which includes \$876,587 General Fund. Staff does not believe that a change in legal services hours to the Department of Human Services is warranted at this time. **Staff recommends the Committee approve 18,439 hours for legal services. The staff recommendation for this line item is pending a Committee common policy 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 of Human Services requests \$861,058 for this line item, including \$516,635 General Fund. **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 \$1,916,482, including \$1,671,838 *net* General Fund for this line item. **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 that is comprised entirely of cash funds exempt. **Staff recommends the Committee approve an appropriation of \$31,870 cash funds exempt (transfers from other state agencies).** Staff's recommendation recharacterizes the entire cash funds exempt portion of this appropriation as cash funds.

Injury Prevention Program

This line item, established in FY 1996-97, provides funding for employee injury prevention, loss control initiatives, and infection control. Pursuant to FY 2007-08 Long Bill footnote #50, the Department provides an annual report to the Committee on the effectiveness of this program. The following table summarizes the number of worker's compensation claims for the last several years. The table shows a significant increase in claims filed in FY 2006-07. The Department attributes the increase to the opening of the new Sol Vista Youth Services Center in Pueblo. This facility added 52 FTE positions to the Department's total. Since its opening in August 2006, 18 staff at the Sol Vista Center have reported work-related injuries. In addition, the blizzards and colder than average temperatures during the winter of 2006-07 resulted in snow and ice cover for several weeks in some parts of the state. From December 1, 2006, through January 15, 2007, employees reported 23 injuries due to falls on snow or ice. In each of the five previous fiscal years, the highest number of reported falls due to snow and ice was five.

Summary of Total Number of Workers' Compensation Claims FY 1998-99 through FY 2006-07			
Fiscal Year	Number of Injuries	Difference	Percentage Change
FY 1998-99	1,085	n/a	n/a
FY 1999-00	972	(113)	-10.4%
FY 2000-01	888	(84)	-8.6%
FY 2001-02	710	(178)	-20.0%
FY 2002-03	725	15	2.1%
FY 2003-04	744	19	2.6%
FY 2004-05	756	12	1.6%
FY 2005-06	713	(43)	-5.7%
FY 2006-07	766	53	7.4%

The Department requests a continuation appropriation of \$105,970 cash funds exempt (Medicaid transferred from the Department of Health Care Policy and Financing). The *net* General Fund request is \$52,985. This program clearly had early successes in reducing the number of worker's compensation claims filed by employees of the Department. The Department indicates that in FY 2008-09 it will emphasize a broad new behavior-based safety program. **Staff recommends the Committee approve continuation funding for this line item of \$105,970 cash funds exempt (Medicaid funding appropriated in the Department of Health Care Policy and Financing).** The *net* General Fund appropriation to this line item under the recommendation is \$52,985.

CBMS Emergency Processing Unit

The deployment of CBMS was contested in court. The court allowed the deployment to go forward, but issued a temporary order that required the State to meet several conditions. One of those created an emergency processing unit (EPU) to support benefit applicants. Continued operation of the EPU was included in a subsequent agreement between plaintiffs and the State during negotiations toward a settlement of the lawsuit, and is part of the final order that was issued when the case was recently settled. The unit was initially staffed with contract workers, but those positions were converted to state employees when it became clear that the function would be ongoing.

The Department requests a continuation level appropriation of \$213,822 including \$73,768 General Fund. As no salary survey or performance pay were allocated to these positions, this amount conforms to Committee common policy. **Staff recommends the Committee approve the Department's request.** No recharacterization of funds is needed for the new format.

(1) EXECUTIVE DIRECTOR'S OFFICE

(B) Special Purpose

Office of Performance Improvement

The Office of Performance Improvement (OPI) was separated as a distinct Long Bill program in FY 2003-04. Prior to that fiscal year, the program was incorporated into the General Administration section of the Department's Executive Director's Office. The program is responsible for four separate functions of the Department of Human Services, including: (1) Audits; (2) Food Stamp Quality Assurance; (3) Human Resources; and, (4) Performance Management. The office was created to address each function in a separate manner in order to achieve higher accountability to interested parties (such as county social services departments, program management, and legislators). Finally, the functions of the separate entities are coordinated so that their functions are not duplicative.

Staffing Summary - (1) Executive Director's Office				
(B) Special Purpose, Office of Performance Improvement	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Auditor	6.5	7.0	7.0	7.0
General Professional	32.5	37.3	37.3	37.3
Insurance Specialist	2.0	2.0	2.0	2.0
Administration / Support / Clerical	21.9	21.8	21.8	21.8
Management	0.8	1.0	1.0	1.0
Decision Item #5 Human Resources Staff	0.0	0.0	5.0	5.0
Total	63.7	69.1	74.1	74.1

In greater detail, OPI's functions include:

- **Audits.** 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.
- **Food Stamp Quality Assurance.** 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; (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.
- **Human Resources.** This program performs all activities related to the Department's personnel/employees. These activities include, but are not limited to: recruitment, examinations, orientation, benefits administration, evaluations, workers' compensation case management, performance management, and personnel records maintenance.

- **Performance Management.** Performance management's duties include ensuring programmatic accountability. The Department indicates that the following are done to ensure programmatic accountability: (1) assisting the Department programs in identifying the most appropriate indicators of program performance; (2) coordinating professional development for staff through an existing network of trainers; and; (3) coordinating the Department's use of video-conferencing as a way to enhance productivity.

Decision Item #5 (Human Resources Staff):

The Department requests an increase of \$244,248 (including \$107,828 *net* General Fund) and 5.0 FTE to expand the human resources staff in the Executive Director's Office. The HR staff responsibilities include hiring, position classification, consultation on all personnel issues, and planning and administering testing. An agreement between CDHS and the Department of Personnel and Administration requires that state personnel actions within CDHS must be performed by certified HR specialists. Currently, CDHS has 12 such specialists who must handle more than 2900 required personnel actions each year. Most of the actual hiring activities are conducted in a decentralized manner; these FTE will be used for the centralized portions of the Department's human resources activities.

Staff recommends the Committee approve an increase of \$239,636 (including \$105,634 *net* General Fund) and 5.0 FTE. The recommendation is based on the following analysis.

HR staffing at CDHS is well below State averages. During the fiscal crisis in FY 2003-04, the Department's HR staff was decreased from 40 positions to 33. Only 12 of the 33 are HR specialists. The Department asserts that they have utilized technology and streamlined processes where possible to offset the reduction. The Department has significantly fewer HR staff per employee than the Colorado state government has on average. According to Department of Personnel and Administration figures, the average for the state is 0.87 HR staff per 100 employees. At CDHS, the ratio is 0.58.

Total workloads have increased significantly since the cut. The workload for the HR staff, and for HR specialists in particular, are affected by several factors: the number of CDHS employees, the turnover rate, and the total number of personnel actions (which includes events such as disciplinary actions). The following table shows that the number of appropriated FTE and the number of personnel actions have increased steadily since FY 2003-04, while the turnover rate has decreased only slightly. The large FTE jump in FY 2004-05 corresponds to the addition of State and Veterans Nursing Homes. Assuming that the ratio of HR staff to workforce was correct during FY 2003-04, the number of HR staff needed would be 40.

Workload Growth Characteristics				
	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
Appropriated FTE	4,526.7	5,197.3	5,332.2	5,431.5

Workload Growth Characteristics				
Turnover Rate	17.3%	16.2%	17.1%	N/A
Personnel Actions	2,341	2,689	2,948	3,839

Sources: "State of Colorado Workforce Report 2005-06" compiled by CDPA, and CDHS internal statistics.

The Department has been cited for failures in staffing. In multiple recent years, the federal Veterans' Administration has rated the Fitzsimons State Veterans Nursing Home deficient in full and timely hiring of staff. In the area of direct resident care at that facility, the deficiencies were so severe that the VA put a hold on admittance of new residents. This hold has subsequently been released. All three Regional Centers (Pueblo, Grand Junction, and Wheat Ridge) have been cited for inadequate staffing. The inability to add residents at the Fitzsimons Home caused that facility to operate at a financial loss, and failure to keep the Regional Centers in compliance risks the loss of federal Medicaid funds for those facilities. The Department attributes at least a portion of these staffing problems to the limitations of the centralized HR staff.

Changes to requested amounts and funding split considerations. Due to the increased workload and the potential for significant fiscal consequences if current staffing problems are not corrected, staff recommends the addition of 5.0 FTE to the Executive Director's Office for additional HR resources. The Department's request includes AED and SAED in the personal services calculation; in accordance with Committee common policy, staff has recalculated the request with those components removed. The following table shows the recommendation and the funding split under both the cash funds exempt and the reappropriated funds formats.

Executive Director's Office, Office of Performance Improvement, DI #5		
Line Item	Staff Recommendation (Old Format)	Staff Recommendation (New Format)
Personal Services	217,611	217,611
FTE	5.0	5.0
General Fund	80,966	80,966
Cash Funds	6,992	9,075
CFE / RF	33,374	33,374
Federal Funds	96,279	96,279
Medicaid Cash Funds	29,199	29,199
Net General Fund	95,549	95,549
Operating Expenses	22,025	22,025
General Fund	8,546	8,546
Cash Funds	677	866

Executive Director's Office, Office of Performance Improvement, DI #5		
Line Item	Staff Recommendation (Old Format)	Staff Recommendation (New Format)
CFE / RF	3,486	3,297
Federal Funds	9,316	9,316
Medicaid Cash Funds	3,079	3,079
Net General Fund	10,085	10,085
Total	239,636	239,636

The Department requests \$5,039,428, including \$2,197,570 *net* General Fund, and 74.1 FTE in FY 2008-09 for the Office of Performance Improvement line item. This request includes decision item #5 for a Human Resources staffing increase discussed above. **Staff recommends the Committee approve an appropriation of \$4,997,731, including \$2,181,299 *net* General Fund, and 74.1 FTE.** This recommendation includes decision item #5, which staff has previously recommended, and is otherwise in accordance with Committee common policy. 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 - Department of Human Services							
	TOTAL	FTE	GF	CF	CFE/RF	FF	Net GF
Prior Year Personal Services (S.B. 07-239)	\$4,303,030	69.1	\$1,669,733	\$132,179	\$681,044	\$1,820,074	\$1,970,481
Prior Year Salary Survey	138,030	0.0	55,212	2,761	22,085	57,972	65,150
Prior Year Performance Pay	46,550	0.0	18,620	931	7,448	19,551	21,972
Base Reduction	(44,877)	0.0	(17,436)	(1,359)	(7,106)	(18,976)	(20,576)
Annualize Prior Year Decision Item	5,320	0.0	5,320	0	0	0	5,320
Decision Item #5	217,611	5.0	80,966	6,992	33,374	96,279	95,549
Subtotal - Personal Services	4,665,664	74.1	1,812,415	141,504	736,845	1,974,900	2,137,896
Prior Year Operating Expenses (S.B. 07-239)	310,042	0.0	13,044	38,945	49,721	208,332	33,318
Decision Item #5	22,025	0.0	8,546	677	3,486	9,316	10,085
Subtotal - Operating Expenses	332,067	0.0	21,590	39,622	53,207	217,648	43,403
Total	\$4,997,731	74.1	\$1,834,005	\$181,126	\$790,052	\$2,192,548	\$2,181,299
Reappropriated Change	0	0.0	0	50,000	(50,000)	0	0
Total, New Format	\$4,997,731	74.1	\$1,834,005	\$231,126	\$740,052	\$2,192,548	\$2,181,299

Health Insurance Portability and Accountability Act of 1996 - Security Remediation

The Department of Human Services is considered a covered entity under HIPAA as it is responsible for the administration of numerous programs that handle health information. Specifically, the security rule covers: (1) the Mental Health Institutes at Pueblo and Fort Logan; (2) Mental Health Services; (3) the Alcohol and Drug Abuse Division; (4) department-wide security; (5) the Department's accounting program; (6) the Office of Information Technology Services; (7) the Regional Centers at Wheat Ridge, Pueblo, and Grand Junction; (8) the Division of Developmental Disabilities; and (9) the Nursing Homes at Rifle and Fitzsimons.

Responsibilities of this section include the development of a department-wide, system-based risk assessment and the integration of this assessment into the Department's operations. The staff also conduct periodic evaluations for all systems where technical, environmental, or operational changes have occurred. The section is responsible for the continuation of consolidation efforts associated with protected health information covered by the security rules, for an annual test that details the Department's security management processes, and for on-going privacy and security training.

Staffing Summary - (1) Executive Director's Office (B) Special Purpose, Health Insurance Portability and Accountability Act of 1996	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
General Professional	0.9	1.0	1.0	1.0
Information Technology	0.6	1.0	1.0	1.0
Total	1.5	2.0	2.0	2.0

The Department requests \$522,314, including \$439,807 *net* General Fund, and 2.0 FTE for this line item in FY 2008-09. **Staff recommends the Committee approve an appropriation of \$522,013, including \$439,552 *net* General Fund, and 2.0 FTE for this line item, calculated in accordance with Committee common policy action.** Staff's calculation is summarized in the following table. All CFE funds were recharacterized as reappropriated funds.

Summary of Personal Services and Operating Expenses Recommendation (1) Executive Director's Office (B) Special Purpose, HIPAA - Department of Human Services						
	TOTAL	FTE	GF	CF	CFE/RF	FF
Prior Year Appropriation (S.B. 07-239)	\$119,075	2.0	\$85,740	\$379	\$25,904	\$7,052
Personal Services	120,471		86,806	377	26,172	7,116
Operating Expenses	393,550	0.0	295,418	0	74,896	23,236
Prior Year Salary Survey	6,037	0.0	4,528	0	1,207	302

Summary of Personal Services and Operating Expenses Recommendation (1) Executive Director's Office (B) Special Purpose, HIPAA - Department of Human Services						
	TOTAL	FTE	GF	CF	CFE/RF	FF
Prior Year Performance Pay	1,955	0.0	1,466	0	391	98
Total	\$522,013	0.0	\$388,218	\$377	\$102,666	\$30,752

(2) OFFICE OF INFORMATION TECHNOLOGY SERVICES

The Department of Human Services' Office of Information Technology Services (OITS) is responsible for developing and maintaining the major centralized computer systems of the Department, including systems that link to all counties in the state. The office supports centralized databases and provides support and training to users, including county staff and private social service providers. The office also helps to set policies and strategic directions for de-centralized information technology systems that are operated by individual divisions within the department.

Exclusions from base reduction calculations. In some of the OITS lines involving personal services, a large portion of the expense is for contractual services rather than for state employees. In some cases this takes the form of contracts spanning multiple years with negotiated fixed payment rates. Base reductions applied to these contracts will not be realized by reductions in the contract payments; the State will continue to be bound by the contract terms, including the payments that must be made. Instead, the entire reduction would have to come from the rest of the personal services base. For example, if a personal services line were 25 percent expenses associated with employees, and 75 percent expenses for a long-term fixed-payment contract, the only way to realize an 1.0 percent base reduction for the entire line would be to take a 4.0 percent reduction on the employee portion. **Staff believes that this imposes an unfair burden in some cases, and will recommend in those cases that certain expenses be excluded from the base reduction calculation.** Such exclusions will be clearly identified.

Reappropriated funds in the Office of Information Technology Services. Similarly to the case of the Executive Director's Office, some lines in this division are funded through indirect cost recoveries from other divisions. In several cases, this causes the cash funds exempt portion of an appropriation to be recharacterized entirely as reappropriated funds in the new format.

Personal Services

This line item funds salaries and the state's share of PERA payments and Medicare taxes for a little less than half of the FTE in the Division, as well as a variety of contractual services. Most of the FTE associated with this line are information technology professionals who support various systems throughout the department, as well as management, financial and administrative support staff for the division. Other FTE in the division are allocated to specific systems and are reflected in the associated program line items reviewed below.

Staffing Summary - (2) Office of Information Technology Services, Personal Services	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
IT Professionals/Applications	57.9	65.2	65.7	65.7
Clerical/Administrative/Support	5.2	5.0	6.0	6.0
General Professionals	2.8	3.5	2.0	2.0
Management	2.5	2.5	2.5	2.5
Decision Item #11	0.0	0.0	2.4	2.4
Total	68.4	76.2	78.6	78.6

Decision Item #11 (IT Infrastructure Support):

The Department requests an increase of \$168,125 and 2.4 FTE in FY 2008-09 (\$347,592 and 5.0 FTE in FY 2009-10) to increase the department-wide technical operations support to a level commensurate with growth in the customer base and to address new external business requirements. The Department estimates its true need in this area is 25.0 FTE; they state that this is the first of a multi-phase request by the Office of Information Technology Services.

Staff recommends the Committee approve an increase of \$164,594 and 2.4 FTE in FY 2008-09, including \$127,022 net General Fund, and annualizing to 5.0 FTE in FY 2009-10. The annualized dollar amount will be approximately \$350,000 (\$275,000 net General Fund) but the exact amount will depend on future Joint Budget Committee common policy decisions. This recommendation is based on the following analysis.

The IT support staff has a complicated history. The Department of Human Services was created from the Departments of Social Services and Institutions and the Office of Information Technology Services was created from the various existing resources. Some reductions were made possible by elimination of duplicate functions, and by economies of scale. Additional resources were lost when the Department of Health Care Policy and Financing was split off and became a separate agency. In FY 2000-01, a new director reorganized OITS using a more centralized model in order to allow for pooling of resources and increased flexibility.

Recessionary cuts were made in FY 2003-04. Reduced state revenues required drastic action and the number of support staff were significantly reduced. The size of the staff being supported was also reduced at that time. In the years since, the number of supported staff have increased to a level that exceeds the pre-cut numbers. Support staff, however, have remained at the initial post-cut level. The following table shows this pattern clearly. Some adjustments to the OITS FTE line of the table have been made in order to make the number somewhat more consistent across the years.

Client to Support Staff Comparison						
	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
OITS Long Bill FTE	165.7	145.1	138.3	135.3	134.3	134.3
Clients Supported	8,178	7,751	8,046	8,312	8,700	8,700
CDHS	3,120	2,957	2,984	2,981	3,100	3,100
Counties	5,058	4,794	5,062	5,331	5,600	5,600

Source: CDHS figures. Clients Supported are estimates of actual individuals, which may differ from appropriated FTE. OITS Long Bill FTE do not include the conversion of Colorado Trails contract workers to FTE. A transfer of 6.0 FTE dedicated to a specialized system used by the federal Social Security Administration from OITS to Developmental Disabilities in FY 2007-08 was extended back to FY 2003-04.

The support job has become more complicated over time. In particular, the computer security requirements to which the State must conform have become much more complex.

- Some of the State's new systems have greatly increased security administration requirements compared to the systems they have replaced. Both Colorado Trails and the Colorado Benefits Management System (CBMS) have over 100 unique security profiles depending on the exact mix of programs on which an individual works. If a worker transfers to a new position, their security access must be modified, perhaps extensively.
- The federal Health Information Portability and Accountability Act (HIPAA) has placed numerous new information security requirements on agencies and their computer systems. New FTE were funded in the Executive Director's Office for oversight of the program, but not within OITS despite the incremental increase in the complexity and time required to execute a variety of tasks.
- The State Chief Information Security Officer has promulgated a variety of rules regarding computer security with which the Department must comply. Like new federal rules, these new state rules drive an incremental increase in the scope of the work performed by the support staff.

The Department believes that tasks currently undone will create future problems. The Department has identified a number of areas where support staff may "cut corners" in order to deal with the workload, and that may cause problems in the future. These include communication with customers on project requirements, follow-up with customers after services are provided, and a lack of thorough documentation.

The Department intends to increase staffing with a variety of specialties. The Department's request is intended to provide 1.0 additional FTE for the telecommunications services, 1.0 additional FTE for database administration, 2.0 FTE for desktop services, and 1.0 FTE for server support services.

These positions reflect the range of services provided by OITS to its customers. The Department plans to add the staff effective January 2009, so the FY 2008-09 request is for 2.5 FTE. This would annualize to 5.0 FTE in FY 2009-10.

Staff's recommendation adjusts for common policy. The Department's estimates of costs appear to be reasonable. The Department's request includes, pursuant to instructions from OSPB, expenses for AED and SAED. In conformance with Joint Budget Committee common policy, staff has excluded those amounts for their calculation of the recommendation. The following table shows staff's calculation of the FY 2008-09 request under both the cash funds exempt format and the reappropriated funds format.

Office of Information Technology Services Line Item	Staff Recommendation (Old Format)	Staff Recommendation (New Format)
Personal Services	144,944	144,944
FTE	2.4	2.4
General Fund	108,187	108,187
Cash Funds	718	10,372
CFE / RF	15,250	5,596
Federal Funds	20,789	20,789
Medicaid Cash Funds	5,596	5,596
Net General Fund	110,984	110,984
Operating Expenses	19,650	19,650
General Fund	15,630	15,630
Cash Funds	0	0
CFE / RF	815	815
Federal Funds	3,205	3,205
Medicaid Cash Funds	815	815
Net General Fund	16,038	16,038
Total	164,594	164,594

The Department requests \$6,023,302 and 78.6 FTE, including \$4,764,823 *net* General Fund. **Staff recommends that the Committee approve an appropriation of \$5,961,739, including \$4,716,077 *net* General Fund, and 78.6 FTE.** This recommendation includes Committee common policy decisions, and decision item #11 which staff has previously recommended. Staff's calculation is summarized in the following table. Staff's recommendation recharacterizes \$117,875 cash funds exempt as cash funds, and leaves the remainder as reappropriated funds.

**Summary of Personal Services Recommendation
(2) Office of Information Technology Services, Personal Services - Department of Human Services**

	TOTAL	FTE	GF	CF	CFE/ RF	FF	Medicaid CF	Net GF
FY 2007-08 Long Bill (S.B. 07-239)	5,617,053	76.2	4,348,432	24,062	548,258	696,301	224,909	4,460,886
Prior Year Salary Survey	194,490	0.0	139,878	778	17,640	36,194	7,240	143,498
Prior Year Performance Pay	64,007	0.0	46,034	256	5,805	11,912	2,094	47,225
Base Reduction	(58,755)	0.0	(45,343)	(251)	(5,717)	(7,444)	(2,342)	(46,516)
DI #11 IT Infrastructure Support	144,944	2.4	108,187	718	15,250	20,789	5,596	110,984
TOTAL Recommendation	5,961,739	78.6	4,597,188	25,563	581,236	757,752	237,497	4,716,077
Reappropriated Change	0	0.0	0	117,875	(117,875)	0	0	0
Total, New Format	\$5,961,739	78.6	\$4,597,188	\$143,438	\$463,361	\$757,752	\$237,497	\$4,716,077

Operating Expenses

This line item pays for the operating expenses associated with the FTE in the personal services line item, plus much of the centralized hardware and software infrastructure used by the department. The department an appropriation of \$407,176, including \$331,546 *net* General Fund, which reflects a continuation level plus decision item #11. **Staff recommends that the Committee approve the Department's request.** The cash funds exempt portion of the appropriation consists entirely of a transfer from the Department of Health Care Policy and Financing, and will be identified as reappropriated funds in the new format.

Purchase of Services from Computer Center

This line item pays for the Department's use of General Government Computer Center services and equipment. The source of funds is based on the financing for the programs that use GGCC. The Department requests an appropriation of \$4,430,930 and including \$1,935,000 *net* General Fund. **Staff recommendation for this line item is pending Committee common policy action.**

Microcomputer Lease Payments

This line item is used for lease payments on personal computers and related equipment. The department's request is for a continuation level of funding of \$539,344, including \$333,613 *net* General Fund. **Staff recommends the Committee approve the Department's request.** The cash funds exempt portion of this appropriation is identified as reappropriated funds in the new format.

Colorado Trails

This line item pays personal services, operating, and contract costs associated with Colorado Trails. Colorado Trails is a statewide system, operational since 2002, that supports activities in the Division

of Child Welfare and the Division of Youth Corrections. It provides case management, financial tools, and other resources to users of the program.

Staffing Summary - (2) Office of Information Technology Services, Colorado Trails	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
IT Professionals	25.1	30.8	30.8	30.8
General Professionals	13.5	14.0	14.0	14.0
Management	0.3	0.2	0.2	0.2
Customer Support/Administration	2.8	3.0	3.0	3.0
TOTAL	41.7	48.0	48.0	48.0

The Department requests an appropriation of \$9,409,157 and 48.0 FTE, including \$5,079,990 General Fund. **Staff recommends the Committee approve an appropriation of \$9,376,829 and 48.0 FTE.** Staff calculations are summarized in the following table. The Colorado Trails request includes \$2.0 million in multi-year contract services. Staff has excluded that amount from the calculation of base reduction. Funding for Colorado Trails consists entirely of General Fund and federal funds; the reappropriated funds format change has no effect on this appropriation.

Summary of Personal Services and Operating Expenses Recommendation (2) Office of Information Technology Services, Colorado Trails- Department of Human Services				
	TOTAL	FTE	General Fund	Federal Funds
Prior Year Personal Services (S.B. 07-239)	\$4,976,670	48.0	\$2,686,897	\$2,289,773
Prior Year Salary Survey	98,908	0.0	53,400	45,508
Prior Year Performance Pay	32,788	0.0	17,702	15,086
Base Reduction (Not applied to multi-year contract portion of PS)	(31,084)	0.0	(16,782)	(14,302)
SUBTOTAL Recommendation - Personal Services	5,077,282	48.0	2,741,217	2,336,065
Prior Year Operating Expenses (S.B. 07-239)	4,299,547	0.0	2,321,319	1,978,228
SUBTOTAL Recommendation - Operating Expenses	4,299,547	0.0	2,321,319	1,978,228
TOTAL RECOMMENDATION	9,376,829	48.0	5,062,536	4,314,293

County Financial Management System

This line item pays for contract and operating expenses associated with maintaining the County Financial Management System (CFMS). The system tracks program expenditures by program, by funding source, by county; tracks and allocates administrative costs by program; and, tracks

expenditures that are estimated to count toward federal maintenance of effort requirements. The system manages over \$1.0 billion in payments annually. Funding for CFMS is used for contractual services (IT programmers) and hardware and software maintenance.

The department requests a continuation appropriation of \$1,515,836 (\$781,835 General Fund and \$734,001 federal funds from various sources) for the County Financial Management System. **Staff recommends the Committee approve the department's request.** Funding for this line item consists entirely of General Fund and federal funds; the reappropriated funds format change has no effect on this appropriation.

Health Information Management System

This line item pays operating and contract costs associated with maintaining the Health Information Management System. This automated system supports clinical and administrative business functions at the Mental Health Institutes, the Regional Centers for persons with developmental disabilities, and the Division of Youth Corrections' detention and institutional facilities. The system was implemented in October 1995 in response to a requirement by the federal Health Care Financing Administration for providers to itemize all services and bill Medicare under a physician fee schedule. The system includes medical records, census, billing and accounts receivable, client banking, nutrition, laboratory, pharmacy, and clinical assessment and treatment information.

The department requests a continuation level appropriation of \$339,168, including \$211,290 General Fund. The cash funds exempt moneys are transfers from other divisions in the department. **Staff recommends the Committee approve the Department's request.** The cash funds exempt portion of this appropriation consists of indirect assessments from a variety of sources, and is shown as reappropriated funds in the new format.

Client Index Project

This line item pays contract and operating costs associated with maintaining the Client Index Project. The system assures that each recipient of state benefits has a unique identifier.. Each program uploads the name, gender, date of birth, social security number, and other identifying information for any individual served, and the Index looks for other duplicate entries and assigns a unique identifier. The Index retains both this unique identifier and the identifiers assigned by each respective program's system. By maintaining a central, unduplicated listing of clients served, the Index enhances interagency coordination and cooperation, reduces data entry requirements, reduces referrals for duplicated services, reduces fraud, and provides information for program evaluations.

The Department requests an appropriation of \$156,506, including \$89,858 General Fund and approval for 3.0 FTE. **Staff recommends the Committee approve an appropriation of \$156,116, including \$89,634 General Fund, and 3.0 FTE, calculated in accordance with Committee common policy decisions.** Staff's recommendation is for a continuation level, as no salary survey or pay for performance funds were allocated to this line, and the FTE number is below the Committee's threshold for a base reduction. Funding for this line is entirely General Fund and federal funds, so no adjustments for the new format are necessary.

National Aging Program Information System

This system helps the department comply with federal reporting requirements regarding clients served through Older Americans Act programs. Funding is primarily used to purchase contract programmer services and to partially fund the cost of leasing/purchasing microcomputers for area agencies on aging (AAA's) and service providers. Federal funds are from Title III of the Older Americans Act and this grant requires a 25.0 percent match. Of the match, 66.6 percent is General Fund and 33.3 percent is cash funds exempt (from a local match).

The Department requests continuation funding of \$93,114, which includes \$15,526 General Fund. **Staff recommends the Committee approve the Department's request.** The entire cash funds exempt portion of this appropriation will be shown as cash funds in the new format.

Colorado Benefits Management System (CBMS)

CBMS is involved in the distribution of over \$2 billion in benefits to over 500,000 individual clients annually. Each month, the system is used to process approximately 30,000 new client applications and 40,000 client reauthorizations. In addition to these client-side functions, CBMS communicates with over 100 external systems. These system-to-system interactions occur on a wide range of time scales: real-time online access, nightly batch jobs, and weekly, bi-weekly, monthly, and quarterly report generation and distribution. The external systems with which CBMS communicates include other State of Colorado systems, systems operated by other states, and federal systems.

Decision Item #15 (Ongoing CBMS Change Appropriation):

The Department requests an additional \$2,838,755 in ongoing federal funds (TANF) to fund system changes in the Colorado Benefits Management System (CBMS). The dollar amount reflects the current estimate of the cost of CBMS changes that have been identified as necessary to allow the State and counties to conform to changes in TANF legislation and rules. Ongoing authority is requested as limited CBMS development resources may require some changes to be deferred to future years.

Staff recommends the Committee approve the Department's request for \$2,838,755 additional federal funds (TANF) spending authority. Staff further recommends the creation of a new line item for this appropriation, in order to allow better tracking. Finally, staff recommends that the Committee approve roll-forward authority of the spending to FY 2009-10; if actual expenditures are deferred beyond that point, staff believes the Committee should review the reasons for the lengthy delays. This recommendation is based on the following analysis.

TANF reauthorization changed the rules. The federal government reauthorized the TANF program in 2006. The reauthorization, and subsequent rules developed by the federal Department of Health and Human Services, change the work participation activities which can be counted against state targets, place additional requirements on recording and reporting of such work participation, and establish new targets for work participation which are, at least in Colorado's case, more difficult to meet. Rule development is ongoing; the federal government has provided feedback to Colorado on its work verification plan that requires additional changes to CBMS.

Failure to meet these changes carries significant fiscal penalties. Failure to meet the federal guidelines may result in reductions in the State's federal TANF block grant. Failure to meet work verification requirements, the sanctions begin at one percent of the block grant, approximately \$1.5 million. Sanctions for failure to meet work participation requirements begin at five percent of the block grant, approximately \$7.5 million. In the event such a sanction is imposed, the State is also required to make up the reduction with state funds: if the block grant is reduced by \$7.5 million, Colorado must also spend an additional \$7.5 million of state money. Sanctions increase if the requirements are not met in subsequent years. Work participation sanctions can reach as much as 21 percent of the total block grant.

Changes in recording and reporting require CBMS changes. TANF eligibility determination and case tracking are performed by CBMS. Changes in data collection and report generation require that the system be modified. The Department has identified 41 distinct changes that must be made in order to conform to the latest federal requirements. The current price estimate for these changes totals \$2,838,755. Without additional funding, these change requests must compete with changes needed to support other programs. The CBMS base budget includes approximately \$2.5 million per year for change requests. Funding these TANF changes within the base budget would have a very large impact on non-TANF changes.

These changes can be funded outside the usual CBMS calculator. Most appropriations for CBMS must be funded from multiple sources using a formula negotiated with all of the federal agencies that provide CBMS funding. This formula is often referred to as the "CBMS calculator". For example, any changes that affect the system's eligibility determination component must be funded using the calculator, even if the eligibility change is only for a single program. This funding reflects the fact that after such a change, the eligibility component must be tested to verify that it is still accurate for all programs. The TANF-related changes do not affect the shared portions of the system, so can be funded from a single source.

Sufficient funds are available. The State's long-term TANF reserve is approximately \$30.0 million. These reserves are sufficient to cover the cost of the request.

A separate line item will facilitate tracking. The Department requests the funds be appropriated in the CBMS line item in the Long Bill, and that a letter note be included to indicate that this portion of the funds are to be spent only on TANF-related projects and are not to be intermingled with funds appropriated based on the calculator. The CBMS line item will potentially be subject to substantial changes during FY 2008-09 due to the rebid of the expiring contract for maintenance and operations support and potential changes in the "CBMS calculator" formula as a result of ongoing negotiations with the federal agencies that provide funding for CBMS. Staff would prefer to keep these TANF funds more clearly separated from funds subject to the calculator's formula. Staff recommends that this request be funded using a new line item to be titled "CBMS Federal TANF Reauthorization Changes".

Roll-forward authority appears reasonable in this case. As previously mentioned, the resources required to implement these TANF-related changes (measured by the total price tag) are comparable in scale to the annual resources for such changes included in the CBMS base budget. These resources are primarily those of the CBMS support vendor. It may not be possible for the vendor to provide adequate staffing to, in effect, double the resources available to CBMS even if the General Assembly appropriates the funding. Staff recommends the Committee regard this as a two-year undertaking, and provide roll-forward authority for FY 2009-10. Again, staff believes that providing such authority in a Long Bill letter note is more appropriately done through the separate line item recommended above. Staff believes a single year of roll-forward authority is appropriate. If these changes will not be completed by June 2010, more than two years from the present time, staff believes the Department should be required to make a new request.

CBMS under-estimates may be a growing problem. As a tangential issue, staff notes that the General Assembly is entirely dependent on the Department's estimates of the costs associated with CBMS changes. The current estimate for the changes due to TANF reauthorization are now an order of magnitude larger than the initial estimates. How much of the increase is due to feedback by the federal authorities on the state's original plan for conforming to the TANF changes and how much is due to underestimates of the costs is not clear. This would not be the first case of an order-of-magnitude increase in the estimated cost of a change request. Staff acknowledges that accurate estimates may be difficult, particularly when the timing must conform to the needs of the State's budget cycle. Nevertheless, consistent underestimates may eventually put the General Assembly into a difficult situation.

The Department has requested a total of \$25,729,652, including \$7,228,920 *net* General Fund, and 47.1 FTE for the CBMS line item. The request includes decision item #15. **Staff recommends the Committee approval \$22,857,178, including \$7,218,190 net General Fund, and 47.1 FTE for the CBMS line item for FY 2008-09.** Staff's recommendation does not include the federal funds for decision item #15, which staff has previously recommended, including a recommendation that those moneys be appropriated through a separate line item. Staff's calculation does not conform to Committee common policy; the CBMS line includes approximately \$11.6 million in multi-year contract payments, which staff has excluded from calculation of the base reduction. Staff's calculation is summarized in the following table. The cash funds exempt portion of this appropriation consists entirely of a transfer from the Department of Health Care Policy and Financing, and will be shown as reappropriated funds in the new format.

Staff notes that this recommendation is very much an estimate, as is the Department's request. The State is in the process of rebidding the contract for maintenance and operations support for CBMS. After a vendor is selected and a final contract is negotiated, the costs may be quite different than the contract with the current support vendor. As well, the State's RFP would require the new vendor to take responsibility for certain decision table changes currently handled by the State; this may result in an adjustment in the number of FTE associated with the line.

Department of Human Services - Office of Information Technology Services, CBMS							
Item	FTE	Total Request	GF	CF	CFE/RF	FF	NGF
Prior Year Appropriation (S.B. 07-239, S.B. 07-97, S.B. 07-211, H.B. 07-1100, H.B. 07-1349, H.B. 08-1287)	47.1	25,221,948	3,912,534	2,001,922	8,787,402	10,520,090	7,965,978
Personal Services	47.1	16,743,290	2,608,379	1,335,111	5,735,684	7,064,116	5,312,089
Operating Expenses	0.0	8,478,658	1,304,155	666,811	3,051,718	3,455,974	2,653,889
Remove One-Time Funding (Personal Services)	0.0	(2,091,128)	(325,392)	(167,829)	(728,657)	(869,250)	(662,495)
Remove One-Time Funding (Operating Expenses)	0.0	(352,424)	(55,314)	(28,282)	(122,326)	(146,502)	(112,620)
Prior Year Salary Survey	0.0	82,865	13,010	6,646	28,762	34,447	28,056
Prior Year Performance Pay	0.0	27,833	4,370	2,232	9,661	11,570	9,423
Base Reduction	0.0	(31,916)	(4,977)	(2,535)	(10,815)	(13,589)	(10,159)
Total		22,857,178	3,544,231	1,812,154	7,964,027	9,536,766	7,218,183

CBMS SAS-70 Audit

This line funds an on-going audit of the CBMS system. A Statement on Auditing Standards (SAS) 70 audit focuses on: (1) management policies, standards and procedures; (2) state and county staff training and subsequent adherence to standards and procedures; (3) general controls over system development, acquisition, maintenance, and change management; (4) operational controls over change management of software, logical and physical security, and contingency planning; and (5) application controls over source documents, data input, editing and processing, data output, and system access. The audit requires an assessment regarding "which functions (including reports) of the CBMS system are currently operating as intended and as necessary and which, if any, functions are not working as intended and/or as necessary."

The Department requests continuation level funding of \$149,000, including \$47,614 *net* General Fund. **Staff recommends the Committee approve the Department's request.** The cash funds exempt portion of this appropriation consists entirely of a transfer from the Department of Health Care Policy and Financing, and will be shown as reappropriated funds in the new format.

CBMS Federal Reallocation

This line was added in the Department's supplemental budget request for FY 2007-08. CBMS development and operational expenses are paid in part by federal agencies. Federal contributions are calculated using a fixed formula. Federal policy required that the State negotiate new formulas based on actual system usage when the system's status changed from development to operational. The appropriation for this line covered the necessary refinancing for FY 2004-05. Each fiscal year must be negotiated separately. Because the final formulas for subsequent fiscal years have not been

established, the Department has not requested an appropriation for this line for FY 2008-09. **Staff recommends the Committee approve the Department's request for no appropriation.**

CBMS TANF Reauthorization Changes (New Line)

This line reflects the staff recommendation for decision item #15. The Department requested that these TANF funds be included in the CBMS line item; staff believes that they should be placed in a separate line item, particularly in light of the recommended roll-forward spending authority. **Staff recommends an appropriation of \$2,838,755 federal funds (TANF). Staff further recommends the Committee grant roll-forward spending authority for this item through FY 2009-10.** As this appropriation is entirely federal funds, there are no changes necessary to accommodate the new reappropriated funds format.

Multiuse Network Payments

This line item supports funds the Department of Human Services' share of costs for the statewide multi-use network. The department requests \$2,271,121, which includes \$1,438,489 *net* General Fund. **Staff recommendation for this item is pending Committee common policy action.**

Communications Services. This line item supports the Department of Human Services' share of the costs for the state's public safety communications infrastructure. Funds are transferred to the Department of Personnel and Administration, the agency responsible for operations and maintenance of this program. The department requests \$308,792, including \$262,474 General Fund. **Staff recommendation for this item is pending Committee common policy action.**

(4) COUNTY ADMINISTRATION

County Administration provides funding for county departments of social services to administer several programs including food stamps, adult protection, and adult assistance payment programs. Over the last several years, the responsibility for several programs has been moved out of County Administration. Administration for child care services and child welfare services were moved following FY 1998-99. Administrative funding related to the Works Program is now appropriated in the Office of Self-Sufficiency. More recently, S.B. 06-219 transferred responsibility for administration of medical assistance programs to the Department of Health Care Policy and Financing.

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.

Decision Item #NP-1 (Local Provider Rate Increase):

This decision item affects several divisions of the Department of Human Services. The following discussion concerns only that portion of the total request that applies to the County Administration Division. The Department requests an increase spending authority of \$552,675 (including \$219,077 General Fund) for the County Administration line item. The Department historically includes the County Administration line in its request for local provider rate increases. This request reflects a 1.35 percent increase.

Staff recommends the Committee deny the request for the community provider rate increase.

The Committee has previously approved this increase as part of its common policy decisions. However, in setting that policy, the Committee "flagged" this line item for possible reconsideration due to changes that may be made to the appropriation by H.B. 08-1250, sponsored by the Committee. The fiscal note for that bill indicates a total increase of \$10,200,000 (\$4,000,000 General Fund) to the appropriation for this line, and an increase of \$3,400,000 (\$1,000,000 General Fund) to the County Administration appropriation in the Department of Health Care Policy and Financing. The events leading to the Committee's sponsorship of H.B. 08-1250 are summarized here.

The County Contingency Fund provides additional General Fund moneys to assist counties that have high social services costs relative to their property tax base. The existing statutory formula for determining each county's eligibility contains multiple flaws; these have resulted in a steady increase in the number of counties qualifying and the total amount for which they qualify. In the long term, the County Contingency formula can be expected to eventually lead to the situation where all counties qualify for such assistance.

During 2007, the Departments of Human Services and Health Care Policy and Financing formed a study group, with county participation, to consider alternatives to the current formulas. The study group participants unanimously approved a final report that included several recommendations. The first of these was for a new County Tax Base Relief Fund (a new name in order to avoid confusion with the old fund and old rules) with new eligibility formulas that returned to the original intent: providing aid to a relatively small number of counties. The new formula results in total eligibility that is \$5.0 million less than the most recent County Contingency appropriation.

An important part of the study group's final report is that those savings should be used to include the base appropriation for the County Administration lines in the Departments of Human Services and Health Care Policy and Financing. A \$5.0 million increase in the General Fund appropriation to those lines can be expected to result in an additional \$5.0 million in federal matching dollars, or a total increase of \$10.0 million. Staff believes that this increase – which would benefit all Colorado counties – was an important factor contributing to the endorsement of the study group report by county participants.

H.B. 08-1250 (Pommer / Johnson) implements the recommendations of the study group's final report. At the present time, it appears unlikely that this bill will be passed and become effective prior to the introduction of the Long Bill. Staff anticipates that the Long Bill will need to be drafted in

accordance with the current County Contingency statute, but that H.B. 08-1250 will eventually become law. Staff therefore recommends a continuation appropriation for both the County Administration line and the County Contingency line. The appropriations clause of H.B. 08-1250 can modify these appropriations as necessary.

Decision Item #NP-2 (County Administration Name Change):

The Department requests that the County Administration division name and the County Administration line item in that division in the Long Bill both be changed to "Family and Adult Services". **Staff recommends the Committee deny the Department's request and retain the current names.** Staff is concerned that, at the division level, the new name would be confused with existing names. And while the current names may not be entirely accurate in describing the purpose of the funding, the new names provide little added clarity for people outside of the Department.

At the division level, the Department already includes "Adult Assistance Programs". In addition, family services are associated in many people's minds with Colorado Works, the state implementation of the federal Temporary Assistance for Needy Families (TANF) program, which is part of the division-level Office of Self Sufficiency. While it is true that the administration funding for several programs that were formerly included in County Administration have been split off, and that the new name may be descriptive of the remaining programs funded through this line, a variety of programs in other divisions could also be described as family and adult services.

Where funding for county administration expenses have been split off, the "administration" or "county administration" descriptor has generally been retained. This is true for the portion that was shifted to the Department of Health Care Policy and Financing, the portion for Colorado Works, and the portion for the Old Age Pension programs. Staff believes that it is useful to continue the practice of clearly identifying lines which are used to fund administrative expenses rather than services and benefits.

Handling of Reappropriated Funds:

S.B. 06-219 moved county administration appropriations for medical services (e.g., Medicaid determination services) from the Department of Human Services to the Department of Health Care Policy and Financing. As a result of that transfer, from FY 2006-07 forward, all cash funds exempt amounts shown will be reclassified as cash funds in the new format.

County Administration

The Department requests \$41,491,558, including \$16,447,016 General Fund. This reflects a continuation level plus a 1.35 percent community provider rate increase. **Staff recommends an appropriation of \$40,938,883 (including \$16,227,939 General Fund).** This recommendation is based on current statute, and would be modified by H.B. 08-1250 as discussed above.

County Contingency Payments pursuant to Section 26-1-126, C.R.S.

The County Contingency Fund line was created to assist counties with high social services costs relative to their assessed property valuations, and was discussed in detail above. The Department

requests a continuation level appropriation of \$11,069,321 General Fund. **Staff recommends the Committee approve the Department's request.** This recommendation is based on current statute, and would be modified by H.B. 08-1250 as discussed above.

County Share of Offsetting Revenues

This funding reflects revenues earned by counties through child support collections, fraud refunds, state revenue intercepts, and other refunds that assist the state in meeting the maintenance of effort (MOE) for the Temporary Assistance for Needy Families (TANF) Block Grant. The Department requests a continuation level appropriation of \$3,789,313 cash funds exempt. **Staff recommends that the Committee approve the Department's request.**

County Incentive Payments

Section 26-13-108, C.R.S., provides that when child support enforcement payments are collected on behalf of custodial parents who have received public assistance, such amounts may be used to reimburse public assistance paid in accordance with federal law. Funding in this line reflects revenues earned by the state through child support collections, fraud refunds, state revenue intercepts, and other refunds that assist the state in meeting the maintenance of effort (MOE) for the Temporary Assistance for Needy Families (TANF) Block Grant. The Department requests a continuation level appropriation of \$3,084,361 cash funds exempt. **Staff recommends that the Committee approve the Department's request.**

(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. The Administration section is funded entirely with General Fund and federal funds, so there is no effect from the reappropriated funds format change.

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 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
General Professional	10.6	16.6	16.6	16.6

Staffing Summary - (7) Office of Self Sufficiency - Administration, Personal Services	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Management	3.0	3.0	3.0	3.0
Clerical / Support	2.4	2.4	2.4	2.4
TOTAL	16.0	22.0	22.0	22.0

The Department has requested \$1,664,967, including \$671,472 General Fund, and 22.0 FTE for this line item. **Staff recommends an appropriation of \$1,647,548 and 22.0 FTE calculated in accordance with Committee common policy.** The following table summarizes staff's calculation of this amount.

Staff Summary - (7) Office of Self Sufficiency (A) Administration, Personal Services	Total	General Fund	Federal Funds	FTE
Prior Year Appropriation (S.B. 07-239)	\$1,605,384	\$611,889	\$993,495	22.0
Prior Year Salary Survey	43,897	43,897	0	0.0
Prior Year Performance Pay	14,909	14,909	0	0.0
Base Reduction	(16,642)	(6,707)	(9,935)	0.0
Total Recommendation	1,647,548	663,988	983,560	22.0

Operating Expenses. The Department requests an appropriation of \$77,156. This reflects a continuation level of funding, less \$8,445 in one-time expenses in a prior year decision item. **Staff recommends that the Committee approve the Department's request.**

**(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.

Decision Item #13 (Colorado Works County Oversight):

The Department requests an additional \$235,542 in federal funds (TANF) and 4.0 FTE to provide increased oversight of county performance. These FTE will form a new quality control unit dedicated to case file monitoring and providing feedback to allow counties to enhance their programs.

Staff recommends the Committee approve an increase of \$231,048 federal funds (TANF) and 4.0 FTE. This recommendation is based on the following analysis.

The Department has an existing review county review program. Colorado uses a state-supervised county-administered system for its social services programs. Section 26-2-712 (5), C.R.S., requires the Department to oversee county implementations of the Colorado Works program. The Department conducts County Program Reviews of select counties on an ongoing basis. The program reviews cover county policies, a sample of case files, and various administrative and other data. The review process includes a visit with the county director and county staff to discuss their program, training needs, policy issues, and the findings from the case reviews.

The federal government reauthorized the TANF program in 2006, resulting in tougher rules for state programs. The federal government reauthorized the TANF program in 2006. The reauthorization, and subsequent rules developed by the federal Department of Health and Human Services, require a more sophisticated and systematic approach to case review, particularly with respect to work participation activities. Under these new rules, the State must review a statistically valid sampling of case files on an ongoing basis. The Department proposes to add case reviews for Colorado Works to the current process used to review Food Stamp case files; this process meets federal requirements for valid sampling. The Department does not have adequate resources to staff this additional work load.

Failure to comply with new federal rules may result in financial sanctions. Failure to meet the federal guidelines may result in reductions in the State's federal TANF block grant. For failure to meet work verification requirements, the sanctions begin at one percent of the block grant, approximately \$1.5 million. In the event such a sanction is imposed, the State is also required to make up the reduction with state funds: if the block grant is reduced by \$1.5 million, Colorado must spend an additional \$1.5 million of state money. Sanctions increase by one percentage point for each subsequent year in which the requirements are not met.

Department estimates of the staff required appear reasonable. The Department proposes four FTE: two general profession III positions, one performing ongoing case review and one collecting review results and providing technical assistance and training to county staff; one general professional IV position responsible for additional case file review and data analysis; and one program assistant II position providing administrative functions.

Staff has recalculated the estimated FY 2008-09 appropriation. The Department's calculation includes AED and SAED expenses. Pursuant to Joint Budget Committee common policy, staff has excluded those expenses from the personal services calculation. Staff recommends an appropriation of \$231,048 (\$213,428 personal services and \$17,620 operating expenses) in federal funds (TANF) and 4.0 FTE for FY 2008-09. As the appropriation is entirely federal funds, there are no considerations for the change to the reappropriated funds format.

Decision Item #16 (Fatherhood Grant Match):

The Department requests a net additional \$222,222 in federal funds (TANF) spending authority in order to allow funding of a new Promoting Responsible Fatherhood Grant line item. The additional TANF funds will be used to replace a reduction of \$222,222 General Fund in the Office of Self Sufficiency, Colorado Works, County Block Grants. Those General Fund moneys will be used as the state match in a new Promoting Responsible Fatherhood Grant line item in order to draw down \$2.0 million in federal funds.

Staff recommends the Committee approve the Department's request, with two changes: the \$2.0 million in federal funds should be shown, and the General Fund appropriation should include an (M) notation. This recommendation is based on the following analysis.

The program purpose fits within the goals of the state and federal TANF plans. In September 2006, the State was awarded a Promoting Responsible Fatherhood Grant from the federal government. The State will receive about \$2.0 million in federal funds in each of the federal fiscal years from 2007 through 2011. The grant requires that the State provide a match equal to 10 percent of the total of the state and federal funds. The State may not use TANF funds directly as its matching share, but promoting responsible fatherhood is one of the goals of the federal TANF program and is included in the State's approved TANF plan.

The proposed financing will provide additional funds for both the State and the counties. The Department proposes to allocate \$1.1 million of the appropriation to the counties and to local/faith-based organizations, and to retain \$1.1 million for a statewide public awareness campaign, technical assistance to the counties, and administration. The county block grants will not be affected, because the General Fund moneys taken from the block grant line are replaced with TANF dollars that would otherwise have gone to the state-level long-term reserve.

The State will continue to meet its TANF maintenance of effort requirements. Colorado must meet a maintenance of effort target in order to earn its full federal TANF grant. The shift of state funds from one line to another will not, in this case, affect Colorado's MOE spending level, so will not create any risk of losing federal funding. Because the proposed changes result in additional funds at both state and county levels that may be used for TANF goals, staff recommends the Committee approve the Department's request.

Small changes will provide additional clarity. Staff recommends that the appropriation include the federal funds. While these will be shown for informational purposes only, as they are not subject to appropriation by the General Assembly, including them will provide a more accurate reflection of total state spending. In addition, staff recommends that the General Fund portion of the appropriation include an (M) notation, indicating that if the available federal dollars are reduced, the General Fund dollars must also be reduced.

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 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
General Professional	8.1	11.0	11.0	11.0
Management	1.0	1.0	1.0	1.0
Clerical / Support	2.5	2.0	2.0	2.0
Decision Item #13	0.0	0.0	4.0	4.0
Total	11.6	14.0	18.0	18.0

For the Colorado Works Administration line, the Department requests an appropriation of \$1,432,394 federal funds and 18.0 FTE. This request includes decision item #13, which staff has previously recommended, and a continuation level of funding for operating expenses. **Staff recommends the Committee approve an appropriation of \$1,430,023 federal funds and 18.0 FTE.** Staff's calculation, which conforms to Committee common policy decisions, is shown in the following table. This line is funded entirely with federal funds, so there are no changes as a result of the reappropriated funds format change.

Staff Summary - (7) Office of Self Sufficiency (B) Colorado Works Program - Colorado Works Administration	Federal Funds	FTE
Prior Year Appropriation (S.B. 07-239)	\$1,157,773	14.0
Prior Year Salary Survey	31,051	0.0
Prior Year Performance Pay	10,151	0.0
Decision Item #13 County Oversight	231,048	4.0
Total Recommendation	1,430,023	18.0

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, state funds, and local funds.

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 Committee¹, 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; the fact 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 specifically not authorized to reduce a county's block grant based on the amount of moneys maintained by such county in a county Reserve Account [Section 26-2-714 (3), C.R.S.].

In addition to providing input to the department regarding the allocation of state and federal funds, the Works Allocation Committee is required to identify each county's share of required local spending on the Works Program. The Works Allocation Committee is also authorized to mitigate (i.e., reduce) a small county's required share, up to a maximum amount identified in a Long Bill footnote [Section 26-2-714 (8), C.R.S.] .

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 minimum federal TANF MOE is \$88.4 million annually. For Colorado, based on how the state utilized federal Title IV-A funds prior to federal welfare reform, expenditures for several different programs may be counted toward the TANF MOE.

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. Each year, the appropriations of state and county funds for the Works Program are set so that total state and county expenditures that are estimated to count toward the TANF MOE will be sufficient to meet or exceed the federally required minimum MOE.

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.

¹ 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.

The Department requests continuation funding of \$154,441,672, including \$627,726 General Fund, \$25,323,033 cash funds exempt, and \$128,490,913 federal funds. This request includes decision item #16, the Promoting Responsible Fatherhood Grant program. **Staff recommends that the Committee approve the Department's request.** The cash funds exempt appropriation for this line item represents the local share paid by the counties. These funds will be reclassified as cash funds under the new reappropriated funds format.

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."²

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 2006-07, 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 2006-07 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. This is the standard annual request; due to delays in federal notification regarding the State meeting its work participation rate target, the FY 2006-7 payment was delayed until FY 2007-08. **Staff recommends that the Committee approve the Department's request.** This appropriation is federal funds, so there is no change under the new reappropriated funds format.

Short-term Works Emergency Fund

Pursuant to Section 26-2-720, C.R.S., the Short-term Works Emergency Fund consists of moneys appropriated annually by the General Assembly. This Fund was intended to ensure that any emergencies that arose could be addressed in a timely fashion, regardless of whether the General Assembly was in session. The department is statutorily authorized to allocate moneys in the Short-term Fund to counties for:

² 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.

1. Negotiating a higher work participation rate than the work participation rate required by the federal law;
2. Costs of basic assistance grants that are in excess of five percent more than the costs for basic assistance grants in the previous state fiscal year;
3. Correction of technical errors in the determination of the amount of the county block grant that are in excess of five percent of the total amount of the county block grant;
4. Works Program expenditures for emergencies that were not foreseen at the time county block grants were determined; and
5. Allowable child care expenditures as provided in Section 26-2-804 (3), C.R.S.

Note that, with the exception of points #2 and #4 listed above, counties are required to exhaust other available moneys (e.g., the county block grant for the Works Program, the county block grant for the Child Care Assistance Program, and the Works Program County Reserve Account) before seeking moneys from the Short-term Works Emergency Fund. Any funds that remain in the Short-term Works Emergency Fund at the end of the state fiscal year revert to the Long-term Works Reserve Fund.

To date, the Department has allocated very little out of the Short-term Works Emergency. The Department has indicated that the reason for this is primarily the requirement that counties exhaust other available sources of funds prior to accessing the Short-term Works Emergency Fund. The original appropriation included in S.B. 97-120 for this line item was \$3.0 million; the appropriation was reduced to \$1.0 million in FY 2002-03. The Department requests a continuation level of funding of \$1,000,000. **Staff recommends that the Committee approve the Department's request.** As this appropriation is entirely federal funds, there is no change due to the new reappropriated funds format.

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 a continuation level of funding of \$79,820,105 federal funds (TANF) for this line item. **Staff recommends that the Committee approve the Department's request.** As this appropriation is entirely federal funds, no change due to the new reappropriated funds format is necessary.

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; and (e) monitoring the progress of the family toward attaining self-sufficiency."

The Department requests \$445,955 and 2.0 FTE for this line. **Staff recommends the Committee approve an appropriation of \$444,917 and 2.0 FTE.** Staff's calculation is in accordance with Committee common policy actions. The Department allocated no salary survey or performance pay to this line, so staff's calculation resulted in a continuation appropriation from the prior year. This line is entirely funded with federal dollars so there is no change due to the reappropriated funds format change.

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 (further details about the nature of such programs is provided in the narrative for the above line item). 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) and appropriations from the General Assembly.

This program was established in 1983 and was funded solely with taxpayer contributions until FY 1999-00, when the tax check-off program was extended and the statute was amended to allow General Fund support of the program. Recent expenditures and appropriations for the program are listed in the following table.

Colorado Domestic Abuse Program: Expenditures and Appropriations				
Fiscal Year	General Fund	Contributions/ Cash Fund Balance	Federal TANF Funds	Total Funds
1999-00 (actual expenditures)	250,000	79,477	0	329,477
2000-01 (actual expenditures)	400,000	47,445	0	447,445
2001-02 (actual expenditures)	576,776	579,785	0	1,156,561
2002-03 (actual expenditures)	498,443	384,287	0	882,730
2003-04 (actual expenditures)	0	439,405	648,444	1,087,849
2004-05 (actual expenditures)	0	267,519	650,000	917,519
2005-06 (actual expenditures)	0	187,352	650,000	837,352
2006-07 (actual expenditures)	0	189,090	650,000	839,090
2007-08 (appropriation)	0	325,000	650,000	975,000

Colorado Domestic Abuse Program: Expenditures and Appropriations				
Fiscal Year	General Fund	Contributions/ Cash Fund Balance	Federal TANF Funds	Total Funds
2008-09 (request)	0	331,013	652,906	983,919
2008-09 (recommendation)	0	330,711	652,906	983,617

For FY 2003-04, the General Assembly eliminated the General Fund appropriation for the program, substituting federal Temporary Assistance for Needy Families (TANF) funds. Under federal law concerning the TANF program, states have the ability to implement a family violence option. Under such an option, the state implements procedures to: (1) screen and identify individuals receiving TANF assistance with a history of domestic violence; (2) refer such individuals to counseling and supportive services; and (3) waive, pursuant to a determination of good cause, other program requirements in cases where compliance with such requirements would make it more difficult for individuals receiving assistance to escape domestic violence or unfairly penalize such individuals. Colorado has implemented this option, and pursuant to Section 26-2-108 (5), C.R.S., counties are required to provide referrals to any available counseling and supportive services of past or present victims of domestic violence or those at risk of further violence (but counties are not required to pay for such counseling or supportive services).

In addition to \$650,000 TANF funds, the FY 2007-08 appropriation includes \$325,000 from the Domestic Abuse Program Fund (both taxpayer contributions and fund balance). The Department had requested an appropriation of \$350,000 from the Domestic Abuse Program Fund for FY 2007-08; the Committee subsequently reduced that request as the forecast revenues plus then-current account reserves were not sufficient to cover the full \$350,000. The Department requests an appropriation for FY 2008-09 of \$983,919 and 2.0 FTE for this line that also include \$331,013 from that fund. Current revenue forecasts and fund reserves are sufficient to cover that appropriation. **Staff recommends the Committee approve an appropriation of \$983,617 and 2.0 FTE.** This recommendation is calculated in accordance with Committee common policy. Staff's calculation is summarized in the following table. The cash funds exempt appropriation for this line item will be reclassified as cash funds under the new reappropriated funds format.

Staff Summary - Domestic Abuse Program	Total	Cash Funds	CFE/RF	Federal Funds	FTE
Previous Year Appropriation	\$975,000	\$0	\$325,000	\$650,000	2.0
Personal Services	121,887	0	121,887	0	2.0
Operating Expenses	853,113	0	203,113	650,000	0.0
Prior Year Salary Survey	6,491	0	4,302	2,189	0.0
Prior Year Performance Pay	2,126	0	1,409	717	0.0

Staff Summary - Domestic Abuse Program	Total	Cash Funds	CFE/RF	Federal Funds	FTE
Total Recommendation	983,617	0	330,711	652,906	2.0
Recharacterization	0	330,711	(330,711)	0	0.0
Total (New Format)	983,617	330,711	0	652,906	2.0

Works Program Evaluation

Pursuant to Section 26-2-723, C.R.S. (H.B. 04-1030), the department is required, with input from an independent advisory committee established in Section 26-2-723 (4), C.R.S., to oversee an annual evaluation of the Works Program. The evaluation is to include an objective analysis of the outcomes realized by the program, including, but not limited to:

1. The characteristics of families receiving cash assistance and other services in the works program, including services received and work activities participated in and the length of participation;
2. The availability of appropriate services to enable families to move off cash assistance into employment and long-term self-sufficiency;
3. The well-being of children in families who receive cash assistance or in families who are no longer receiving cash assistance;
4. The number of families who no longer receive cash assistance due to income earned through employment or due to other reasons;
5. The earnings of families who leave the works program;
6. The number of parents who leave the works program who remain employed;
7. The number of families who return to cash assistance;
8. The number of former participants who are moving to long-term self-sufficiency;
9. The impact of the works program on Colorado's medicaid, child care, and child welfare programs; and
10. The effectiveness of the works program in providing services and benefits to families to help them move to long-term self-sufficiency.

The Department's request is for a continuation of the FY 2007-08 appropriation of \$500,000 federal funds. **Staff recommends the Committee approve the Department's request.** As the appropriation is entirely federal funds, no changes are necessary due to the reappropriated funds format change.

Workforce Development Council

This line item represents the Department's share of funding for the Workforce Development Council in the Department of Local Affairs' Office of Workforce Development. 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).

Pursuant to Section 24-46.3-101 (8), C.R.S., the Office of Workforce Development is to establish an annual budget for Council functions, activities, and staff. 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 \$88,838 in federal spending authority in FY 2008-09. **Staff recommends that the Committee approve the Department's request.** As the appropriation is entirely federal funds, no changes are necessary due to the reappropriated funds format change.

Promoting Responsible Fatherhood Grant (New Line)

This line includes the appropriations for the Promoting Responsible Fatherhood Grant the Department receives from the federal government. This new program was described as decision item #13 above, which was recommended by staff. **Staff recommends an appropriation of \$2,222,222 including \$222,222 General Fund.** No changes will be necessary to accommodate the new reappropriated funds format.

(7) OFFICE OF SELF SUFFICIENCY

(C) Special Purpose Welfare Programs

(1) Low Income Energy Assistance Program

This program provides energy subsidies to low income households. "Low income" for this program is defined relative to the federal poverty level. Staffing patterns for the program are summarized in the table below.

Low Income Energy Assistance Program - Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
General Professional	3.4	4.0	4.0	4.0
IT Professional	1.0	2.0	2.0	2.0
Support / Clerical Staff	0.4	0.6	0.6	0.6
Total	4.8	6.6	6.6	6.6

The Department requests an appropriation of \$39,693,262 and 6.6 FTE, including \$5,950,000 cash funds, \$2,149,832 cash funds exempt, and \$31,593,430 federal funds. The program costs portion of the request is a continuation level. **Staff recommends the Committee approve an appropriation of \$39,692,345 and 6.6 FTE calculated in accordance with Committee common**

policy. A summary of staff's calculation of this amount is shown in the following table. The cash funds exempt portion of this appropriation becomes reappropriated funds in the new format.

Summary of Staff Calculation Low Income Energy Assistance Program					
Item	FTE	Total Request	CF	CFE/RF	FF
Prior Year Appropriation (S.B. 07-239)	6.6	39,674,338	5,950,000	2,149,832	31,574,506
Prior Year Salary Survey	0.0	13,560	0	0	13,560
Prior Year Performance Pay	0.0	4,447	0	0	4,447
Total	6.6	39,692,345	5,950,000	2,149,832	31,592,513

(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 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 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
General Professional	5.5	6.0	6.0	6.0
Support / Clerical Staff	0.6	0.2	0.2	0.2
Total	6.1	6.2	6.2	6.2

The Department requests \$2,045,018, including \$171,538 General Fund, and 6.2 FTE for FY 2008-09. Federal funds are comprised of Food Stamps moneys from the U.S. Department of Agriculture. The appropriation is comprised of several funding schemes. 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 moneys do include a 20.0 percent share for eligible activities. Cash funds exempt represent local share and in-kind donations. **Staff recommends the Committee approve an appropriation of \$2,043,946 and 6.2 FTE, including \$171,002 General Fund, calculated in accordance with Committee common policy actions.** Staff's recommendation is summarized below. All cash funds exempt sources for this line item will be reclassified as cash funds under the new reappropriated funds format.

Summary of Staff Calculation Special Purpose Welfare Programs - Food Stamp Job Search Units Program Costs						
Item	FTE	Total Request	GF	CF	CFE/RF	FF
Prior Year Appropriation (S.B. 07-239)	6.2	2,027,218	162,638	0	409,382	1,455,198
Personal Services	6.2	448,851	162,638	0	0	286,213
Operating Expenses	0.0	1,578,367	0	0	409,382	1,168,985
Prior Year Salary Survey	0.0	12,624	6,312	0	0	6,312
Prior Year Performance Pay	0.0	4,104	2,052	0	0	2,052
Total	6.2	2,043,946	171,002	0	409,382	1,463,562
Recharacterization	0.0	0	0	409,382	(409,382)	0
Total (New Format)	6.2	2,043,946	171,002	409,382	0	1,463,562

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.** The cash funds exempt appropriation for this line item is reclassified as cash funds under the new reappropriated funds format.

(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 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
General Professional	4.9	5.0	5.0	5.0
Accounting/Technician	1.0	1.0	1.0	1.0
Administrative/Support	0.5	0.5	0.5	0.5
Total	6.4	6.5	6.5	6.5

The Department request is for \$552,489 and 6.5 FTE, including \$44,684 General Fund. **Staff recommends the Committee approve an appropriation of \$551,499 and 6.5 FTE calculated in accordance with Committee common policy.** A summary of staff's calculation is shown in the following table. Cash funds exempt funding was eliminated from this line in FY 2006-07, so there are no changes due to the reappropriated funds format change.

Summary of Staff Recommendation Food Distribution Programs - Department of Human Services					
	TOTAL	FTE	GF	CF	FF
Prior Year Appropriation (S.B. 07-239, H.B. 08-1287)	532,834	6.5	42,818	228,987	261,029
Personal Services	456,084	6.5	42,818	197,131	216,135
Operating Expenses	76,750	0.0	0	31,856	44,894
Prior Year Salary Survey	14,067	0.0	1,336	6,077	6,654
Prior Year Performance Pay	4,598	0.0	437	1,986	2,175
TOTAL Recommendation	551,499	6.5	44,591	237,050	269,858

(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. As a utility, 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. Staffing for this program is summarized in the table below. The Department request is for \$62,311 cash funds (Low-income Telephone Assistance Fund) and 0.9 FTE. **Staff recommends the Committee approve an appropriation of \$62,223 and 0.9 FTE, calculated in accordance with Committee common policy.** This recommendation consists of a continuation level, plus allocated prior year salary survey and performance pay. Cash funds exempt funding was eliminated from this line in FY 2006-07, so there are no changes due to the reappropriated funds format change.

(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.** The appropriation consists entirely of General Fund and federal funds, so there are no changes due to the new format.

(6) Electronic Benefits Transfer Service

House Bill 95-1144 authorized the Department to implement an electronic benefits transfer system (EBTS) to deliver Food Stamp, Works Program, Old Age Pension, Aid to the Needy Disabled, Aid to the Blind, Child Welfare, Child Care, and Low Income Energy Assistance benefits. The EBTS replaces the paper-based system of checks and Food Stamp coupons. 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. The staffing history of this program is summarized in the table below.

Electronic Benefits Transfer - Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
General Professional	2.0	2.0	2.0	2.0
Accounting/Technician	1.3	2.0	2.0	2.0
Administrative/Support	1.4	1.0	1.0	1.0
Total	4.7	5.0	5.0	5.0

The Department requests an appropriation of \$3,202,421, including \$831,557 General Fund, and 5.0 FTE. **Staff recommends the Committee approve an appropriation of \$3,201,710 and 5.0 FTE, calculated in accordance with Committee common policy.** Staff's calculation is summarized in the following table. The entire cash funds exempt portion of the appropriation is recharacterized as cash funds in the new format.

Summary of Staff Calculation Department of Human Services, Special Purpose Welfare Programs, Electronic Benefits Transfer Service						
	TOTAL	FTE	GF	CF	CFE/RF	FF
Prior Year Appropriation (S.B. 07-239)	3,188,582	5.0	825,881	253,696	634,746	1,474,259
Personal Services	299,897	5.0	123,640	0	50,466	125,791
Operating Expenses	2,888,685	0.0	702,241	253,696	584,280	1,348,468
Prior Year Salary Survey	9,758	0.0	4,001	0	1,683	4,074
Prior Year Performance Pay	3,370	0.0	1,382	0	582	1,406
Total Recommendation	3,201,710	5.0	831,264	253,696	637,011	1,479,739
Recharacterization	0	0.0	0	637,011	(637,011)	0
Total (New Format)	3,201,710	5.0	831,264	890,707	0	1,479,739

(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 history for this program is provided in the following table.

Refuge Assistance Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
General Professional	0.4	7.0	7.0	7.0
IT Professional	0.0	1.0	1.0	1.0
Administrative/Support	0.0	1.0	1.0	1.0
Management	0.0	1.0	1.0	1.0
Total	0.4	10.0	10.0	10.0

Decision Item #19 (Additional TANF Funds for Refugees):

The Department requests allocation of an additional \$89,679 federal funds (TANF) for the Colorado Refugee Services Program (CRSP) for FY 2008-09. This increase reflects annualization of a supplemental request for FY 2007-08 previously approved by the Committee.

Staff recommends the Committee approve the Department's request. The recommendation is based on the following analysis.

Refuge services assist legal refugees and asylees in Colorado. The primary short-term purpose of the Colorado Refugee Services Program is to promote effective resettlement and rapid self-sufficiency for the average 1,100 refugees who arrive in Colorado each year. Despite successful outcomes for most refugees, those who do not achieve self-sufficiency eventually transition to county TANF programs. In general, the counties do not have the resources to provide culturally- and linguistically-appropriate employability services to assist this group. For example, the Department anticipates that about 280 of the refugees settling in Colorado in FY 2007-08 will be Burmese, and will have spent the last decade in refuge camps along the Thailand-Myanmar border, with limited opportunities for education or to acquire and maintain work skills. The State provides such specialized services on a centralized basis.

TANF funds have provided an increasing share of refugee funding in recent years. These services were originally funded by the federal Refugee Assistance Act of 1980; federal funding has decreased in recent years, and the State has used TANF dollars to offset the decreases where possible. The Committee approved a supplemental request for an additional \$269,039 in TANF funds for this purpose for FY 2007-08; this increase represents the annualization of the amount approved for FY 2007-08.

This spending may prevent future TANF expenses. Refugees and asylees are in the United States legally, and under federal statute, are eligible for TANF-funded benefits after their first eight months in the country. To the extent that this spending will reduce the number of refugees that are

eventually placed on county TANF roles, some of the short-term expense will be offset by long-term savings to the Colorado Works program. Staff's analysis of the Department's cost/benefit calculations suggests that the county savings may not entirely offset the expense. However, the results of those calculations are extremely sensitive to the assumptions that are made, and due to year-to-year changes in the make-up of the refugee population, the historical data may not be applicable. The Department proposes to offset this increase in TANF spending by a corresponding decrease in the accumulation of TANF long-term reserves at the state level. The Department currently holds about \$30.0 million in long-term reserves, and can adequately fund the request in this fashion. Staff recommends the Committee approve the Department's request.

The Department requests an appropriation of \$4,018,924 federal funds for this line item, including decision item #19, and 10.0 FTE. **Staff recommends an appropriation of \$4,017,490 federal funds and 10.0 FTE.** This recommendation includes decision item #19, which staff recommended previously. Staff's calculation is summarized in the following table. As the appropriation is entirely federal funds, no changes are necessary for the new format.

Summary of Staff Calculation Department of Human Services, Refugee Assistance		
	Federal Funds	FTE
Prior Year Appropriation (S.B. 07-239)	3,927,073	10.0
Personal Services	1,233,421	10.0
Operating Expenses	2,693,652	0.0
Prior Year Salary Survey	469	0.0
Prior Year Performance Pay	269	0.0
DI #19 TANF Funds for Refugee Services	89,679	0.0
Total Recommendation	4,017,490	10.0

(8) Systematic Alien Verification for Eligibility

This line was added in H.B. 04-1322, the FY 2003-04 supplemental appropriation for the Department of Human Services, so that the funding and staffing for the SAVE program could be separated from the Refugee Assistance Program. 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.

Budget Amendment #14 (Technical Corrections):

This budget amendment reflects the annualization of a supplemental request for FY 2007-08 which the Committee has previously approved. It is a refinancing that results in a decrease of \$268 General Fund. **Staff recommends the Committee approve the Department's request.**

Funding splits in the Department of Human Services are often the result of applying complex formulas and the formulas are subject to fairly frequent changes. Small technical errors occasionally creep into the calculation. In most years, the Department submits a supplemental request to correct any such errors that have come to light, and the Committee approves the request. In keeping with that prior practice, **staff recommends the Committee approve the Department's request.**

The Department requests an appropriation of \$53,154, including \$6,759 General Fund, and 1.0 FTE. **Staff recommends the Committee approve an appropriation of \$53,040, including \$6,735 General Fund, and 1.0 FTE.** Staff's calculation is summarized in the following table. The entire cash funds exempt portion of the appropriation will be recharacterized as reappropriated funds in the new format.

Summary of Staff Calculation Department of Human Services, Special Purpose Welfare Programs, Systematic Alien Verification for Eligibility						
	TOTAL	FTE	GF	CF	CFE/RF	FF
FY 2007-08 Appropriation	49,912	1.0	6,346	3,474	31,639	8,453
Personal Services	46,423	1.0	5,629	3,474	29,584	7,736
Operating Expenses	3,489	0.0	717	0	2,055	717
Prior Year Salary Survey	2,358	0.0	495	0	1,368	495
Prior Year Performance Pay	770	0.0	162	0	446	162
Budget Amendment #14	0	0.0	(268)	226	175	(133)
Total Recommendation	53,040	1.0	6,735	3,700	33,628	8,977

(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. In the FY 1998-99 Long Bill, the ACSES line item was combined with the "State Directory of New Hires" line item. Thus, 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 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
General Professional	10.3	13.0	13.0	13.0
IT Professional/Technician	19.4	19.9	19.9	19.9
Administrative/Support	4.7	5.0	5.0	5.0
Base Reduction Item #1 ACSES Web FTE	0.0	0.0	2.0	2.0
Total	34.4	37.9	39.9	39.9

Base Reduction Item #1 (ACSES Web FTE):

The Department requests an increase of 2.0 FTE and a decrease of \$112,183 (including \$38,142 General Fund) spending authority for the Automated Child Support Enforcement System line item.

Staff recommends the Committee approve an increase of 2.0 FTE and a decrease of \$121,982 (including \$41,474 General Fund). The recommendation is based on the following analysis.

The Child Support Enforcement Division's Web site provides useful services. Child Support Enforcement (CSE) has developed an interactive Web site that delivers information and services to parents, employers, and child support enforcement workers in Colorado as well as other states. In September 2004, the site was awarded the Commissioner's Award for Excellence in Customer Service by the federal Office of Child Support Enforcement. Since that time, the division has added capabilities that allow employers to obtain income withholding orders online and to allow out-of-state CSE workers to obtain information on cases they share with Colorado.

The Web site was developed with contract resources. The Web site was initially developed by, and has for the most part been supported by, contract resources. Such resources are generally more expensive than regular full-time state employees. The use of contractors was appropriate for a temporary program; however, given the system's utility, staff believes it should be regarded as a long-term portion of the IT infrastructure. Staff recommends the Committee approve the use of state FTE for ongoing maintenance and development.

Staff has recalculated the costs associated with the FTE. The Department's calculation of the personal services costs for 2.0 FTE includes AED and SAED, and does not include the pay-date shift for General Fund expenditures. Staff's corrections to the calculations are summarized in the following table. The funding for this request is a combination of General Fund and federal funds; no changes are necessary for the reappropriated funds format.

Item	General Fund	Federal Funds	Total
Department's Personal Services Estimate	49,221	95,547	144,768

Item	General Fund	Federal Funds	Total
Remove AED	(706)	(1,370)	(2,076)
Remove SAED	(221)	(428)	(649)
Revised Personal Services Estimate	48,294	93,749	142,043
Pay-Date Shift	(4,025)	0	(4,025)
Final Personal Services Estimate	44,269	93,749	138,018
Operating Expenses Estimate	2,995	5,815	8,810
Total Estimated Savings, FY 2008-09	41,474	80,508	121,982

The Department requests \$11,490,192, including \$3,761,698 General Fund, and 39.9 FTE for FY 2008-09. **Staff recommends the Committee approve an appropriation of \$11,455,066 and 39.9 FTE, including \$3,749,754 General Fund.** Staff's calculation is summarized in the following table. Staff's calculation is not in accordance with Committee common policy. In the appropriation for FY 2007-08, \$6.8 million is used for multi-year contracts or single-year contracts covering significant numbers of workers. Staff has excluded that amount from the base for purposes of taking the base reduction. The cash funds exempt portion of the appropriation is shifted to cash funds in the new format.

Summary of Staff Calculation Department of Human Services, Child Support Enforcement, Automated Child Support Enforcement System						
	TOTAL	FTE	GF	CF	CFE/RF	FF
Prior Year Appropriation (S.B. 07-239, H.B. 07-1349)	11,613,279	37.9	3,803,547	145,010	281,489	7,383,233
Personal Services	9,330,353	37.9	3,172,362	0	0	6,157,991
Operating Expenses	2,282,926	0.0	631,185	145,010	281,489	1,225,242
Prior Year Salary Survey	80,153	0.0	27,252	0	0	52,901
Prior Year Performance Pay	26,619	0.0	9,050	0	0	17,569
Base Reduction	(24,060)	0.0	(8,181)	0	0	(15,879)
Remove One-Time Funding	(118,943)	0.0	(40,440)	0	0	(78,503)
Base Reduction Item #1 ACSES Web Staff	(121,982)	2.0	(41,474)	0	0	(80,508)
Total Recommendation	11,455,066	39.9	3,749,754	145,010	281,489	7,278,813
Recharacterization	0	0.0	0	281,489	(281,489)	0
Total (New Format)	11,455,066	39.9	3,749,754	426,499	0	7,278,813

Child Support Enforcement

In the FY 1998-99 Long Bill, several administrative line items were consolidated, including: Interstate Processing, Child Support Enforcement Commission, the Paternity Establishment Program, and the Evaluation Unit. This consolidated line item provides funds for staff and operating expenses associated with the following:

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 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
General Professional	15.9	18.5	18.5	18.5
Administrative/Support	5.7	6.0	6.0	6.0
Total	21.6	24.5	24.5	24.5

The Department requests an appropriation of \$2,091,993, including \$711,278 General Fund, and 24.5 FTE for FY 2008-09. **Staff recommends the Committee approve an appropriation of \$2,075,707 and 24.5 FTE, calculated in accordance with Committee common policy.** Staff's calculation is summarized in the following table. This line item is funded entirely with General Fund and federal funds, so there are no changes related to the new reappropriated funds format.

Summary of Staff Calculation				
Department of Human Services, Child Support Enforcement				
	TOTAL	FTE	GF	FF
Prior Year Appropriation (S.B. 07-239)	2,027,077	24.5	689,206	1,337,871
Personal Services	1,493,325	24.5	507,730	985,595
Operating Expenses	533,752	0.0	181,476	352,276
Prior Year Salary Survey	48,291	0.0	16,419	31,872
Prior Year Performance Pay	15,915	0.0	5,411	10,504
Base Reduction	(15,576)	0.0	(5,296)	(10,280)
TOTAL Recommendation	2,075,707	24.5	705,740	1,369,967

(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). Staffing patterns for this program are summarized below.

Disability Determination Services Staffing Summary	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Accounting / Budget	1.0	1.0	1.0	1.0
Administrative / Clerical	14.2	18.8	18.8	18.8
Materials Handler	1.8	1.0	1.0	1.0
Data Entry / Technician	15.2	17.0	17.0	17.0
General Professional	88.6	100.7	100.7	100.7
Management	1.0	2.0	2.0	2.0
Professional Trainee	0.2	0.0	0.0	0.0
Total	122.0	140.5	140.5	140.5

The Department requests an appropriation of \$17,294,355 federal funds and 140.5 FTE. **Staff recommends the Committee approve an appropriation of \$17,160,434 and 140.5 FTE,**

calculated in accordance with Committee common policy. Staff's calculation is summarized in the following table. This line consists entirely of federal funds; there is no change due to the new reappropriated funds format.

Summary of Staff Calculation Department of Human Services, Disability Determination Services		
	Federal Funds	FTE
Prior Year Appropriation (S.B. 07-239)	16,962,577	140.5
Personal Services	12,670,790	140.5
Operating Expenses	4,291,787	0.0
Prior Year Salary Survey	241,825	0.0
Prior Year Performance Pay	86,018	0.0
Base Reduction	(129,986)	0.0
Total Recommendation	17,160,434	140.5

(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 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
Management	2.0	2.0	2.0	2.0
General Professional	2.4	3.0	3.0	3.0
Staff Support	1.0	1.0	1.0	1.0
TOTAL	5.4	6.0	6.0	6.0

The Department requests an appropriation of \$566,707 (including \$99,876 General Fund) and 6.0 FTE. **Staff recommends an appropriation of \$565,426 and 6.0 calculated in accordance with Committee common policy decisions.** Staff's calculation is summarized in the next table. The entire cash funds exempt category will be classified as reappropriated funds in the new format.

Staff Recommendation - Adult Assistance Programs, Administration	Total	GF	CFE/RF	FF
Personal Services	531,855	99,636	100,217	332,002
Prior Year Appropriation (S.B. 07-239)	512,338	95,936	96,550	319,852
Prior Year Salary Survey	14,454	2,740	2,716	8,998
Pay for Performance (80%)	5,063	960	951	3,152
Operating Expenses	33,571	0	0	33,571
Total	\$565,426	\$99,636	\$100,217	\$365,573

(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. This program also provides reimbursements for burial expenses of OAP recipients. 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 also an OAP State Medical Program funded and 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, and 100 percent of inheritance and incorporation taxes; revenues that are not utilized for the OAP Program are 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.

The State Board of Human Services is authorized to determine the maximum grant standard for the OAP Program. It may grant a cost of living increase, using the federal Supplemental Security Income inflation factor or another measure of the Board's choosing.

Decision Item #17 (Old Age Pension Cost of Living Adjustment):

The Department requests an increase in cash funds spending authority of \$3,420,600 for the Old Age Pension Program due to cost of living and caseload adjustments. The Colorado Constitution authorizes the OAP Program and continuously appropriates the moneys for this purpose, so this request is informational.

Staff recommends the Committee approve an increase of \$3,420,600 for the Old Age Pension Program. 85% of state sales and use taxes, less some modest diversions, flow into the Old Age Pension (OAP) Fund each year. After the expenses of the program are met, the balance of that revenue is transferred to the General Fund. Under the current Legislative Council staff revenue forecasts, increases in expenditures in the Old Age Pension program will affect the amount of General Fund moneys which ultimately will be available for road and capital construction spending. Staff believes the Long Bill should reflect an accurate estimate of OAP spending. The requested increase appears to be within the range of actual annual increases that have occurred in recent years.

Cash Assistance Program

This line item represents anticipated payments from the Old Age Pension to eligible beneficiaries. As payments are continuously appropriated, this appropriation is included for informational purposes. The department requests an appropriation of \$80,871,918. This includes decision item #17 for a cost of living adjustment. **Staff recommends the Committee approve the Department's request.** This line is entirely cash funded, and there is no effect from changing to the reappropriated funds format.

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 exempt. This represents a continuation of the FY 2007-08 appropriation. **Staff recommends the Committee approve the department's request.** These funds will be identified as cash funds in the new format.

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 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
General Professional	10.9	12.0	12.0	12.0
Staff Support	1.1	2.0	2.0	2.0
TOTAL	12.0	14.0	14.0	14.0

The Department requests an appropriation of \$1,116,885 cash funds and 14.0 FTE. The Department's request includes a continuation level of \$196,004 for operating expenses. **Staff recommends an appropriation of \$1,114,694 cash funds and 14.0 FTE, calculated in accordance with Committee common policy decisions.** Staff's calculation is summarized in the following table.

Summary of State Administration Recommendation Department of Human Services, Old Age Pension Program		
	Cash Funds	FTE
Personal Services	918,690	14.0
Prior Year Appropriation (S.B. 07-239)	876,353	14.0
Prior Year Salary Survey	31,869	0.0
Prior Year Performance Pay	10,468	0.0
Operating Expenses	196,004	0.0
Total	\$1,114,694	14.0

County Administration

The OAP county administration appropriation funds any county administration related to the Old Age Pension. 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 a continuation level appropriation of \$2,450,785 cash funds (Old Age Pension). This line item includes expenses that are subject to the medical inflation factor. The Committee has approved a zero amount for medical inflation this year. **Staff recommends that the Committee approve the Department's request, which is in accordance with Committee common policy.**

(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.

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. The state program is funded through 80 percent General Fund and 20 percent county funds. In recent years, the Department has anticipated that it will receive refunds associated with this program of approximately 6.5 percent of total expenditures. These refunds are used to offset the costs of the program. Colorado's maintenance of effort (MOE) agreement with the Social Security Administration requires that the state maintain the same level of expenditure for SSI recipients through the Colorado supplement programs (AND-CS, Aid to the Blind, Old Age Pension, Property Tax Rebate, Home Care Allowance and Adult Foster Care) from calendar year to calendar year (the "expenditure test"). The state has failed to meet this MOE target in four of the last five years.

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. This state program is funded through 80 percent General Fund and 20 percent county funds.

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. More than half of AND-SO recipients eventually qualify for SSI. The remainder of AND-SO recipients generally have a disability that is expected to last six months or less (which is less than the anticipated 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.

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 Long Bill appropriation. The Department overexpended this line in FY 2006-07 due to higher-than-anticipated expenses caused by delays in processing Supplemental Security Income applications by the federal Social Security Administration. The Department made a supplemental request for \$561,340 FY 2007-08 for the same reason. Staff has discussed this with the Department, and they believe that this level of appropriation will be adequate for FY 2008-09. **Staff recommends the Committee approve the Department's request.** \$2,279,944 of the cash funds exempt appropriation reflects local funds, and will be recharacterized as cash funds in the new format.

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 exempt). **Staff recommends the Committee approve the Department's request.** The cash funds exempt portion will be reclassified as cash funds under the new format.

Home Care Allowance

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 Department requests a continuation level appropriation of \$10,880,411 (\$10,336,390 General Fund and \$544,021 cash funds exempt from local funds). **Staff recommends the Committee approve the Department's request for continuation funding.** The cash funds exempt portion will be reclassified as cash funds under the new format.

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. The Department requests a continuation of FY 2006-07's appropriation of \$157,469 (\$149,596 General Fund and \$7,873 cash funds exempt from local funds). **Staff recommends the Committee approve the Department's request.** The cash funds exempt portion will be reclassified as cash funds under the new format.

(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.

Decision Item #18 (Community Services for the Elderly Federal Spending Authority Update):

The Department requests an increase of \$1,004,271 federal funds and \$210,743 cash funds exempt spending authority for the Community Services for the Elderly section of the Long Bill. The cash funds exempt funds reflect the local funds requirement to draw down the federal match. Both appropriations are shown in the Long Bill for informational purposes only. **Staff recommends the Committee approve the Department's requested increase.** Staff believes the Long Bill should accurately reflect the funds that will be available.

Budget Amendment #SBA-2 (Ombudsman Convert Contract to FTE):

The Department requests an increase of \$15,000 General Fund for the State Ombudsman Program within the Community Services for the Elderly line item group. **Staff recommends the Committee approve the Department's request.** The recommendation is based on the following analysis.

The program currently has a contract with the Legal Center for People with Disabilities and Older People (hereafter, "the Legal Center") to provide the services associated with this line. The Legal Center has held such a contract since 1988. The Department issued an RFP for a new contract earlier this fiscal year; only the Legal Center responded. However, the response did not fully address the requirements of the RFP, resulting in a failed bid. The bidder has indicated that they cannot meet all of the requirements within the current appropriation.

The Department indicates that the removal of the current RFP requirements would result in their being out of compliance with the federal Older Americans Act. This could result in sanctions to the State for funding of Older Americans Act programs. The Department believes that an increase of \$15,000 in the appropriation will allow them to negotiate a fully-compliant contract with the Legal Center. The Department believes that alternatives such as bringing the program resources in-house would be significantly more expensive.

Program funding currently consists of \$158,333 federal funds, \$61,898 General Fund, and \$1,800 cash funds exempt (a transfer from the Department of Health Care Policy and Financing). No additional federal funding is available for this program; the cash funds exempt transfer covers a specific service; and no cash funds sources are available. During the 2007 session, the General Assembly modified statute to allow the use of accumulated interest in the Older Coloradans Cash Fund for other services for the elderly, the ombudsman program does not meet the conditions using such funds. An increase in the General Fund appropriation appears to be the only option.

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 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommendation
General Professional	4.9	6.0	6.0	6.0
Staff Support	1.3	1.0	1.0	1.0
TOTAL	6.2	7.0	7.0	7.0

The Department requests an appropriation of \$659,182 (including \$1175,335 General Fund) and 7.0 FTE for this line item. The request includes a continuation level of funding for the operating expenses aspect of the line. **Staff recommends an appropriation of \$657,866 and 7.0 FTE, calculated in accordance with Committee common policy.** Staff calculations are summarized in

the following table. The appropriation consists entirely of General Fund and federal funds; no change is necessary for the new format.

Staff Recommendation - Adult Assistance Programs, Community Services for the Elderly, Administration	Total	General Fund	Federal Funds
Prior Year Appropriation (S.B. 07-239)	\$639,997	\$170,232	\$469,765
Personal Services	535,070	142,328	392,742
Operating Expenses	104,927	27,904	77,023
Salary Survey	13,474	3,584	9,890
Pay for Performance	4,395	1,169	3,226
Total Recommendation	657,866	174,985	482,881

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 \$79,428, including \$20,431 General Fund and 1.0 FTE for this line item. **Staff recommends the Committee approve an appropriation of \$79,309 and 1.0 FTE, calculated in accordance with Committee common policy.** Staff calculations are summarized in the following table. The appropriation consists entirely of General Fund and federal funds; no change is necessary for the new format.

Staff Recommendation - Adult Assistance Programs, Colorado Commission on Aging	Total	General Fund	Federal Funds
Prior Year Appropriation (S.B. 07-239)	\$77,005	\$19,808	\$57,197
Personal Services	47,644	12,246	35,398
Operating Expenses	29,361	7,562	21,799
Salary Survey	1,736	446	1,290
Pay for Performance	568	146	422
Total Recommendation	79,309	20,400	58,909

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 \$862,446 and 0.5 FTE. **Staff recommends the Committee approve an appropriation of \$862,379, calculated in**

accordance with Committee common policy. Staff calculations are summarized in the following table. The appropriation consists entirely of federal funds, so no change is necessary for the new format.

Staff Recommendation - Adult Assistance Programs, Senior Community Service Employment	Federal Funds
Prior Year Appropriation (S.B. 07-239)	\$861,146
Personal Services	26,608
Operating Expenses	834,538
Salary Survey	915
Pay for Performance	318
Total Recommendation	862,379

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.

The Department requests an appropriation of \$14,141,987 (including \$576,747 General Fund) which represents a continuation level of funding. **Staff recommends that the Committee approve the**

Department's request. The entire cash funds exempt portion of the appropriation will be recharacterized as cash funds in the new format.

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. This reflects a continuation level of funding, plus a portion of decision item #18, which staff has previously recommended. **Staff recommends the Committee approve the Department's request.** The funding breakdown for this recommendation is shown in the following table.

Staff Recommendation - National Family Caregiver Support Program	Total	GF	CF	CFE/RF	FF
Prior Year Appropriation (S.B. 07-239)	1,420,414	142,041	0	213,062	1,065,311
Decision Item #18	842,972	0	0	210,743	632,229
Total	\$2,263,386	\$142,041	\$0	\$423,805	\$1,697,540
Recharacterization	0	0	423,805	(423,805)	0
Total (New Format)	\$2,263,386	\$142,041	\$423,805	\$0	\$1,697,540

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 \$237,031, including \$77,798 *net* General Fund. This reflects an increase of \$15,000 General Fund for budget amendment #SBA-2 which staff has previously recommended. **Staff recommends the Committee approve the Department's request.** The cash funds exempt portion of this appropriation will be recharacterized as reappropriated funds in the new format.

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 Old Age Pension 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 \$7,000,000. This represents a continuation level of funding, plus \$2,000,000 due to H.B. 07-1100. This total is made up of \$2.0 million General Fund and \$5.0 million cash funds. **Staff recommends the Committee approve the Department's request.** No changes are necessary for the new format.

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 \$1,353,957 federal funds, a continuation of the FY 2007-08 appropriation plus the balance of decision item #18, which staff has previously recommended. The appropriation is entirely federal funds. **Staff recommends the Committee approve the department's request.** Staff's calculation for this recommendation is shown in the following table.

Staff Recommendation - Area Agencies on Aging Administration	Federal Funds
FY 2007-08 Long Bill Appropriation	981,915
Decision Item #18	372,042
Total	\$1,353,957

Long Bill Footnotes and Requests for Information

Staff recommends that the following footnotes be **eliminated and replaced with a written request for information**. Staff recommends the written request for information include the modification shown in struck type and small capitals.

- 50 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 Governor vetoed this footnote on May 2, 2007 on the grounds that it violates the separation of powers by attempting to administer the appropriation and that it constitutes substantive legislation. In his veto letter, the Governor also indicated that he would direct the Department to comply with this footnote to the extent feasible. The General Assembly overrode this veto. The Department submitted a report on October 15, 2007. The information included in the report was used by Joint Budget Committee staff in their analysis of multiple divisions within the Department.*

- 51 Department of Human Services, Office of Information Technology Services, Colorado Benefits Management System (CBMS) – The General Assembly requests that the Department submit to the Joint Budget Committee, on or before June 1, 2007, and again on or before November 1, 2007, a summary of change request activity related to the Colorado Benefits Management System. This summary should include the number of requests completed, the number in progress, and the number that have been submitted but not yet started. Change requests requiring the expenditure of more than fifty thousand dollars (\$50,000) should be described in detail.

Comment: The Department submitted these reports by the specified dates. Staff believes that the information contained in the reports provides information useful for keeping the General Assembly aware of the number and size of the system changes required to keep CBMS current with respect to changes in program requirements.

- 88 Department of Human Services, Totals -- The General Assembly requests that the Executive Director of the Department submit annually, on or before November 1, a report to the Joint Budget Committee concerning the amount of federal Temporary Assistance for Needy Families (TANF) funds available in the Long-term Works Reserve Fund. The requested report should include the following: (a) The amount of TANF funds expended, by Long Bill line item, for ~~FY 2006-07~~ FY 2007-08, and the amount of TANF funds requested, by Long Bill line item, for ~~FY 2007-08~~ FY 2008-09; (b) the amount of federal TANF funds

transferred by each individual county, for ~~FY 2006-07~~ FY 2007-08, including details regarding the program area to which each county transferred such funds; (c) the amount of any prior year appropriations of federal TANF funds that have been rolled forward to the current state fiscal year; (d) estimated expenditures of federal TANF funds for the current year and immediately following state fiscal year; (e) the total amount of TANF funds available to Colorado for state fiscal years ~~FY 2006-07, FY 2007-08 and FY 2008-09~~ FY 2007-08, FY 2008-09, AND FY 2009-10, including funds rolled forward from previous state fiscal years; (f) the amount of federal TANF funds that remain available in each county's Works Program Reserve Account as of July 1 of the current state fiscal year; (g) a demonstration that the total amount of federal TANF funds requested in its annual budget request for state fiscal year ~~2008-09~~ 2009-10 does not exceed an amount anticipated to be available to the State; and (h) a demonstration that the information provided in the report is consistent with related financial information reported to the federal government; AND (I) AN ACCOUNTING OF THE TOTAL ALLOCATION OF TANF FUNDS TO EACH COUNTY FOR FY 2007-08.

Comment: The Department submitted this report on November 1, 2007. This is the only formal report provided by the Department to the Committee on the full range of programs supported with federal TANF dollars. Unlike many federal grants, TANF funds *are* subject to appropriation by the General Assembly. The Committee and the General Assembly have a legitimate interest in the programs for which TANF dollars are spent.

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

53 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 provides authority for the Department to exceed a cash funds exempt appropriation if revenues are larger than estimated.

54 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 one-half of the State share of recoveries of amounts of support for public assistance recipients, 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 provides authority for the Department to exceed a cash funds exempt appropriation if revenues are larger than estimated.

- 64 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: *The Governor vetoed this footnote on May 2, 2007 on the grounds that it violates the separation of powers by attempting to administer the appropriation and that it constitutes substantive legislation. In his veto letter, the Governor also indicated that he would direct the Department to comply with this footnote to the extent feasible. The General Assembly overrode this veto. This footnote directs the Department to allow individual counties greater flexibility to transfer TANF funds to the federal child care development fund or to Title XX child welfare programs than is allowed to the State as a whole, provided that all counties are given the same opportunity and the State as a whole stays within federal limitations. The Governor vetoes this footnote regularly. The Department does extend the indicated flexibility to the counties. Staff believes that the General Assembly's appropriation authority over TANF funds provides an adequate justification for this footnote.*

- 65 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 to reduce one or more small counties' fiscal year 2007-08 targeted or actual spending level, pursuant to section 26-2-714 (8), C.R.S.

Comment: The Works Allocation Committee is authorized to mitigate (reduce) a small county's targeted and/or actual spending level, up to a maximum amount identified in the Long Bill [Section 26-2-714 (8), C.R.S.]. This footnote is necessary for the General Assembly to comply with its statutory obligation to specify such an amount.