



HEALTH and HUMAN SERVICES

Friday February 17, 2017

CCI Office

9 a.m.

(This meeting is recorded)

Teleconference: 1.857.216.6700 Passcode: 171009

AGENDA

WELCOME

Commissioner Nancy Sharpe, Chair
 Commissioner Wendy Buxton-Andrade, Vice Chair
 Gini Pingnot, CCI
 Allison Daley, CCI

INTRODUCTIONS

Lt. Governor Donna Lynne

Jeff Lawrence, Division Director, CDPHE, Division of Environmental Health and Sustainability

LEGISLATION

CHILD WELFARE	
Bill #	<u>HB17-1052</u>
Title	Child Welfare Allocation Formula Factors
H-Spon	S. Beckman
S-Spon	J. Smallwood
Summary	The bill removes certain data-gathering factors currently required to be taken into consideration in determining a fiscal year's child welfare allocation formula for counties and replaces those with a broader scope of factors that directly affect the population of children in need of child welfare services, as determined by the state department of human services and the child welfare allocations committee.
Position	Support CCI Bill
Bill #	<u>HB17-1110</u>

Title	Jurisdiction Juvenile Court Parental Responsibilities
H-Spon	S. Beckman
S-Spon	
Summary	HB 1110 provides procedure for judges to issue an Allocation of Parental Responsibilities (APR) order during a Juvenile Delinquency case when all parties are in agreement. This bill applies to juveniles that are placed in temporary legal custody with a close relative or friend during a juvenile delinquency case. Once the case closes, the temporary legal custody order goes away and the juvenile may return home, but in some cases, the parent declines to take custody of the juvenile again. Without this order, the juvenile delinquency case is sometimes kept open longer than necessary in order to continue the temporary legal custody arrangement. This bill provides faster permanency for some juveniles and ensures they are in a stable environment to work towards self-sufficiency and becoming a productive member of society.
Position	Support CCI Bill
Bill #	HB17-1111
Title	Dependency & Neglect Civil Protection Orders
H-Spon	S. Beckman
S-Spon	
Summary	HB 1111 provides procedures for the Juvenile Court to enter civil protection orders in Dependency & Neglect (D&N) actions in the same manner as district and county courts. These protection orders, unlike the “no contact” orders currently used in D&N cases, allow for violators to be arrested and can extend past the closing of the D&N case. This better protects children and families, while ensuring adequate due process for offending parties.
Position	Support CCI Bill
Bill #	SB17-016
Title	County Choice Child Protection Teams
H-Spon	D. Nordberg
S-Spon	C. Jahn, T. Neville
Summary	Legislative Audit Committee Bill - Current law requires the creation of a child protection team for any county or group of contiguous counties receiving more than 50 referrals related to child abuse or neglect in a year. Other counties or groups of contiguous counties are encouraged, but not required, to establish a child protection team. The bill makes it optional for all counties and groups of contiguous counties to establish a child protection team.
Position	Support
Bill #	SB17-028

Title	Healthy Families and Military Preparedness Act
H-Spon	D. Nordberg
S-Spon	B. Gardner
Summary	SB 28 requires the state and county departments of human or social services to provide notice and to collect and share information with the command authority of national military installations regarding any report received of known or suspected instances of child abuse or neglect in which the person having custody or control of the child is a member of the armed forces or a spouse, significant other, or family member of the member of the armed forces assigned to that military installation. The state department and county departments may enter into memorandums of understanding with military installations establishing protocols for the sharing of information and for collaboration on the investigations into child abuse or neglect by a member of the armed forces or a spouse, significant other, or family member of the member of the armed forces.
Position	Support
Bill #	SB17-177
Title	Children's Code Definition Of Special Respondent
H-Spon	P. Rosenthal
S-Spon	J. Cooke
Summary	The current definition of special respondent in the Children's Code only allows a party to be involuntarily joined in a dependency or neglect proceeding. The bill amends that definition to allow a party to be voluntarily joined in a dependency or neglect proceeding.
Position	
MISC	
Bill #	HB17-1087
Title	Office Of Public Guardianship Pilot Program
H-Spon	D. Young
S-Spon	
Summary	<p>The bill creates the office of public guardianship (office) within the judicial department to provide legal guardianship services to indigent and incapacitated adults who:</p> <ul style="list-style-type: none"> • Have no responsible family members or friends who are available and appropriate to serve as a guardian; and • Lack adequate resources to compensate a private guardian and pay the costs and fees associated with an appointment proceeding. <p>The office is established as a pilot program, to be evaluated and then continued, discontinued, or expanded at the discretion of the general assembly in 2021. On or before January 1, 2021, the director of the office shall submit a report to the judiciary committees of</p>

	the senate and the house of representatives. The report, at a minimum, must quantify Colorado's unmet need and average cost for public guardianship services for indigent and incapacitated adults. The bill creates the public guardianship commission within the judicial department and charges the commission with appointing a director of the office. The work of the office will be supported by gifts, grants, or donations as well as any other money appropriated to the fund by the general assembly.
Position	Monitor

OTHER BUSINESS

UPCOMING JBC DATES THAT MATTER TO COUNTIES:

Tuesday, February 28th – JBC to discuss (and potentially vote on) the Impact to the Child Welfare System of CDHS' Indirect Cost Proposal. Commissioners are urged to attend.

Wednesday, March 6th – JBC to discuss (and potentially vote on) the \$16.6 million request for new county administration funding. Commissioners are urged to attend.

Tuesday, March 14th – JBC to discuss (and potentially vote on) CDHS' Indirect Cost Proposal..

ADJOURN

In Case You Missed It – News Items from Previous ecountyline publications

CDHS Selects Deloitte to Conduct County Workload Study

Last week, the Colorado Department of Human Services (CDHS) announced that Deloitte Consulting LLC was chosen to complete the SB 16-190 workload study on county administration of public assistance programs. Click [here](#) for a copy of the announcement press release. The contract is anticipated to start on **February 15, 2017**. As a part of this study, nine counties were chosen for site visits: El Paso, Arapahoe, Denver, Mesa, Eagle, Douglas, Alamosa, Huerfano, and Sedgwick. Additionally, all counties will be invited to participate in the study through a survey. *(continued on next page)*

The final report will be delivered to the Joint Budget Committee shortly after the end of the fiscal year. If you have questions, please contact Phyllis Albritton, Director of the Office of Economic Security at CDHS, 303.866.2054 or phyllis.albritton@state.co.us.

Child Welfare Prevention Steering Committee Has Openings

CCI is seeking county leaders – a commissioner or a county commission-approved designee – to fill two vacant positions on the Prevention Steering Committee, a subcommittee of the Child Welfare Executive Leadership Council. In early 2016, the Prevention Steering Committee and the Colorado Children's Trust Fund Board agreed to hold joint quarterly meetings to explore alignment of each group's efforts. The Prevention Steering Committee was convened by the Colorado Department of Human Services (CDHS) to provide oversight of the pilot implementation of two programs and an augmentation of an existing program laid out in the Governor's Child Welfare Plan.

The two piloted programs – SafeCare Colorado and Colorado Community Response – have been effectively piloted and are part of ongoing programming at CDHS. The time-limited augmentation of Nurse-Family Partnership has successfully come to a close. The Colorado Children's Trust Fund was created in statute in 1989 to prevent child maltreatment of Colorado children. The Trust Fund Board,

whose structure and responsibilities are determined in statute, is governed by nine representatives who oversee the distribution of the fund to the establishment, promotion and maintenance of primary and secondary child maltreatment prevention programs (C.R.S. 19-3.5-104). The two groups have agreed to continue holding joint quarterly meetings through 2017, and will be conducting an asset inventory of existing membership, identifying gaps, and clarifying purpose and needs for a statewide advisory structure around child maltreatment prevention work.

The committee meets quarterly in Denver on the second Thursday from 1 to 4 pm. Future meeting dates for 2017 are **Thursday (February 9), May 5, August 10, and November 19**. Current county representatives on the committee include commissioners Thomas Davidson (Summit), David Weaver (Douglas), Eva Henry (Adams), and Gunnison County Human Services Director Joni Reynolds.

If you would like to serve on this committee, email **Gini Pingnot** or call her at **303.861.4076**. In order to ensure adequate county representation, county staff with the approval of the county's board of county commissioners, may also submit their names for consideration by CCI's Board of Directors.

March 10: Child Welfare Allocation Committee (CWAC)

The Child Welfare Allocation Committee (CWAC) has scheduled its next meeting for **Friday, March 10** from Noon to 3 pm at CCI headquarters. Questions: contact Brandy Harper at 303.813.5888 or **brandy.harper@state.co.us**. For more information, visit **http://colorado.gov/CDHS/CW**.

March 17: Works Allocation Committee (WAC) Meeting

The next meeting of the Works Allocation Committee (WAC) is set for **March 17, 2017** from Noon to 2 pm at the Colorado Department of Human Services (1575 Sherman Street, Denver) in conference room 4A/B. To call in to the meeting, dial 1-857-216-6700 and enter 823617 when prompted. An agenda and handouts will be shared when available. Questions: email Luis Garcia at **luism.garcia@state.co.us**.



February 10, 2017

Joint Budget Committee Members
Legislative Service Building, 3rd Floor
200 East 14th Avenue
Denver, CO 80203

Dear Members of the Joint Budget Committee:

We write to you today to register our opposition to budget request R-06, “Department Indirect Costs,” offered by the Colorado Department of Human Services (CDHS). The request significantly changes how CDHS indirect costs are funded and fails to describe how these changes will tremendously impact the Child Welfare Services appropriation, and consequently children and families in Colorado.

The budget request recommends withholding \$5,643,322 in federal funds from the Child Welfare appropriation, reducing the federal funds that counties can receive and also reducing the 20% local match. This means that if the request is approved, counties will face a \$7,054,153 reduction in their child welfare budgets. The Child Welfare appropriation was overspent last year, and a cut this large would have grave consequences to children and families.

Assuming each county child welfare FTE costs a county \$69,182, the loss of \$7,054,153 to counties’ allocations is the equivalent of 102 FTE across the state. Any reduction in staffing and services could lead to more child placements in foster care and other out of home placements. These funds help counties achieve the goals of permanency and safety for children, and a reduction in allocation could result in delayed or diminished outcomes. A reduction could also lead to greater difficulty meeting federal and state performance measures.

We are also concerned about the impact this request will have on CDHS’s request for additional child welfare caseworkers. The General Assembly has shown steadfast support in addressing the staffing deficiency of 574 full-time caseworkers and 122 related supervisor positions noted in the 2014 workload study commissioned by the Legislative Audit Committee. This year, CDHS requested funding for an additional 58 FTE, but even with this funding, the State still needs to appropriate funding for 367.8 FTE to achieve the recommended staffing level. If counties are forced to reduce staff in response to the decreased appropriation, even more than 367.8 FTE would be needed.

While we are hopeful that the plan being developed by CDHS and Joint Budget Committee staff will provide increased transparency around when and how indirect funds will be allocated from child welfare and other allocations, we cannot support any measure that allows CDHS to take millions of dollars out of the child welfare block grant before the funding is allocated to counties. Instead, we hope the Joint Budget Committee will direct CDHS to take its indirect costs after the close out process has been completed. This will ensure that counties can fully and most appropriately serve the children and families they are charged with protecting. Thank you for consideration, and please let us know if you have any questions.

Sincerely,



Commissioner Nancy Sharpe
Chair, HHS Steering Committee
Colorado Counties Inc.

Commissioner Wendy Buxton-Andrade
Vice Chair, HHS Steering Committee
Colorado Counties, Inc.

cc:

Governor John Hickenlooper
Senator Kevin Grantham
Senator Jim Smallwood
Representative Crisanta Duran
Representative Jonathon Singer
Reggie Bicha, Executive Director of Colorado Department of Human Services
Henry Sobanet, Director of State Planning and Budgeting
Robin Smart, Joint Budget Committee Staff
Megan Davisson, Joint Budget Committee Staff
Kurt Morrison, Legislative Affairs Director for the Governor's Office
Lauren Lambert, Deputy Legislative Director for the Governor's Office

County Factsheet on CDHS Proposed Solution for Indirect Costs

Budget request R-06, “Department Indirect Costs,” offered by the Colorado Department of Human Services (CDHS), requests a comprehensive adjustment to how CDHS indirect costs are funded. The request does not describe the major programmatic impacts on the Child Welfare Services (“Block”) appropriation.

In order to cover a shortfall in indirect costs, CDHS recommends withholding \$5,643,322 in federal funds from the Child Welfare appropriation. A holdout of \$5,643,322 in federal funds would also reduce the 20% local match, which means that **if this budget request is approved, counties will face a \$7,054,153 reduction in their child welfare budgets.**

Contrary to statements made at the JBC hearing on this topic, the Child Welfare Services appropriation was overspent last year. A cut this large could have grave consequences to children and families.

THE IMPACT ON CHILDREN, FAMILIES, AND THE SYSTEM:

Counties currently use this \$7 million to pay for child welfare staff, out of home placements, and contracts with partner providers for services to families.

Child Welfare Staffing:

- Assuming each county child welfare FTE costs a county \$69,182, **the loss of \$7,054,153 to counties’ allocations equates to 102 FTE in our child welfare programs across the state.**
- A 2014 workload study commissioned by the Legislative Audit Committee concluded that **574 additional full-time caseworkers and an additional 122 related supervisor positions** are needed in our child welfare system to keep children and families safe.
- Since that time, the implementation of the Child Abuse and Neglect Hotline has resulted in a significant increase in child welfare referrals, making the need for new these staff even greater.
- The General Assembly has shown steadfast support in addressing this staffing deficit. Over the last two years, it has provided funding that has allowed counties to hire approximately 184 child welfare staffers.
- CDHS has requested funding for an additional 58 FTE this year. The budget request indicates that, with its funding, the State will still need to appropriate funding for 367.8 FTE in order to achieve the total staffing levels recommended. This request ignores the potential reduction in child welfare staffing that could result from a reduction of the block grant appropriation. **It is critical that we not lose sight of the possibility that even more than 367.8 FTE might be needed to meet the levels recommended by the study should these cuts be approved.**

Children's Safety and Permanency:

A reduction in staffing and other vital services could lead to:

- More child placements in foster care and other more restrictive out of home placements.
- Significant and unpredictable effects on the outcomes for children already in the system, including, causing delays in permanency and adoptions as fewer staff carry more cases.
- Greater difficulty meeting federal and state performance measures, which have improved due to the increased staff investments.

Transparency:

- Rather than reducing the Child Welfare Services appropriation by the federal and local share, the State simply proposes to withhold that amount from the appropriation prior to allocating to the counties. The legislature is not asked to take any specific action related to this holdout.
- This would allow the State to withhold larger amounts in future years, without the approval of the JBC or counties, setting a dangerous precedent in managing the child welfare program and other programs under CDHS' purview.
- We believe that more transparency is needed in providing a line item report of CDHS' indirect costs.



COUNTY ADMINISTRATION BACKGROUND

County Administration funding supports the essential direct assistance that helps Colorado’s most vulnerable children, families, and individuals access the health, food, and financial self-sufficiency benefits they need to survive. County administration is funded through an approximate mix of 50% federal, 30% state, and 20% county funding.

County Administration Funding Use and Variables

The County Administration line item is used by counties to administer public benefits programs for Food and Medical Assistance and Adult Financial Services. Specifically, this line item is used to:

- Hire staff to process applications, determine eligibility, and do ongoing case management for the Supplemental Nutrition Assistance Program (SNAP) (aka Food Assistance) and Medical Assistance programs. These are the two largest entitlement programs administered by county departments of human services in Colorado.
- Hire staff to administer Aid to the Needy Disabled and Old Age Pension programs.
- Hire fraud prevention, investigation, and recovery staff to determine erroneous benefit payments, establish claims, and pursue collection activities.
- Pay operating costs of these programs, such as office rental/lease, utilities, maintenance, supplies, contract administration, call center administration, county work management systems, monitoring and quality assurance, and other costs.
- Conduct outreach to the community, including with community partners, so that families and individuals know where they can access public benefits.

Several factors can influence the ways in which a county utilizes its County Administration funding. The following are just a sampling of variables:

- Overhead costs vary by county and region, including property values, salary ranges, cost of living, etc.
- Higher costs per application in smaller counties due to spreading these fixed costs over a smaller number of clients served.
- Counties utilize different business models based on case volumes and local needs to process public assistance cases. These business processes range from employing program specialists to using full generalists. Some counties assign tasks to individual with an intake only focus, while others have staff focused only on ongoing case

management. The local determination of the best way to approach the work makes comparison between counties less reliable.

- Variations in the needs of incoming clients in accessing public benefits. Some clients require more time intensive services such as case management, education about benefits options, greater assistance in determining eligibility and completing the applications, referrals to other programs and community resources, etc.
- Variations might also be based on factors such as recertifications, call center activity, walk-ins and counseling of clients, coordination with MA sites, or any related activity. Some counties, for instance, have greater community support in the way of public application assistance, while other counties do most or all public application assistance on their own.

While the previous list provides a few examples of these variables, ultimately, the flexibility in how counties allocate these funds is necessary for each county to meet the unique needs of its community and leverage the partnerships and resources that exist within their community.

County Administration Funding Levels

For years, the County Administration line item has been under funded. Colorado's recent economic challenges have resulted in an increase in clients needing public benefits. From 2008 to 2016, county caseloads have increased by approximately 167%, with the majority of that increase coming from Medicaid and SNAP.

It is important to recognize that if counties underspend the County Administration line item in one of two state agencies (either Colorado Health Care Policy and Financing (HCPF) or Colorado Department of Human Services (CDHS)) those monies can be transferred to the other state agency to help balance an overspending by counties in programs supervised by the other agency. Even with that flexibility, counties' expenditures consistently exceed appropriated levels. When this occurs, counties are responsible for covering the shortfall minus any additional federal funding that they might be able to pull down.

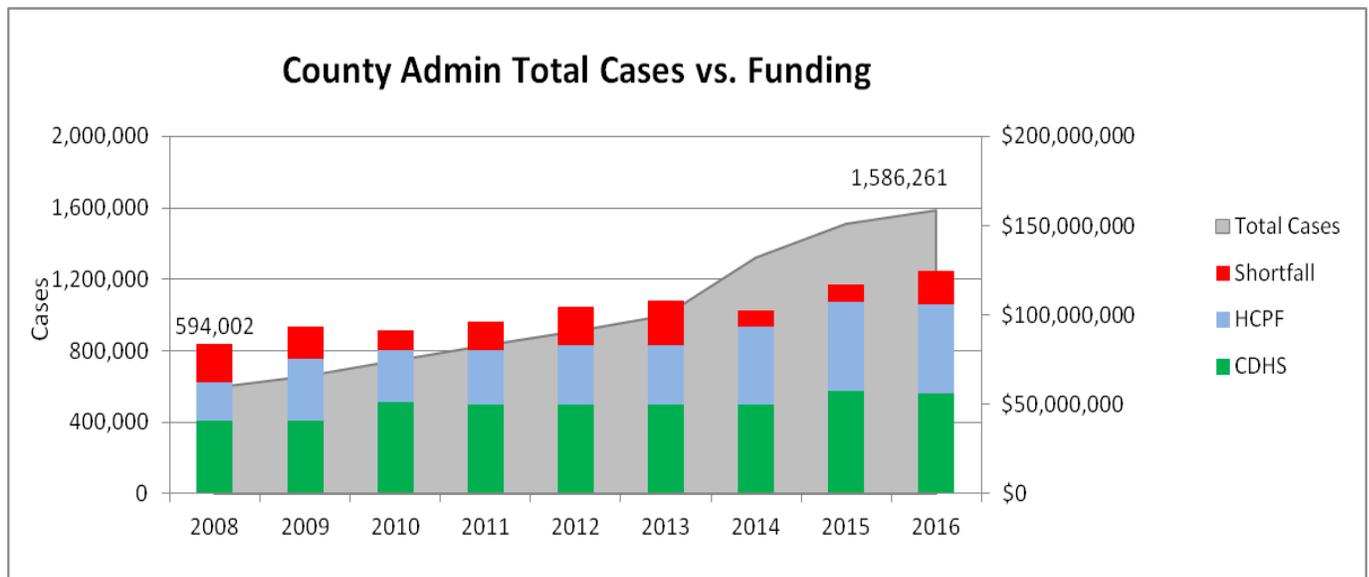
Counties have been operating under a deficit in County Administration funding under CDHS for 16 years. Counties were last fully funded in this important area in 1999. In SFY 2015-16, counties were overspent on County Admin by 17.4% (NOTE: The percentage overspent in the CDHS side is 33%; the 17.4% is on the combined appropriations, CDHS + HCPF). The combined appropriations (CDHS + HCPF) underfund county expenditures for SFY 2016 by over \$18.4 million. The entire amount is attributable to the CDHS side, although the complexities of the entire close-out process incorporate the close out of APS, Regular Medicaid and Enhanced Medicaid and internal adjustments to reach the best final result.

The following charts show the discrepancies between the allocations and the cost of this work. The graph below clearly demonstrates that despite a rapid growth in caseload, the County Administration line item has not correspondingly increased to meet the need.

Calculation of County Under Funding¹	
FY 2013-14 Total Allocation (CDHS & HCPF Allocations Combined)	\$93,176,830
FY 2013-14 Actual Expenditures	\$102,619,295
Total Under Appropriation	\$9,442,466

FY 2014-15 Total Allocation (CDHS & HCPF Allocations Combined)	\$107,508,109
FY 2014-15 Actual Expenditures	\$117,204,294
Total Under Appropriation	\$9,696,185

FY 2015-16 Total Allocation (CDHS & HCPF Allocations Combined)	\$106,074,899
FY 2015-16 Actual Expenditures	\$124,494,541
Total Under Appropriation	\$18,419,642



Meeting Clients' Needs

Over the past few years there has been a significant effort at both the state and county level to increase the timeliness of application processing. Counties continue to stay committed to streamlining service delivery in order to meet needs in a timely and accurate manner. State

¹ Data from SFY 2007-08 through SFY 2011-12 is available but includes Adult Protection Services (APS) funding. APS funding was severed from County Administration beginning in SFY 2012-13.

agencies and counties have ambitious goals and requirements in regards to timeliness. For instance, counties must sustain 95% eligibility determination timeliness for all applications and redeterminations within TANF, SNAP, and Medical Assistance programs. It is important to note the effort to reach these goals and improve timeliness does have some link to fiscal resources.

Counties are challenged in balancing the needs of very vulnerable clients who may be entering the system for the first time and the need to meet strict eligibility determination timeliness requirements. As the first touchpoint for families entering the system, this initial interaction is the best opportunity to determine the most appropriate services to meet the individual needs of each client. This approach of truly identifying the needs of the client on the front end is more efficient than simply completing an application without spending time with the client – an approach that saves time and money down the road.

We have recently seen a cost per application formula applied to county administration funding. As the information presented suggests, in a client centric service delivery system cost per application does not get at the heart of what we should be measuring. Nor does it capture the number of individuals who may be served through one application. Data around client satisfaction, accuracy of determination, timeliness, number of appeals, outcomes of clients entering the public benefits system, staff satisfaction and turnover, etc. may help to paint a more comprehensive picture of the success of our county administered system.

Budget Priorities

Notably, Colorado Counties, Inc. (CCI) recently submitted their budget priorities for the upcoming fiscal year. Counties' top priority is an increase in the County Administration line item so that they can better meet the needs of their clients and communities. During the 2016 Session, the JBC passed **SB 190** which calls for a county workload study. Even without the results of the study, actual state allocation and expenditure data show the counties were under funded. **The Governor's FY 2017-18 Budget Request has a request of \$16.6 million** in federal, state, and county funds to help address this issue.