



July 12, 2017

Reggie Bicha, Executive Director
Colorado Department of Human Services (CDHS)
1575 Sherman St. 8th Floor
Denver, CO 80203-1714

Dear Director Bicha:

Thank you for soliciting input from Colorado Counties, Inc. on our budget priorities for the Department's SFY 2018-2019 budget year. CCI's members appreciate the opportunity to work in collaboration with the Department in identifying county budget needs.

Thanks in large part to the Department's leadership, counties received critical financial support from the State in the SFY 2017-2018 budget that begins July 1, 2017. Working jointly with you, your staff, the Joint Budget Committee and the Governor's Office, counties received additional child welfare funding to hire new child welfare staff, additional resources for the Colorado Child Care Assistance Program (CCCAP), and a significant increase in our County Administration allocation. We applaud the state for these investments and know they will make a difference in the lives of those we serve. Thank you!

With the help of our staff, we have identified our funding priorities for the SFY 2018-2019 budget year. In summary, those include additional funding for the Child Welfare Block Grant and CCCAP—two programs that continue to grow at rates that outpace funding.

It is our assumption that full funding for all three tiers of the County Tax Base Relief Fund will continue to be a statewide priority in SFY 2018-2019. We also assume that, in response to the deficit identified in the Child Welfare Workload Study, increased child welfare staffing will continue to be a priority for CDHS. Finally, we hope to work with the State and the General Assembly to monitor and respond to developments at the Federal level that may have significant impacts on our administration of human services through Colorado.

Reggie Bicha, Executive Director
Colorado Department of Human Services (CDHS)
July 12, 2017
Page 2

The enclosed letter from the Colorado Human Service Director's Association speaks to these priorities in greater detail.

Thank you, again, for this opportunity and for including us in CDHS' budget process.

Sincerely,



Commissioner Nancy Sharpe
CCI HHS Steering Committee, Chair



Commissioner Wendy Buxton-Andrade
CCI HHS Steering Committee, V. Chair

cc: Members of the Joint Budget Committee (JBC)
Robin Smart, JBC Staff Analyst
Henry Sobanet, Office of State Planning and Budgeting (OSPB)
Ann Renaud, OSPB

June 29, 2016

To: Colorado Counties, Inc. (CCI)
From: Colorado Human Services Director's Association (CHSDA)
Regarding: SFY 2017/2018 Budget Recommendations

Dear CCI,

We appreciate the opportunity to share with you the areas of need and our recommended program funding priorities to best inform and guide the discussions you as Commissioners will be having with the Colorado Department of Human Services, Joint Budget Committee, and State legislators.

Through the ongoing committee work of CHSDA, strategic planning conversations, and a review of year to date allocation spending, the following budget priorities were identified that best represent the challenges, issues, and priorities of Colorado human services directors.

Priority #1 – Colorado Child Care Assistance Program Funding

In 2014, the General Assembly passed House Bill 14-1317, which made sweeping changes to the Colorado Child Care Assistance Program (CCCAP) in order to provide low-to moderate-income families with access to affordable child care that helps families achieve self-sufficiency while also providing families access to high-quality early childhood development and school readiness programs.

Now that the provisions of the bill, including tiered reimbursement based on quality, have been fully implemented, the funding impact of these legislative requirements can now be observed in counties' spending trends. These trends clearly point to the need to increase funding for CCCAP. While counties are very much appreciative of the General Assembly's approval of an additional approximately \$2.5 million increase in funding for CCCAP for SFY 2017-18 (made up of primarily Federal funds), the current level of funding is inadequate to cover future CCCAP expenditures and will limit the number of children served.

Through April 2017, spending on CCCAP has increased by 18.6% (\$68,270,223) compared to this time a year ago (\$61,132,557). In fact, despite the additional \$2.5 million provided by the Joint Budget Committee through a supplemental for this year, as of April 2017, counties are still projected to be overspent by more than \$3 million for SFY 2016-2017, which includes overspending by 22 counties. As a result, many counties have already begun to implement waiting lists as a cost containment measure, which ultimately reduces the number of families that can be served through CCCAP. This creates a very challenging situation for Counties who are also tasked with helping our Colorado families find and keep employment. Absent additional funding, we would anticipate that a greater number of counties will need to implement waiting lists in the coming fiscal year. This is particularly concerning because implementing waiting lists compounds the issues for the poorest families in our communities. Three of four families currently utilizing CCCAP have incomes of less than 150% of the Federal Poverty Level (for a family of four that equates to \$36,900/year). Inadequate CCCAP funding does not allow counties to meet the intent of HB14-1317.

Priority #2 – Child Welfare Block Grant

Counties are extraordinarily appreciative of the strong commitment CDHS and the Colorado General Assembly have shown towards funding new child welfare caseworkers in order to address the significant deficit identified in the 2014 Child Welfare Workload Study. However, while this funding is critical and should be continued, it does not address the overall demand for services and shift in workload across the

entire state that counties have seen in child welfare. Generally, funding has not kept pace with the increase in workload and child welfare costs associated with best outcomes for children. As a result of overall increase in workload discussed below and other important developments, the Child Welfare Block is expected to be overspent in SFY 2016-17 by approximately \$3.6 million.

Notably, child abuse and neglect referral rates have increased by more than 19% between CY 2014 and 2016. Similarly, the number of assessments counties conduct on child welfare referrals has increased by more than 17% during that time period. In response to this increased activity, counties have increased their program services spending for Child Welfare by more than 15% during this time.

Although workload has increased on the front end, counties have successfully implemented prevention and early intervention strategies that have avoided a commensurate increase in costly out of home placements. Importantly, while in SFY12, there were 129 children in placement per 1,000 referrals received, by CY2016, only 65 children were in placement per 1,000 referrals in Colorado. Similarly, despite a nationwide emphasis on reducing out of home placements, according to data from kidscount.org, the nation as a whole has seen total placements rise by 7.3% between CY2011 and CY2015, while in Colorado there has been a 6.5% *decrease* over that same time period.

The Child Welfare Allocation has also not kept pace with inflation. In fact, excluding SFY 2006-2007, which was embedded in the allocation, the General Assembly provided a cumulative 7.2% provider rate increase between SFY07 and SFY16. The rate of inflation over this same timeframe has been about 16.7%.

Counties are also preparing themselves for a loss of IV-E Waiver funding, which could shift practice away from this critical front end work and towards the most expensive back end system penetration (out of home placements), making an increased investment in child welfare funding more important than ever. A loss of funding for early intervention is bad for our allocations, but much more importantly, is bad for the outcomes for children and families.

Additional Important Items:

In addition to our top two funding priorities listed above, it is our assumption that full funding for all three tiers of the County Tax Base Relief Fund will continue to be a statewide priority in SFY 2018-2019.

We also assume that, in response to the deficit identified in the 2014 Child Welfare Workload Study, increased child welfare staffing will continue to be a priority for CDHS.

Finally, we hope to work with the State and the General Assembly to monitor and respond to developments at the Federal level that may have significant impacts on our administration of human services throughout Colorado.