



June 30, 2016

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 2017-2018 budget year. CCI's members appreciate working in collaboration with the Department in identifying county budget needs, and would welcome the opportunity to meet with you in person to further discuss and expand on our reasoning.

Thanks in large part to the Department's leadership, counties received critical financial support from the State in the SFY 2016-2017 budget that begins July 1, 2016. Working jointly with you, your staff, the Joint Budget Committee and the Governor's Office, counties received additional Adult Protective Services funding for staff related to SB15-109, as well as funding for additional Child Welfare FTE. 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 2017-2018 budget year. In summary, those include additional funding for the county administration appropriation, child care assistance program appropriation, and County Tax Base Relief. It is our assumption 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. We have also provided you with other areas of ongoing funding concern.

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

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

Nancy Sharpe
Arapahoe County Commissioner
CCI HHS Committee, Chair

Wendy Buxton Andrade
Prowers County Commissioner
CCI HHS Committee, Vice Chair

June 4, 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; a strategic planning session held on April 15, 2016; the solicitation of input from all Human Services Directors; and a review of year to date allocation spending as of April 30, 2016; the following budget priorities were identified that best represent the challenges, issues, and priorities of Colorado human services directors.

Priority #1 – CDHS County Administration Appropriation – As of April 30, 2016, Counties have spent 111.8% of the available CDHS County Administration appropriation. Annualized, that represents a projected \$19 million dollar over expenditure, which is more than double the amount Counties were underfunded in SFY 2015. This is not isolated to a small number of counties; 33 counties have fully depleted their allocations with two months still remaining in the state fiscal year. At a time when all Counties are striving to both meet expected processing timeliness and improve the accuracy of the work, and many Counties continue to see increasing applications for Public Assistance, the counties recognize, more than ever, that the appropriation needs to be increased to fully fund this effort. In SFY 2016, the funding shortfall was largely on the side of CDHS, not HCPF. We realize that this work will be studied during the next year, and we expect the results will show that there is a need for increased prioritization of funding for the delivery of the public assistance programs. We look forward to your support of this funding.

Priority #2 – Colorado Child Care Assistance Program (CCCAP) Appropriation – As of April 30, 2016, Counties are on track to fully spend the SFY 2016 CCCAP appropriation. This is concerning, given the fact that Counties have just begun to see the impacts of the partial implementation of the CCCAP reform legislation, HB14-1317, which prioritizes quality, significantly increases provider rates through tiered reimbursement, and reduces parental fees. The current level of funding is inadequate to cover future CCCAP expenditures and will limit the number of children served.

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.

We ask that CDHS partner with us by closely monitoring the CCCAP expenditures and plan now to prepare and submit a supplemental budget request in the fall of 2016 to increase the 2016-2017 CCCAP funding. We further ask that CDHS continue to partner with Counties to ensure the 2017-2018 CCCAP appropriation is adequately funded.

Priority #3 - County Tax Base Relief (CTBR) – The current funding for CTBR funds some, but not all of the TIER III need. Given that the intent of these funds is to mitigate the inability of a county to meet the county share of mandated programs, we request full funding of County Tax Base Relief.

Other funding areas that continue to be of high importance are listed below. These items are not listed in order of priority; we are simply providing them so as to keep them in our focus as CCI engages in the upcoming budget and funding discussions. We request that CDHS continue to monitor and analyze the growing gap between adequate funding and programmatic changes which are increasing the financial burden on Counties.

Adult Protective Services – We are appreciative of the collaborative effort during the past year to increase APS funds in preparation for the implementation of SB15-109. CHSDA is committed to working to close the gap in order to meet the expected caseload ratios for which additional funding will be needed. The passage of mandatory reporting for those 70 and older, and for individuals with intellectual and developmental disabilities (IDD), two significant pieces of legislation in only a few years, has many counties concerned that there will not be adequate APS funding in the future. While the General Assembly recognized this need and appropriated increased funding to respond to anticipated increases in reports of abuse and neglect for those with IDD, we ask that CDHS continue to partner closely with counties in monitoring and projecting APS costs as a result of these statutory changes.

Child Welfare – There are a number of important topics that affect Counties, including a fund restructure analysis and rate setting methodology reconsideration directed by the General Assembly through SB16-201, the impending IV-E Waiver expiration, the fiscal implications of compliance with the new FLSA standards, and federal legislation addressing child welfare funding. Counties ask that CDHS collaborate with us in our commitment to ensure that adequate funding is made available to counties to fully and effectively implement a child welfare system that can flexibly respond to the needs of our clients.

Temporary Aid to Needy Families (TANF) – CHSDA will monitor TANF Reauthorization at the federal level and the developments related to implementing WIOA and its impacts on TANF. It is our hope that CDHS is supportive of feedback from Counties on how requirements affect us and will work to secure the financial resources necessary to implement changes.

Thank you,

A handwritten signature in black ink, appearing to read "Dan Makelky". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dan Makelky
CHSDA President