

**Schedule 13**

**Funding Request for the FY 2017-18 Budget Cycle**

Department of Human Services

Request Title

R-04-County Administration

Dept. Approval By: Melissa Wawel  Supplemental FY 2016-17  
 Change Request FY 2017-18  
 OSPB Approval By: Erin H. Bell 10/26/16  Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	\$56,384,304	\$0	\$56,384,304	\$16,666,666	\$16,666,666
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$19,666,869	\$0	\$19,666,869	\$5,000,000	\$5,000,000
	CF	\$10,436,967	\$0	\$10,436,967	\$3,333,333	\$3,333,333
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$26,280,468	\$0	\$26,280,468	\$8,333,333	\$8,333,333

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	\$56,384,304	\$0	\$56,384,304	\$16,666,666	\$16,666,666
	FTE	0.0	0.0	0.0	0.0	0.0
04. County Administration, (A)	GF	\$19,666,869	\$0	\$19,666,869	\$5,000,000	\$5,000,000
Administration - County	CF	\$10,436,967	\$0	\$10,436,967	\$3,333,333	\$3,333,333
Administration	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$26,280,468	\$0	\$26,280,468	\$8,333,333	\$8,333,333

CF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
FF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Requires Legislation?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Type of Request?	Department of Human Services Prioritized Request	
Interagency Approval or Related Schedule 13s:	None	

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### ***Cost and FTE***

- Department of Human Services requests \$16,666,666 total funds including \$5,000,000 General Fund, \$3,333,333 cash funds, and \$8,333,333 federal funds in FY 2017-18 and beyond for the purpose of increasing funding for County Administration of public assistance programs. The cash funds are local funds.
- This request represents a 29.6% increase over the FY 2016-17 appropriation.

### ***Current Program***

- Various human services programs are administered at the county level. These programs include Food Assistance, Adult Cash Assistance, Child Support Services and Low Income Energy Assistance Programs.
- Per 26-1-1222(3)(C) C.R.S. (2016) county administrative expenditures are defined as salaries (including benefits) of county staff who are engaged in the delivery of human services programs, travel expenses to perform related duties, and office equipment and supplies.

### ***Problem or Opportunity***

- County Administration data from FY 2015-16 shows that 45 counties overspent their FY 2015-16 allocations by a total of \$6,048,275 total funds after adjustments made during the county settlement process.
- Further analysis illustrates that the County Administration appropriation has been overspent each year since FY 2011-12 ranging from \$3.9 million in FY 2014-15 to \$8.1 million in FY 2012-13.

### ***Consequences of Problem***

- Without increasing funding for County Administration, the counties will continue to incur these costs and overspend the appropriation.

### ***Proposed Solution***

- The Department of Human Services requests \$16,666,666 total funds including \$5,000,000 General Fund, \$3,333,333 cash funds, and \$8,333,333 federal funds in FY 2017-18 and beyond for the purpose of increasing funding for County Administration of public assistance programs. The cash funds are local funds.

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**COLORADO**  
Department of Human Services

*John W. Hickenlooper*  
Governor

*Reggie Bicha*  
Executive Director

*FY 2017-18 Funding Request | November 1, 2016*

**Department Priority: R-04**  
**Request Detail: County Administration**

<b>Summary of Incremental Funding Change for FY 2017-18</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>
<b>County Administration Funding</b>	\$16,666,666	\$5,000,000	\$3,333,333	\$8,333,333

**Problem or Opportunity:**

The Department of Human Services requests \$16,666,666 total funds including \$5,000,000 General Fund, \$3,333,333 cash funds, and \$8,333,333 federal funds in FY 2017-18 and beyond for the purpose of increasing funding for County Administration of public assistance programs. The cash funds are local funds and the federal funds are from various federal grants. This request represents a 29.6% increase over the FY 2016-17 appropriations.

**Background**

The County Administration appropriation provides funding for 64 county human and social services departments to administer the following programs: Food Assistance, Adult Cash Assistance Programs (except for Old Age Pension), Child Support Services, and the Low Income Energy Assistance Program. 26-1-122(3) (C) C.R.S. (2016), generally defines county expenditures that qualify as administration. According to the statute administration costs include:

Salaries of the county director and employees of the county department staff engaged in the performance of assistance payments, food stamps, and social services activities; the county's payments on behalf of such employees for old age and survivor's insurance or pursuant to a county officers' and employees' retirement plan and for any health insurance plan, if approved by the state department; the necessary travel expenses of the county board and administrative staff of the county department in the performance of their duties; necessary telephone and telegraph; necessary equipment and supplies; necessary payments for postage and printing; including the printing and preparation of county warrants required for the administration of the county department; and other such administrative costs as may be approved by the state department; but advancements for office space, utilities, and fixtures may be made from state funds only if federal matching funds are available.

Based on the 2007 County Workload Study county administration costs include labor and non-labor costs. For the 2007 Study labor costs were defined as follows<sup>1</sup>:

- Application initiation – introduction & informal discussion with the client, explanation of the application process, discussion and capture of client information, noticing, document verification and filing of documentation
- Interactive Interview: introduction and informal discussion, captures client information, data entry of client information, noticing, document verification and filing of documentation
- Eligibility Determination and Benefit Calculations (EDBC) Wrap-up and Authorization – activities of Wrap-up, Authorization and review of Benefit Issuance information includes introduction & informal discussion with the client, explanation of the eligibility determination (approval/denial) and benefits calculations
- Appeals and Hearings – activities related to appeals and hearings related to eligibility determination, including but not limited to preparation and attendance of the hearing
- Make a Referral – time spent referring clients to other programs, including internal, external and fraud referrals, providing information, collecting information, data entry, and conducting research on behalf of the client in support of a referral
- Applying Sanctions – manually applied sanctions entered by the technician/worker
- Investigation, Claims Research, Establishment, and Recovery (Benefit Recovery) – Activities related to overpayment investigation, claims research, establishment, and recovery, including both fraud investigation and benefit recovery
- Eligibility Recertification – Activities related to introduction & informal discussion with the client, explanation of the recertification process, discussion and capture of client information, data entry of client information, noticing, document verification and filing of documentation, and explanation of the eligibility determination, eligibility denial and benefit calculation
- Medicaid and Food Stamps Periodic/Income Reporting – Program-required periodic reporting for ongoing cases, including specifically the ‘input received periodic reports’ window. Discussion with the client, explanation of the reporting process, discussion and capture of client information, data entry of client information, noticing, document verification and filing of documentation, and explanation of the eligibility determination (approval/denial) and benefit calculation
- Change in Circumstances Reported by the Client – Discussion with the client, capture of client information, data entry of client information, noticing, document verification and filing of documentation, and explanation of the eligibility determination (approval/denial) and benefit calculation
- Client Communications and Information – Time spent communicating with clients that would generally not be included as part of another activity
- Alerts Management – Administrative time spent associated with viewing and clearing alerts
- Case Review – Time spent reviewing a case or client information that is not related to normal processing related to another activity
- Activates for programs outside the study – All activities related to the processing and management of cases within programs outside of the study including Low Income Energy Assistance, Colorado Refugee Services Program, Child Welfare, Child Support Enforcement, Child Care, General Assistance and Public Health Programs
- Reports Management – Activities related to the creation review and distribution of ad-hoc management reports created through Business Objects as well as other system generated reports
- Administrative Support Activities – Time spent doing non-client or non-case related activities

<sup>1</sup> Information from the 2007 Colorado Work Load Study Activity List Dictionary excluded Adult Protective Services since it was moved into a separate appropriation effective FY 2011-12

- Seeking/Receiving Assistance – time spent seeking assistance both solicited and un-solicited
- Management Activities – Time spent managing operations and supporting staff
- Lunch – hours spent on lunch break
- Breaks – all time during normal work hours spent not doing work that can be considered a short break including water, coffee, and bathroom breaks
- Time Off – time during normal work hours not doing work that can be considered a long break for vacation, sick leave, a doctor’s appointment, or general time off
- Training – Time spent doing activities related to training or participating in learning programs, or assisting new employees when they are stuck or need help
- Meetings – Time spent during normal work hours in office, county, or other sanctioned meetings.
- Materials Development & Outreach – Time spent developing training, policy or documentation materials – and conducting informational sessions with the community, service organizations, and other agencies
- Non-Activity Specific Reading –Time spent reviewing new, old, or existing regulations, policy manuals, or rules that is not directly related to another activity
- Travel (Job-Related) – Traveling between work locations, and to and from home visits, court hearings, regional meetings, or other client visits requiring travel
- Benefit Issuance/EBT Activities – embossing/creation of new and replacement EBT cards
- Inter-County Transfers – Administrative activities related to sending or receiving client cases between counties
- Other – Any activity that is deemed not inclusive in any of the defined activities

The non-labor costs can be subdivided as follows.

- Capital outlay – motor vehicle equipment, special computer hardware, office furniture and equipment
- Contract expenses
- Operating expenses – equipment maintenance, auto supplies and services, equipment rentals, insurance, office supplies, finger prints, etc.
- Personal Services expenses – salaries, dental, health and life insurance, unemployment compensation, etc.
- Cost of office space – utilities, ground maintenance, building supplies, building insurance, etc.
- Travel expenses – miles, lodging, meals, etc.

Table A: Historical County Administration Appropriations FY 2007-08 through FY 2016-17 reflects the historical Department of Human Services County Administration appropriations since FY 2006-07; it does not reflect County Administration funding appropriated to and allocated by the Department of Health Care Policy and Financing. It should be noted that prior to FY 2013-14 Adult Protective Services was included in the County Administration appropriation.

Based on the table, funding for County Administration has increased by 81% from FY 2007-08 to FY 2016-17 with significant increases in FY 2009-10, FY 2013-14 and FY 2014-15. Increases in the latter years are largely attributable to the increase in funding for Adult Protective Services programs.

**Table A: Historical County Administration Appropriations FY 2007-08 through FY 2016-17**

Fiscal Year	Line Item	Total Funds	General Fund	Cash Funds	Federal Funds	Source
2016-17	<b>Total</b>	<b>\$ 74,303,309</b>	<b>\$ 31,937,203</b>	<b>\$ 14,044,609</b>	<b>\$ 28,321,497</b>	
	County Administration	\$ 56,384,304	\$ 19,666,869	\$ 10,436,967	\$ 26,280,468	HB 16-1405 FY 2016-17 Long Bill
	Adult Protective Services	\$ 17,919,005	\$ 12,270,334	\$ 3,607,642	\$ 2,041,029	HB 16-1405 FY 2016-17 Long Bill
2015-16	<b>Total</b>	<b>\$ 71,488,343</b>	<b>\$ 29,685,229</b>	<b>\$ 13,481,617</b>	<b>\$ 28,321,497</b>	
	County Administration	\$ 56,384,304	\$ 19,666,869	\$ 10,436,967	\$ 26,280,468	HB 16-1242 FY 2015-16 Supplemental Bill
	Adult Protective Services	\$ 15,104,039	\$ 10,018,360	\$ 3,044,650	\$ 2,041,029	HB 16-1242 FY 2015-16 Supplemental Bill
2014-15	<b>Total</b>	<b>\$ 71,370,718</b>	<b>\$ 29,097,801</b>	<b>\$ 13,444,379</b>	<b>\$ 28,828,538</b>	
	County Administration	\$ 57,441,793	\$ 19,938,121	\$ 10,662,504	\$ 26,841,168	SB 15-149 FY 2014-15 Supplemental Bill
	Adult Protective Services	\$ 13,928,925	\$ 9,159,680	\$ 2,781,875	\$ 1,987,370	SB 15-149 FY 2014-15 Supplemental Bill
2013-14	<b>Total</b>	<b>\$ 58,335,727</b>	<b>\$ 22,437,470</b>	<b>\$ 10,837,381</b>	<b>\$ 25,060,876</b>	
	County Administration	\$ 49,814,777	\$ 17,604,170	\$ 9,137,101	\$ 23,073,506	HB 14-1238 FY 2013-14 Supplemental Bill
	Adult Protective Services	\$ 8,520,950	\$ 4,833,300	\$ 1,700,280	\$ 1,987,370	HB 14-1238 FY 2013-14 Supplemental Bill
2012-13	<b>Total</b>	<b>\$ 50,116,107</b>	<b>\$ 19,823,382</b>	<b>\$ 9,193,456</b>	<b>\$ 21,099,269</b>	
	County Administration	\$ 50,116,107	\$ 19,823,382	\$ 9,193,456	\$ 21,099,269	SB 13-091 FY 2012-13 Supplemental Bill
2011-12	<b>Total</b>	<b>\$ 50,116,105</b>	<b>\$ 19,823,380</b>	<b>\$ 9,193,456</b>	<b>\$ 21,099,269</b>	
	County Administration	\$ 50,116,105	\$ 19,823,380	\$ 9,193,456	\$ 21,099,269	HB 12-1186 FY 2011-12 Supplemental Bill
2010-11	<b>Total</b>	<b>\$ 50,116,105</b>	<b>\$ 19,823,380</b>	<b>\$ 9,193,456</b>	<b>\$ 21,099,269</b>	
	County Administration	\$ 50,116,105	\$ 19,823,380	\$ 9,193,456	\$ 21,099,269	SB 11-141 FY 2010-11 Supplemental Bill
2009-10	<b>Total</b>	<b>\$ 51,138,883</b>	<b>\$ 20,227,939</b>	<b>\$ 9,381,078</b>	<b>\$ 21,529,866</b>	
	County Administration	\$ 51,138,883	\$ 20,227,939	\$ 9,381,078	\$ 21,529,866	HB 10-1302 FY 2009-10 Supplemental Bill
2008-09	<b>Total</b>	<b>\$ 40,938,883</b>	<b>\$ 16,227,939</b>	<b>\$ 7,781,078</b>	<b>\$ 16,929,866</b>	
	County Administration	\$ 40,938,883	\$ 16,227,939	\$ 7,781,078	\$ 16,929,866	SB 09-189 FY 2008-09 Supplemental Bill
2007-08	<b>Total</b>	<b>\$ 40,938,983</b>	<b>\$ 16,227,939</b>	<b>\$ 7,781,078</b>	<b>\$ 16,929,966</b>	
	County Administration	\$ 40,938,983	\$ 16,227,939	\$ 7,781,078	\$ 16,929,966	HB 08-1287 FY 2007-08 Supplemental Bill



Table B: Comparison of County Administration Expenditures, Appropriations, and Allocations for FY 2011-12 through FY 2015-16 illustrates the historical over expenditures for County Administration funding from 2011-12 through FY 2015-16 varying from over expenditures of \$3.1 million to \$8.1 million.

<b>Table B: Comparison of County Administration Expenditures, Appropriations, and Allocations for FY 2011-12 through FY 2015-16</b>					
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Total Appropriation	\$ 50,116,105	\$ 50,116,107	\$ 61,085,727	\$ 71,370,718	\$ 71,488,343
Total Allocation	\$ 50,116,105	\$ 49,814,777	\$ 61,085,727	\$ 70,370,538 <sup>&lt;1&gt;</sup>	\$ 70,488,343 <sup>&lt;1&gt;</sup>
Total Expenditures	\$ 72,268,544	\$ 75,296,880	\$ 74,163,956	\$ 80,432,286	\$ 88,248,544
<b>Over expenditure (Expenditures minus Allocation)</b>	(\$ 22,152,439)	(\$ 25,482,103)	(\$ 13,078,229)	(\$ 10,061,748)	(\$ 17,760,201)
<b>Adjusted Over expenditure</b>	(\$ 7,044,776)	(\$ 8,128,843)	(\$ 3,111,315)	(\$ 3,899,419)	(\$ 6,048,275)
<sup>&lt;1&gt;</sup> The difference between the Appropriation and Allocation in FY 2014-15 and FY 2015-16 is the \$1.0 million held out of the allocation for Emergency Adult Protective Services.					

### **FY 2015-16 Appropriation and Expenditures**

Based on the FY 2015-16 year end close the counties spent 123% of the appropriation resulting in an over expenditure of \$17,760,201. However, during the year end settlement process after mitigation and accounting adjustments the counties were over spent by \$6,048,275.

The FY 2015-16 allocations (County Administration and Adult Protective Services) and expenditures by county is shown in Table C: FY 2015-16 Allocation and Expenditures by County. Based on this table 45 counties fully spent their allocation. Of the counties overspent, the ten large counties<sup>2</sup> accounted for \$16,276,434 of the over expenditure. Of this amount Boulder, Denver, El Paso and Weld counties accounted for \$13.7 million of the over expenditure.

Table D illustrates the historical (over)/under expenditures by county for FY 2011-12 through FY 2015-16.

<sup>2</sup> The large ten counties are; Adams, Arapahoe, Boulder, Denver, El Paso, Jefferson, Larimer, Mesa, Pueblo, and Weld.

Table C: County Administration FY 2015-16 Expenditures

<i>County -</i>	<i>CDHS County Administration Allocation</i>	<i>CDHS Expenditures</i>	<i>CDHS (Over)/Under Expenditures</i>	<i>APS Administration Allocation</i>	<i>APS Expenditures</i>	<i>APS (Over)/Under Expenditures</i>	<i>Combined County Administration Allocation</i>	<i>Combined County Administration Expenditures</i>	<i>Combined (Over)/Under Expenditures</i>	<i>Information Only Total County Share of Over Expenditures (AR + AV)</i>
(C)	(D)	(E)	(I)	(J)	(K)	(L)	(M)	(N)	(AU)	
Adams	\$5,047,781	\$6,190,791	\$(1,143,009)	\$1,012,063	\$832,509	\$179,553	\$6,059,844	\$7,023,300	\$(963,456)	\$545,087
Alamosa	\$505,149	\$529,764	\$(24,615)	\$98,366	\$163,550	\$(65,183)	\$603,515	\$693,314	\$(89,799)	\$47,428
Arapahoe	\$5,920,972	\$5,706,216	\$214,756	\$1,253,900	\$1,020,110	\$233,791	\$7,174,873	\$6,726,326	\$448,547	\$-
Archuleta	\$137,890	\$155,348	\$(17,458)	\$48,980	\$62,906	\$(13,925)	\$186,871	\$218,254	\$(31,383)	\$15,286
Baca	\$75,022	\$118,030	\$(43,008)	\$19,566	\$15,690	\$3,876	\$94,587	\$133,719	\$(39,132)	\$23,403
Bent	\$124,484	\$167,396	\$(42,912)	\$21,150	\$20,537	\$613	\$145,634	\$187,932	\$(42,298)	\$24,273
Boulder	\$2,218,130	\$5,240,222	\$(3,022,092)	\$735,804	\$858,748	\$(122,944)	\$2,953,934	\$6,098,970	\$(3,145,037)	\$2,038,213
Chaffee	\$233,703	\$262,079	\$(28,376)	\$68,441	\$56,394	\$12,047	\$302,144	\$318,473	\$(16,329)	\$-
Cheyenne	\$56,223	\$58,135	\$(1,912)	\$6,021	\$4,173	\$1,848	\$62,244	\$62,307	\$(64)	\$-
Clear Creek	\$115,842	\$110,998	\$4,844	\$20,096	\$15,101	\$4,995	\$135,938	\$126,099	\$9,839	\$-
Conejos	\$195,159	\$204,625	\$(9,465)	\$32,324	\$26,399	\$5,926	\$227,484	\$231,023	\$(3,540)	\$-
Costilla	\$134,707	\$197,925	\$(63,218)	\$28,705	\$19,273	\$9,433	\$163,412	\$217,197	\$(53,785)	\$31,800
Crowley	\$84,693	\$136,771	\$(52,078)	\$17,130	\$11,386	\$5,743	\$101,822	\$148,157	\$(46,335)	\$28,166
Custer	\$56,223	\$58,031	\$(1,808)	\$22,635	\$6,749	\$15,886	\$78,858	\$64,780	\$14,077	\$-
Delta	\$507,443	\$475,898	\$31,545	\$293,146	\$245,280	\$47,866	\$800,588	\$721,178	\$79,411	\$-
Denver	\$9,667,575	\$16,383,171	\$(6,715,596)	\$1,876,635	\$2,560,734	\$(684,099)	\$11,544,210	\$18,943,906	\$(7,399,696)	\$4,727,607
Dolores	\$56,223	\$76,734	\$(20,511)	\$6,903	\$4,189	\$2,713	\$63,126	\$80,923	\$(17,797)	\$9,227
Douglas	\$880,304	\$764,057	\$116,246	\$273,410	\$166,280	\$107,130	\$1,153,714	\$930,338	\$223,376	\$-
Eagle	\$344,593	\$525,781	\$(181,187)	\$86,642	\$94,120	\$(7,478)	\$431,235	\$619,901	\$(188,666)	\$117,478
Elbert	\$123,023	\$173,003	\$(49,980)	\$45,453	\$22,940	\$22,513	\$168,476	\$195,943	\$(27,468)	\$12,885
El Paso	\$6,777,433	\$8,841,904	\$(2,064,470)	\$1,458,285	\$1,188,478	\$269,807	\$8,235,718	\$10,030,382	\$(1,794,664)	\$1,063,939
Fremont	\$741,637	\$792,854	\$(51,217)	\$248,531	\$158,975	\$89,556	\$990,168	\$951,829	\$38,339	\$-
Garfield	\$728,877	\$1,162,467	\$(433,590)	\$141,283	\$130,023	\$11,261	\$870,160	\$1,292,490	\$(422,329)	\$265,785
Gilpin	\$71,039	\$119,183	\$(48,144)	\$14,972	\$20,533	\$(5,561)	\$86,011	\$139,717	\$(53,705)	\$33,553
Grand	\$114,893	\$146,943	\$(32,050)	\$24,545	\$16,793	\$7,752	\$139,438	\$163,736	\$(24,298)	\$11,398
Gunnison	\$239,246	\$204,048	\$35,198	\$47,017	\$64,809	\$(17,792)	\$286,263	\$268,858	\$17,406	\$-
Hinsdale	\$0	\$113	\$(113)	\$-	\$14	\$(14)	\$0	\$127	\$(127)	\$84
Huerfano	\$187,082	\$160,461	\$26,622	\$33,826	\$23,494	\$10,332	\$220,908	\$183,955	\$36,953	\$-
Jackson	\$56,223	\$24,268	\$31,955	\$4,401	\$2,115	\$2,286	\$60,624	\$26,383	\$34,241	\$-

Table C: County Administration FY 2015-16 Expenditures

<i>County -</i>	<i>CDHS County Administration Allocation</i>	<i>CDHS Expenditures</i>	<i>CDHS (Over)/Under Expenditures</i>	<i>APS Administration Allocation</i>	<i>APS Expenditures</i>	<i>APS (Over)/Under Expenditures</i>	<i>Combined County Administration Allocation</i>	<i>Combined County Administration Expenditures</i>	<i>Combined (Over)/Under Expenditures</i>	<i>Information Only Total County Share of Over Expenditures (AR + AV)</i>
Jefferson	\$3,814,808	\$5,312,593	\$(1,497,785)	\$1,266,634	\$1,080,646	\$185,988	\$5,081,442	\$6,393,238	\$(1,311,797)	\$791,379
Kiowa	\$56,223	\$56,757	\$(534)	\$5,021	\$4,673	\$348	\$61,244	\$61,430	\$(186)	\$-
Kit Carson	\$111,049	\$139,196	\$(28,146)	\$20,005	\$11,719	\$8,287	\$131,055	\$150,914	\$(19,860)	\$8,190
Lake	\$127,673	\$187,965	\$(60,292)	\$18,440	\$19,408	\$(968)	\$146,113	\$207,373	\$(61,260)	\$37,305
La Plata	\$534,916	\$665,684	\$(130,767)	\$194,824	\$272,609	\$(77,785)	\$729,740	\$938,292	\$(208,552)	\$125,659
Larimer	\$2,746,414	\$3,397,341	\$(650,927)	\$900,626	\$804,348	\$96,278	\$3,647,040	\$4,201,689	\$(554,649)	\$310,097
Las Animas	\$324,696	\$316,097	\$8,599	\$95,220	\$68,510	\$26,711	\$419,916	\$384,607	\$35,310	\$-
Lincoln	\$95,331	\$138,809	\$(43,477)	\$22,134	\$10,331	\$11,803	\$117,466	\$149,140	\$(31,674)	\$17,535
Logan	\$302,886	\$296,912	\$5,974	\$92,557	\$128,780	\$(36,223)	\$395,443	\$425,692	\$(30,248)	\$8,186
Mesa	\$1,974,127	\$2,301,164	\$(327,036)	\$811,099	\$682,817	\$128,282	\$2,785,226	\$2,983,980	\$(198,754)	\$83,841
Mineral	\$0	\$690	\$(690)	\$-	\$97	\$(97)	\$0	\$787	\$(787)	\$521
Moffat	\$211,252	\$287,280	\$(76,028)	\$38,838	\$15,010	\$23,828	\$250,090	\$302,290	\$(52,200)	\$28,662
Montezuma	\$424,489	\$463,292	\$(38,803)	\$110,722	\$78,816	\$31,906	\$535,211	\$542,108	\$(6,897)	\$-
Montrose	\$729,144	\$554,999	\$174,145	\$251,664	\$246,292	\$5,373	\$980,809	\$801,291	\$179,518	\$-
Morgan	\$453,427	\$341,607	\$111,820	\$130,968	\$195,841	\$(64,872)	\$584,395	\$537,448	\$46,947	\$-
Otero	\$455,555	\$631,705	\$(176,150)	\$145,382	\$108,990	\$36,392	\$600,937	\$740,695	\$(139,758)	\$81,653
Ouray	\$56,223	\$76,468	\$(20,245)	\$11,872	\$6,140	\$5,732	\$68,095	\$82,608	\$(14,513)	\$6,456
Park	\$169,680	\$177,095	\$(7,415)	\$44,090	\$27,755	\$16,334	\$213,770	\$204,850	\$8,920	\$-
Phillips	\$58,513	\$75,390	\$(16,877)	\$21,842	\$15,658	\$6,184	\$80,355	\$91,047	\$(10,693)	\$2,455
Pitkin	\$79,601	\$173,119	\$(93,518)	\$44,983	\$65,423	\$(20,440)	\$124,585	\$238,542	\$(113,958)	\$73,109
Prowers	\$321,906	\$348,417	\$(26,512)	\$62,618	\$74,213	\$(11,594)	\$384,524	\$422,630	\$(38,106)	\$14,913
Pueblo	\$3,209,423	\$3,417,036	\$(207,612)	\$788,856	\$603,040	\$185,816	\$3,998,279	\$4,020,076	\$(21,797)	\$-
Rio Blanco	\$77,264	\$163,982	\$(86,719)	\$16,035	\$12,322	\$3,712	\$93,298	\$176,305	\$(83,006)	\$53,064
Rio Grande	\$370,294	\$326,167	\$44,127	\$50,830	\$28,989	\$21,841	\$421,124	\$355,156	\$65,968	\$-
Routt	\$179,363	\$315,484	\$(136,121)	\$46,953	\$43,045	\$3,907	\$226,316	\$358,529	\$(132,214)	\$83,403
Saguache	\$166,283	\$143,414	\$22,869	\$31,381	\$28,782	\$2,599	\$197,664	\$172,196	\$25,468	\$-
San Juan	\$56,223	\$27,165	\$29,058	\$2,054	\$1,031	\$1,023	\$58,278	\$28,196	\$30,082	\$-
San Miguel	\$68,729	\$91,226	\$(22,497)	\$12,588	\$9,532	\$3,056	\$81,317	\$100,758	\$(19,441)	\$9,755
Sedgwick	\$56,223	\$70,293	\$(14,070)	\$16,847	\$16,528	\$318	\$73,070	\$86,821	\$(13,752)	\$5,594
Summit	\$233,739	\$248,110	\$(14,371)	\$44,749	\$73,198	\$(28,449)	\$278,489	\$321,308	\$(42,820)	\$21,247

Table C: County Administration FY 2015-16 Expenditures

<i>County -</i>	<i>CDHS County Administration Allocation</i>	<i>CDHS Expenditures</i>	<i>CDHS (Over)/Under Expenditures</i>	<i>APS Administration Allocation</i>	<i>APS Expenditures</i>	<i>APS (Over)/Under Expenditures</i>	<i>Combined County Administration Allocation</i>	<i>Combined County Administration Expenditures</i>	<i>Combined (Over)/Under Expenditures</i>	<i>Information Only Total County Share of Over Expenditures (AR + AV)</i>
<b>Teller</b>	\$307,400	\$277,705	\$29,695	\$101,189	\$106,117	\$(4,928)	\$408,589	\$383,821	\$24,767	\$-
<b>Washington</b>	\$58,628	\$92,077	\$(33,449)	\$20,009	\$20,881	\$(872)	\$78,637	\$112,958	\$(34,321)	\$20,511
<b>Weld</b>	\$2,713,190	\$4,110,545	\$(1,397,355)	\$588,440	\$526,008	\$62,432	\$3,301,629	\$4,636,553	\$(1,334,923)	\$833,766
<b>Yuma</b>	\$130,948	\$169,861	\$(38,913)	\$41,185	\$20,634	\$20,552	\$172,133	\$190,495	\$(18,362)	\$5,321
<b>Broomfield</b>	\$307,112	\$558,410	\$(251,298)	\$113,154	\$86,433	\$26,721	\$420,266	\$644,842	\$(224,576)	\$141,609
<b>TOTALS</b>	\$56,384,304	\$74,941,266	\$(18,556,962)	\$14,104,039	\$13,306,918	\$797,121	\$70,488,343	\$88,248,184	\$(17,760,201.35)	\$11,759,841

<b>Table D: Historical County (Over)/Under expenditure for County Administration FY 2011-12 through FY 2015-16</b>					
	<b>FY2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
<b>COUNTY</b>	<b>(Over)/Under Expenditures</b>	<b>(Over)/Under Expenditures</b>	<b>(Over)/Under Expenditures</b>	<b>(Over)/Under Expenditures</b>	<b>(Over)/Under Expenditures</b>
Adams	\$ (2,817,152.66)	\$ (2,548,731.25)	\$ (303,421.62)	\$ 103,449.09	\$ (963,470.63)
Alamosa	\$ 120,474.15	\$ 18,155.49	\$ (77,019.75)	\$ (33,768.64)	\$ (89,798.54)
Arapahoe	\$ (420,669.56)	\$ (1,242,050.91)	\$ 1,021.80	\$ 598,054.79	\$ 448,487.04
Archuleta	\$ 11,588.45	\$ 1,841.59	\$ (10,427.37)	\$ (3,585.97)	\$ (31,383.36)
Baca	\$ (8,905.66)	\$ (41,500.53)	\$ (45,811.64)	\$ (61,811.25)	\$ (39,131.80)
Bent	\$ (8,622.26)	\$ (36,141.16)	\$ (18,123.48)	\$ (19,288.97)	\$ (42,298.32)
Boulder	\$ (3,466,133.72)	\$ (2,612,293.77)	\$ (2,078,170.42)	\$ (2,341,615.62)	\$ (3,145,036.68)
Chaffee	\$ (102,493.37)	\$ (119,226.77)	\$ (51,835.78)	\$ (3,988.32)	\$ (16,329.06)
Cheyenne	\$ (43.63)	\$ 3,068.08	\$ 1,477.87	\$ 10,362.06	\$ (63.62)
Clear Creek	\$ 21,388.81	\$ 9,552.83	\$ (6,294.64)	\$ (23,172.16)	\$ 9,823.86
Conejos	\$ 35,832.39	\$ (5,309.59)	\$ (32,596.35)	\$ 24,788.71	\$ (3,539.66)
Costilla	\$ (106,310.20)	\$ (51,015.38)	\$ (75,951.64)	\$ (64,211.56)	\$ (53,785.37)
Crowley	\$ (32,432.89)	\$ (32,361.96)	\$ (28,004.71)	\$ (32,632.55)	\$ (46,335.27)
Custer	\$ 11,362.12	\$ 10,909.34	\$ 4,649.56	\$ 190.12	\$ 14,077.43
Delta	\$ 52,030.02	\$ (13,390.07)	\$ 26,512.62	\$ 129,785.53	\$ 79,395.81
Denver	\$ (9,628,354.68)	\$ (10,339,449.61)	\$ (6,154,508.34)	\$ (6,267,303.22)	\$ (7,399,770.54)
Dolores	\$ 10,793.91	\$ 7,869.30	\$ 4,202.10	\$ 2,383.15	\$ (17,797.42)
Douglas	\$ 29,552.06	\$ 243,255.70	\$ 39,169.76	\$ 298,431.24	\$ 223,346.24
Eagle	\$ (86,418.23)	\$ (195,047.87)	\$ (117,779.20)	\$ (98,285.72)	\$ (188,680.54)
Elbert	\$ 13,104.06	\$ (63,575.77)	\$ 26,214.52	\$ 12,400.35	\$ (27,467.61)
El Paso	\$ (254,822.86)	\$ (640,298.54)	\$ (422,481.59)	\$ (1,160,705.37)	\$ (1,794,678.61)
Fremont	\$ (121,803.73)	\$ (111,847.97)	\$ (60,622.96)	\$ 85,911.17	\$ 38,338.93
Garfield	\$ (205,452.12)	\$ (356,312.55)	\$ (381,590.45)	\$ (354,266.74)	\$ (422,329.30)
Gilpin	\$ (50,052.79)	\$ (30,443.70)	\$ (21,523.13)	\$ (33,060.95)	\$ (53,705.29)
Grand	\$ 9,641.78	\$ 6,062.37	\$ (63,954.29)	\$ (38,590.53)	\$ (24,298.01)
Gunnison	\$ 7,206.21	\$ 14,799.22	\$ (18,686.89)	\$ (18,248.44)	\$ 17,278.84
Hinsdale	\$ -	\$ -	\$ -	\$ -	\$ -
Huerfano	\$ 15,138.02	\$ (17,699.14)	\$ (14,616.58)	\$ 36,538.17	\$ 36,953.41
Jackson	\$ 53,960.93	\$ 57,634.92	\$ 33,821.44	\$ 30,991.65	\$ 34,240.71
Jefferson	\$ (1,453,319.25)	\$ (1,218,072.01)	\$ (283,225.88)	\$ (23,042.12)	\$ (1,311,826.56)
Kiowa	\$ 3,452.54	\$ 14,091.31	\$ (19,350.12)	\$ 1,629.11	\$ (185.98)
Kit Carson	\$ (31,387.21)	\$ (24,218.94)	\$ (18,028.67)	\$ (10,978.90)	\$ (19,859.60)
Lake	\$ (27,088.75)	\$ (24,897.46)	\$ (72,006.49)	\$ (38,268.20)	\$ (61,275.40)
La Plata	\$ (88,354.97)	\$ (183,545.29)	\$ (142,893.36)	\$ (138,947.31)	\$ (208,552.23)
Larimer	\$ (1,682,048.22)	\$ (1,810,396.81)	\$ (728,439.50)	\$ (141,840.25)	\$ (554,648.90)
Las Animas	\$ (4,100.87)	\$ (80,136.56)	\$ (28,297.66)	\$ 18,724.98	\$ 35,309.93
Lincoln	\$ (38,588.22)	\$ (43,035.29)	\$ (13,945.20)	\$ (32,407.53)	\$ (31,674.32)
Logan	\$ (95,835.25)	\$ (121,172.30)	\$ (77,017.48)	\$ (3,749.41)	\$ (30,248.35)

<b>Table D: Historical County (Over)/Under expenditure for County Administration FY 2011-12 through FY 2015-16</b>					
	<b>FY2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
<b>COUNTY</b>	<b>(Over)/Under Expenditures</b>	<b>(Over)/Under Expenditures</b>	<b>(Over)/Under Expenditures</b>	<b>(Over)/Under Expenditures</b>	<b>(Over)/Under Expenditures</b>
Mesa	\$ (32,144.50)	\$ (280,028.84)	\$ (76,856.41)	\$ 229,673.07	\$ (198,754.48)
Mineral	\$ -	\$ -	\$ -	\$ -	\$ -
Moffat	\$ (48,993.33)	\$ (65,584.31)	\$ (56,396.89)	\$ (64,181.25)	\$ (52,200.04)
Montezuma	\$ 170,308.59	\$ 127,233.84	\$ 72,551.97	\$ 36,385.18	\$ (6,897.10)
Montrose	\$ 52,726.79	\$ 61,898.02	\$ 16,494.41	\$ 205,166.26	\$ 179,517.80
Morgan	\$ 192,550.99	\$ 136,390.92	\$ (89,563.25)	\$ 48,408.22	\$ 46,947.27
Otero	\$ 39,822.31	\$ (45,735.05)	\$ (123,815.20)	\$ (83,970.18)	\$ (139,757.78)
Ouray	\$ (17,609.63)	\$ (14,980.63)	\$ (14,839.30)	\$ (28,807.48)	\$ (14,513.38)
Park	\$ (53,116.24)	\$ (27,553.91)	\$ (10,810.58)	\$ 9,959.52	\$ 8,919.57
Phillips	\$ (26,258.14)	\$ (46,851.86)	\$ (41,260.50)	\$ (31,419.67)	\$ (10,692.92)
Pitkin	\$ (171,512.62)	\$ (124,326.25)	\$ (69,890.33)	\$ (38,309.10)	\$ (113,972.78)
Prowers	\$ (111,622.53)	\$ (144,811.20)	\$ (85,879.39)	\$ (4,898.03)	\$ (38,121.21)
Pueblo	\$ 255,425.62	\$ (73,167.89)	\$ 304,573.91	\$ 404,705.59	\$ (21,796.75)
Rio Blanco	\$ (98,304.22)	\$ (125,282.79)	\$ (82,873.98)	\$ (103,937.98)	\$ (83,021.17)
Rio Grande	\$ 230,998.73	\$ 184,737.21	\$ 85,135.22	\$ 65,810.59	\$ 65,180.77
Routt	\$ (24,575.56)	\$ (45,648.24)	\$ (64,687.50)	\$ (66,748.41)	\$ (132,213.62)
Saguache	\$ 6,374.25	\$ (10,761.56)	\$ (6,464.30)	\$ 24,166.11	\$ 25,467.77
San Juan	\$ 50,607.27	\$ 54,746.47	\$ 34,472.55	\$ 31,106.60	\$ 30,081.79
San Miguel	\$ (25,380.94)	\$ (16,369.79)	\$ (8,213.54)	\$ (38,461.58)	\$ (19,440.58)
Sedgwick	\$ (24,504.45)	\$ (35,490.70)	\$ (21,140.73)	\$ (5,335.47)	\$ (13,751.70)
Summit	\$ 5,708.96	\$ 9,351.44	\$ (4,501.33)	\$ (42,627.42)	\$ (42,819.66)
Teller	\$ (53,975.75)	\$ (51,658.77)	\$ 902.65	\$ (1,966.12)	\$ 24,767.42
Washington	\$ (4,628.54)	\$ (12,934.05)	\$ (39,274.36)	\$ (26,191.73)	\$ (34,320.63)
Weld	\$ (1,646,045.71)	\$ (2,388,398.56)	\$ (1,459,641.47)	\$ (880,940.62)	\$ (1,334,938.28)
Yuma	\$ (71,788.57)	\$ (68,986.12)	\$ (45,748.43)	\$ (33,965.28)	\$ (18,376.59)
Broomfield	\$ (65,434.31)	\$ (76,150.24)	\$ (60,946.29)	\$ (75,239.58)	\$ (224,576.30)
<b>Total</b>	<b>\$ (21,806,237.18)</b>	<b>\$ (24,655,293.91)</b>	<b>\$ (13,078,228.59)</b>	<b>\$ (10,061,748.37)</b>	<b>\$ (17,760,201.35)</b>

## Rising Costs of County Administration

Information from the counties suggests that the rising costs are due to increased caseloads that have increased more than projected due to the implementation of the Affordable Care Act and increasing costs of doing business.

Since FY 2012-13 the Department has contracted with the Change & Innovation Agency (CIA) to implement Business Process Reengineering (BPR) in the ten largest counties. The ten large counties have all implemented some iteration of Business Process Reengineering. While the Change & Innovation Agency (CIA) completed some work in all counties, not all counties opted for the full package of assistance available or maintained fidelity to the recommended model. Counties that chose not to take advantage of CIA's services used their own resources to redesign processes. Table D: County Implementation of Business Process Reengineering. The following table illustrates the implementation of BPR and work completed by CIA in each of the ten large counties.

<b>Table D: County Implementation of Business Process Reengineering</b>			
<b>County</b>	<b>Assessment</b>	<b>Implementation of BPR</b>	<b>Post Implementation Review</b>
Adams	County assessment (CIA)	Radical process redesign and implementation (CIA)	Post-Implementation Review (CIA)
Arapahoe	County assessment (CIA)	Process redesign (County)	Post-Implementation Review (CIA)
Boulder	County assessment (CIA)	Process redesign (County)	
Denver	County assessment (CIA)	Radical process redesign and implementation (CIA)	Post-Implementation Review (CIA)
El Paso	County assessment (CIA)	Radical process redesign and implementation (some programs by CIA and some programs on their own)	N/A
Jefferson	County assessment (CIA)	Radical process redesign and implementation (CIA)	Post-Implementation Review (CIA)
Larimer	County assessment (CIA)	Radical process redesign and implementation (CIA)	Post-Implementation Review (CIA)
Mesa	County assessment (CIA)	Radical process redesign and implementation (CIA)	Post-Implementation Review (CIA)
Pueblo	County assessment (CIA)	Radical process redesign and implementation (CIA)	Post-Implementation Review (CIA)
Weld	County assessment (CIA)	Radical process redesign and implementation (CIA)	Post-Implementation Review (CIA)

Additionally, five Supervisory Academies to be delivered by CIA are pending: three were scheduled in September 2016 and two more will be completed by the end of the fiscal year. These academies are customized, three-day training sessions specifically geared to supervisors and managers in county offices – who have faced the most significant changes to their day-to-day jobs, managing processes rather than employees – to shore up processes, learn strategies to manage staff and workflow, and increase performance. Other than these pending Supervisory Academies and Post-Implementation Review in Pueblo, there are no current plans to offer CIA's Business Process Reengineering services to any additional counties as funds are not appropriated or otherwise available for this work.

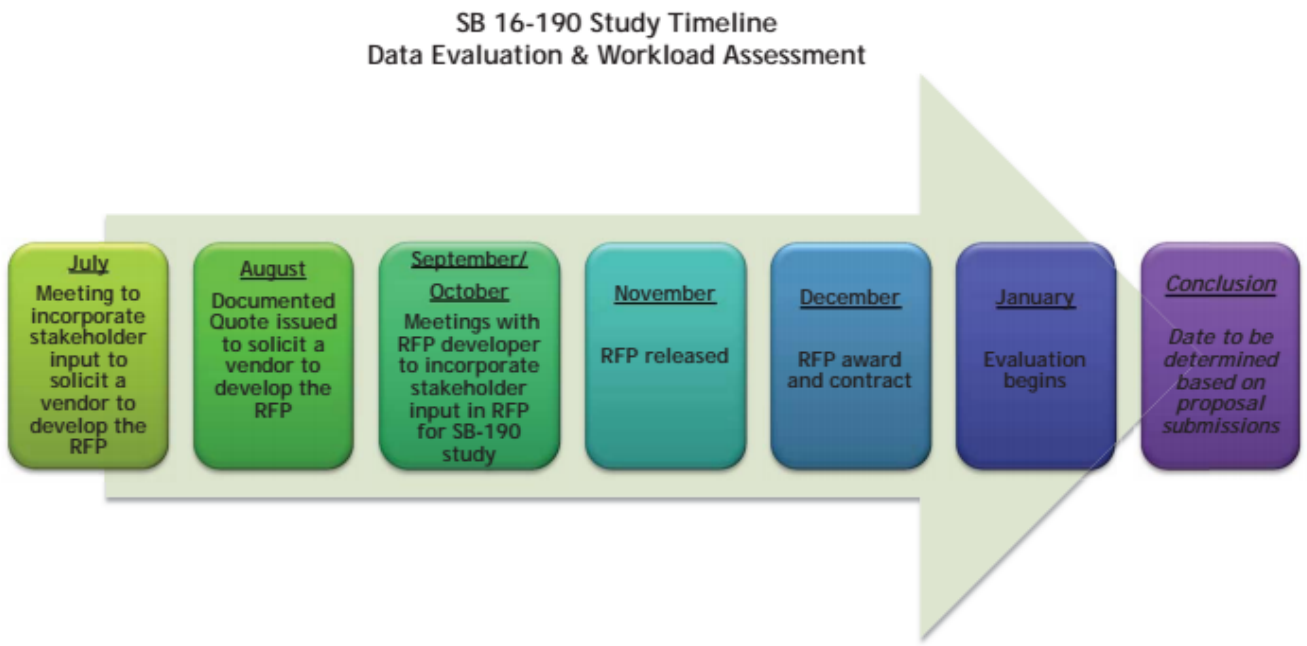
By removing bottlenecks in the process and avoiding rework, Business Process Reengineering should translate to effective deployment of resources to complete the work at hand on any given day. However, the Department does not have access to data that would show the effect of BPR on individual counties' costs and/or cost savings. Based on CIA's initial assessments in county offices, their formulas concluded that adequate staff was available in every county in order to complete the volume of work in the county.

**SB 16-190: Concerning Improving the Process for County Administration of Public Assistance Programs, and, in Connection Therewith, Making and Reducing Appropriations**

The General Assembly passed SB 16-190 (Concerning Improving the Process for County Administration of Public Assistance Programs, and, in Connection Therewith, Making and Reducing Appropriations) during the 2016 legislative session. The legislation provided the Department with \$550,000 total funds for the purpose of collecting and analyzing data related to the administration of public assistance programs. These public assistance programs include: food assistance, Medicaid, Children's Basic Health Plan, Colorado Works (TANF), Programs for the Aid to the Needy Disabled, Old Age Pension Program and long term care services.

The Department is working with external stakeholders including hiring a vendor to collect and analyze the data, program stakeholders and program administrators. The Department in collaboration with county departments is also directed to design a continuous quality improvement program to improve the administration of public assistance programs.

As of September 2016, three work groups have been established to accomplish the work outlined in SB 16-190 with the initial meeting with stakeholders occurring in July 2016. Colorado is on schedule to meeting the requirements of SB 16-190 and has prepared the following timeline to ensure completion of the project specific to the Data Evaluation and Workload Assessment component of the legislation as follows:





Based on Table D county administration expenditures are rising and have been since at least FY 2011-12, as a result the Department requests funding for in FY 2017-18 to support continued efforts by the counties to administer public assistance programs in a timely manner. The SB 16-190 Study is not expected to be complete until late FY 2016-17 or early FY 2017-18 based on the current timeline. Based on a September 2016 survey of the counties, rising costs are attributable to the following:

- Salary/Benefits/Overtime of County Staff - County Response Rate: 25/35 (71%)
  1. Increasing wages and benefits to provide competitive pay to attract/retain qualified staff.
  2. Higher cost of living in comparison to other areas in the State.
  3. Overtime paid to existing county employees to meet caseload demands.
- Increased Caseload Growth - County Response rate: 19/35 (54%)
- Timeliness/Accuracy - County Response Rate: 12/35 (30%)
- Health Care/Insurance Premium Increases - County Response Rate: 6/35 (17%)

Without increased funding counties may continue to loose trained staff, not be able to meet timeliness and accuracy requirements and client’s applications may become backlogged further negatively affecting the timely administration of public assistance benefits.

***Proposed Solution:***

The Department of Human Services requests \$16,666,666 total funds including \$5,000,000 General Fund, \$3,333,333 cash funds, and \$8,333,333 federal funds in FY 2017-18 and beyond for the purpose of increasing funding for County Administration of public assistance programs. The cash funds are local funds. This request represents a 29.6% increase over the FY 2016-17 appropriations.

***Anticipated Outcomes:***

County Departments will be able to support the administration of public assistance programs in light of rising costs and caseloads.

***Assumptions and Calculations:***

Table E: FY 2017-18 County Administration Request illustrates the FY 2017-18 County Administration base request, this request and the total requested funds. The requested \$16,666,666 total funds are based on the FY 2015-16 over expenditure of \$17.7 million as shown in Table B.

<b>Table E: FY 2017-18 County Administration Request</b>					
<b>County Administration</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
FY 2016-17 Appropriation	\$ 56,384,304	\$ 19,666,869	\$ 10,436,967	\$ -	\$ 26,280,468
FY 2017-18 Base Request	\$ 56,384,304	\$ 19,666,869	\$ 10,436,967	\$ -	\$ 26,280,468
FY 2017-18 R-3 County Administration Funding	\$ 16,666,666	\$ 5,000,000	\$ 3,333,333	\$ -	\$8,333,333
<b>FY 2017-18 County Administration Request</b>	<b>\$ 73,050,970</b>	<b>\$ 24,666,869</b>	<b>\$ 13,770,300</b>	<b>\$ -</b>	<b>\$ 34,613,801</b>