

County administration allocations are used to cover the costs of processing applications and corresponding case management.

- Total caseloads for Food Assistance, Medicaid, and Adult Financial Programs increased **20%** from SFY 2014 to SFY 2016.
- The state allocation for processing applications and managing Medicaid, Food Assistance and Adult Financial cases increased **13.8%** from SFY 2014 to SFY 2016.
- If the state allocation is insufficient to cover county costs, counties cover operating costs. At the close of SFY 2016, this amount was **\$18,419, 642**.
- 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.

County Allocations 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 SFY 2008 to 2016, county caseloads have increased by approximately **167%**, with the majority of that increase coming from Medicaid and SNAP/food assistance. From SFY 2013-2014 to SFY 2015-2016, cases increased **20%**.

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)), the state general fund portion of 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 draw 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 **17.36%** (NOTE: The percentage overspent in the CDHS side is **32.91%**; the **17.36%** is on the combined appropriations, CDHS + HCPF). The combined appropriations (CDHS + HCPF) underfunded 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 Adult Protective Services, Regular Medicaid, Enhanced Medicaid funding, and internal adjustments to reach the best final result.

Table 1 shows county administration allocations and expenditures from FY 2013-14 through FY 2015-16. The table also shows increases in the total allocation of **13.8%**, an increase in actual expenditures of **21.3%**, and under allocation (shortfall) increase of **95%** over this span.

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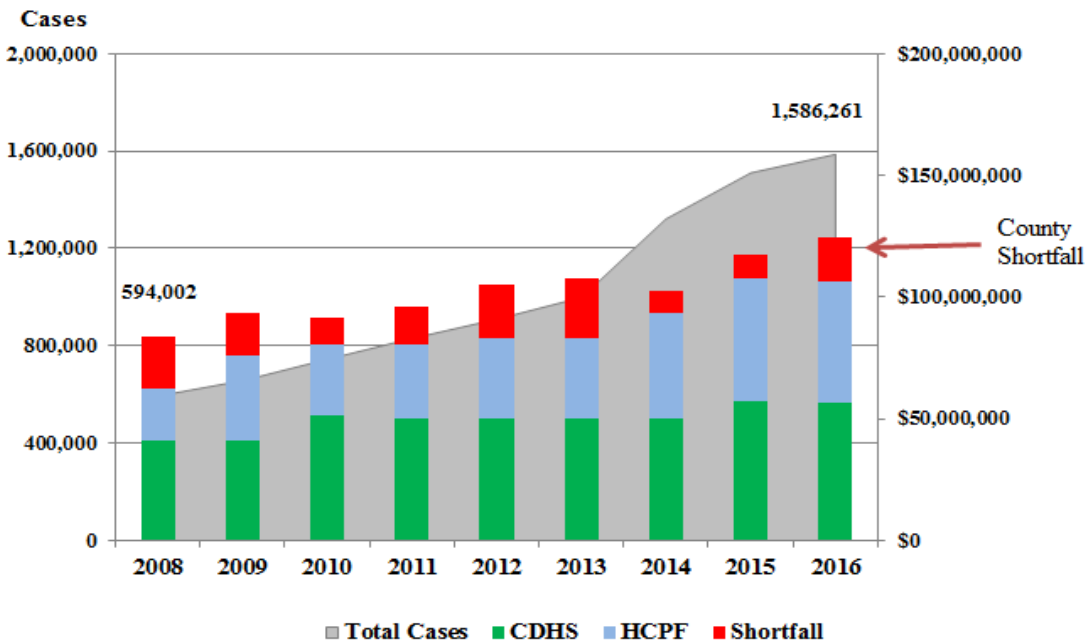
**Table 1 - Calculation of County Under Funding
State Fiscal Years 2013-14 to SYF 2015-16**

	FY 2013-14	FY 2014-15	FY 2015-16	Percent Change from 2013-2016
Total Allocation (CDHS & HCPF Allocations Combined)	\$93,176,830	\$107,508,109	\$106,074,899	+13.8%
Actual Expenditures	\$102,619,295	\$117,204,294	\$124,494,541	+21.3%
Total Under Allocation	\$9,442,466	\$9,696,185	\$18,419,642	+95%

Source: Financial Closeout Reports provided by the Colorado Department of Human Services.

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

County Administration Allocations by Funding Source Compared to Total Cases SFY 2008-2016



Sources:

CDHS. 2015. *C-STAT: Summary Report January – March 2016*. Denver, Colorado: Colorado Department of Human Services.

Supplemental Nutrition Assistance Program. 2015. *State Activity Report – Fiscal Year 2015*, Average Monthly Benefit – Ranked per Household – FY 2014: Table 29 pg. 44.

Supplemental Nutrition Assistance Program. 2016. *Supplemental Nutrition Assistance Program Participation and Issuance*, Tables 1– FY 2008 & FY 2015 and Supplemental Nutrition Assistance Program Average Monthly Participation (Households) as of October 7, 2016. Washington, DC: US Department of Agriculture. <http://www.fns.usda.gov>

Supplemental Nutrition Assistance Program. 2016a. SNAP Table: Prevalence of Household-Level Food Insecurity and Very Low Food Security, Average 2013-15, U.S. Department of Agriculture. Available online at: <http://www.fns.usda.gov>

Unpublished documents provided to the Colorado Department of Human Services by the U.S. Department of Agriculture.

Financial Closeout Reports provided by the Colorado Department of Human Services.