



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 2014, county caseloads have increased by approximately 154.3%, 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.

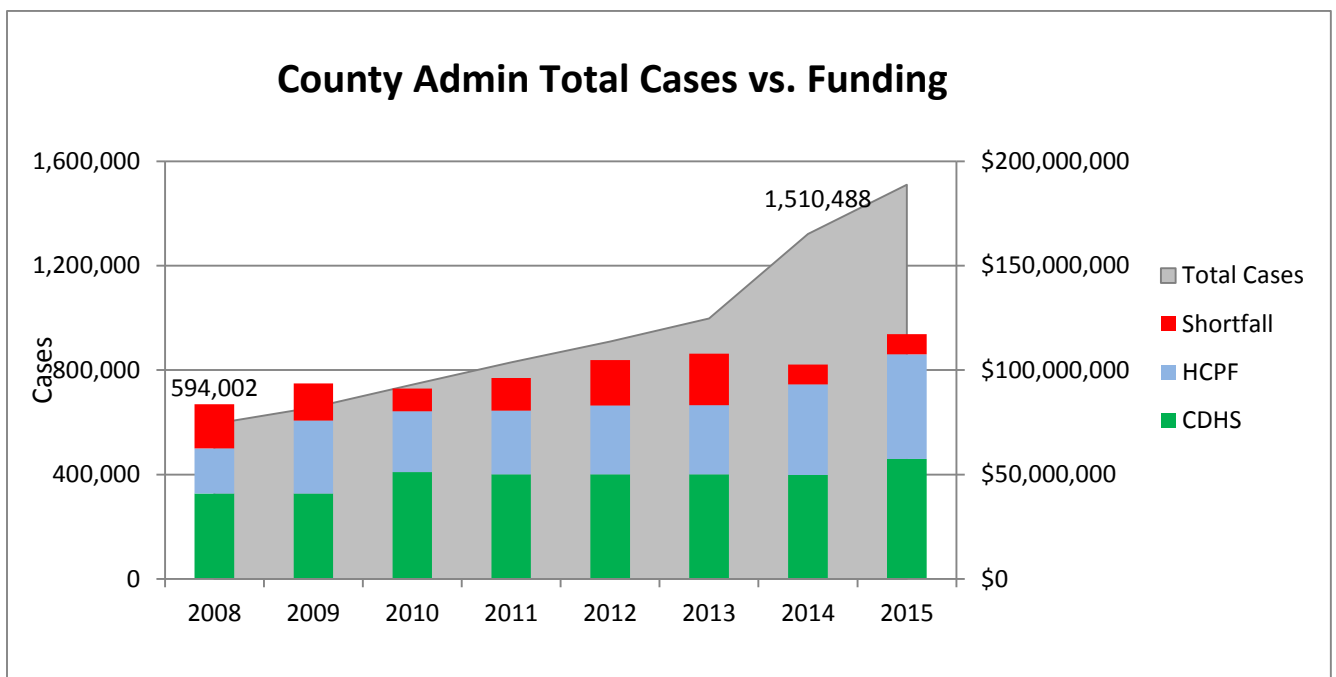
Counties have been operating under a deficit in County Administration funding under CDHS for 16 years. Counties were last fully funded in this important area in 1999. In SFY 2014-15, counties were overspent on County Admin by 9% (NOTE: The percentage overspent in the CDHS side is 17%; the 9% is on the combined appropriations, CDHS + HCPF). The combined appropriations (CDHS + HCPF) underfund county expenditures for SFY 2015 by almost \$9.7 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 2012-13 Total Allocation (CDHS & HCPF Allocations Combined)	\$83,170,291
FY 2012-13 Actual Expenditures	\$107,825,585
Total Under Appropriation	\$24,655,294

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



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.

Imbedded within that top priority is a request for a new County Administration Workload Study. A similar workload study was last conducted in 2007, which essentially identified worker effort in the measurement of minutes per task. Our systems, processes, and eligibility requirements have changed significantly in the past eight years. The funding to update this study would ensure that the methodologies used to allocate funds reflect current practice, and that the appropriate levels of funding to support program efforts would be known, and hopefully appropriated, in outlying years. In addition, CCI hopes a workload study would review the impact of a complex federally-compliant cost allocation methodology used to distribute costs for administration and the array of eligibility-based program activities. Ultimately, a workload study will provide the deeper analysis that is warranted.