



July 16, 2018

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.(CCI) on our budget priorities for the Department's SFY 2019-20 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 2018-19 budget that begins July 1, 2018. 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 and a significant amount of funding for the Colorado Child Care Assistance Program (CCCAP). Thanks to your support, we also secured supplemental funding to offset overexpenditures in child welfare and CCCAP for the 2017-2018 state fiscal year. 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 2019-20 budget year. In summary, those include additional funding for the Child Welfare Block Grant and CCCAP—two programs that have grown at a rate that has not kept pace with funding levels. We would also like to find a sustainable way to cover the expenses associated with HB18-1306, which provides transportation to foster children so they can remain in their schools of origin.

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 2019-20. 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. We also hope to work with the State and the General Assembly to address the need for a sustainable source of funding to cover an increase in the Basic Cash Assistance benefits provided to TANF recipients. Finally, we hope you will join us in continuing to monitor the costs of statewide technology projects and developments at the Federal level that may have significant impacts on our administration of human services.



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' budget process.

Sincerely,

Commissioner Wendy Buxton-Andrade
CCI HHS Steering Committee, Chair

Commissioner Casey Tighe
CCI HHS Steering Committee, Vice Chair

June 21, 2018

To: Colorado Counties, Inc. (CCI)
From: Colorado Human Services Director's Association (CHSDA)
Regarding: SFY 2019-2020 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 – Child Welfare Block Grant

The Child Welfare Block Grant continues to be sorely underfunded. Not only has the Block not kept pace with inflation, but it has failed to accommodate an increased workload and a changing child welfare model that requires more intensive front end work in order to prevent more expensive interventions on the back end that produce poorer outcomes.

In 2009, we had about \$342.9 million in the block grant, which was subsequently reduced to \$339.6 million due to falling revenues. Today for SFY 2018-19, counties are allocated less than they received in 2009--\$338.3 million. Note counties did recently receive an additional \$6.9 million through an emergency supplemental, but those funds are a one-time allocation and will not increase the Block in the long term. During this same time, we have seen about a 15% rise in inflation according to the Bureau of Labor Statistics.

Notably, during this time of a flat Child Welfare Block, child abuse and neglect referral rates have increased by 46% percent from 2008 to 2017 and by 25% just since 2014. Similarly, the number of assessments counties conduct on child welfare referrals continues to increase as well. As a result, the Child Welfare Block is significantly underfunded and counties were the recipients of two separate supplementals this year. Even after the first supplemental for approximately \$3 million was approved, counties were on pace to be underfunded by \$16.3 million. After the second supplemental (which was not base building), counties will still be significantly overspent in the Block this year—perhaps by as much as \$10 million.

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. This approach, while more successful, also requires caseworkers to spend more time on cases at the referral or assessment stage of the process with the goal of limiting deeper involvement into the system. The trend in Colorado's child welfare practice has been to expand the use of community and home-based services to protect children in their home

and avoid entry into out-of-home placement whenever possible. In 2008, Colorado's child welfare system had a daily average of 1,467 children in congregate care, which are non-family based placement settings such as residential treatment facilities and group homes. In 2017, the average daily population of children in congregate care had been reduced by 43% to 835.

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, its goal is to get counties the staff they would need to do the work at 2014 levels. It does not address the overall demand for services and increase in workload that counties have seen in child welfare over the past several years.

In addition to the current fiscal stress the system is experiencing, SFY 2018-19 is also bringing overall system changes driven by state and federal legislative changes. Congress recently passed the Family First Prevention Services Act, which could fundamentally shift the way that child welfare is practiced across the country. The State and Counties are furiously preparing for the legislation's implementation at the same time counties are also preparing themselves for a loss of IV-E Waiver funding. Beginning in FY 2018-19, counties anticipate a loss of \$6 to \$7 million of IV-E Waiver revenue due to the IV-E Waiver being discontinued at the Federal level.

Overall, without an increase in the Child Welfare Block, counties will most certainly need to scale back spending in future years and, consequently, scale back staffing and/or services for child protection. This reduction in staffing/services will likely drive deeper system involvement for children, resulting in worse outcomes and even higher costs for placements over time

Priority #2 – Colorado Child Care Assistance Program Funding

The Colorado Child Care Assistance Program (CCCAP) has seen, and continues to see, significant changes over the last few years. In 2014, the General Assembly passed House Bill 14-1317, which made sweeping changes to 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. While this reform bill has gone a long way in improving access to high quality care for our clients, it has not succeeded in increasing access to the program. The percentage of children under five receiving CCCAP in high quality care has increased from 20.7% in November 2013 to 54.1% in 2017. At the same time, however, the number of children in the program has slightly decreased. In FY 2014-15 (prior to the implementation of HB14-1317), 30,668 children participated in CCCAP. In FY 2016-17, 30,328 participated in CCCAP.

Recognizing that funding limits allow only 13% of the eligible CCCAP population to actually utilize the program, the General Assembly passed HB18-1335 this past year. Part of the vision for that bill was to eventually increase access to the program to meet levels at which the general population utilizes licensed child care, which is 31%. While the General Assembly made a significant investment in CCCAP last year, that funding will make only a small dent in realizing that vision. Counties hope the State and General Assembly continue its commitment to

increasing access to high quality early childcare by increasing the resources that go to this program.

Priority #3 – Sustainable Funding for Education Stability Efforts

In 2018, the General Assembly passed HB18-1306, the Improving Educational Stability For Foster Youth Act. Counties supported this important legislation, which codifies the responsibility of county human services departments and school districts to work together to maintain foster children in their schools of origin whenever appropriate. We know that numerous barriers impede foster children's ability to achieve education success and we are invested in playing a role in improving outcomes in this area.

Of concern, however, is that funding set aside to help counties arrange transportation for foster youth is one-time funding from State Long Term TANF Reserves and an additional county match. In order for all of us to see long term improvements in educational outcomes for foster youth, counties need yearly funding for this program and hope the State can secure General Fund dollars to truly invest in the future of Colorado's foster children.

Ongoing County Priorities:

In addition to our top 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 2019-20.

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.

Counties also request your commitment to securing a sustainable source of funding to cover an increase to the Basic Cash Assistance (BCA) allotment for clients on Temporary Aid To Needy Families (TANF). The TANF allocation to counties has not increased since 1997 and relying on county TANF allocation and TANF reserves is unsustainable.

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