



May 6, 2019

Michelle Barnes, Executive Director  
Colorado Department of Human Services (CDHS)  
1575 Sherman St. 8th Floor  
Denver, CO 80203-1714

Dear Director Barnes:

Thank you for soliciting input from Colorado Counties, Inc. (CCI) on our budget priorities for the Department's SFY 2020-21 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 2019-20 budget that begins July 1, 2019. Working jointly with you, your staff, the Joint Budget Committee (JBC), and the Governor's Office, counties received additional child welfare funding to hire new child welfare staff and funding to address provider rate increases for our Colorado Child Care Assistance Program (CCCAP) providers. Thanks to your support, we also secured supplemental funding to address increased child welfare provider rates. We applaud the State for these investments and know they will make a difference in the lives of those we serve.

With the help of our staff, we have identified our funding priorities for the SFY 2020-21 budget year. In summary, those include funding to support the rollout of Family First and implementation of evidence-based prevention services, and additional funding for CCCAP—two efforts that are critical to a Two-Generation approach to family well-being and help us realize a vision of health and thriving communities.

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 2020-21. 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, as will continuing to fund provider rate increases based on the recent actuarial study. Finally, we hope to work with the State and the General Assembly to monitor and respond to developments with statewide technology projects that may have significant impacts on our administration of human services throughout Colorado.

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.

Sincerely,

Commissioner Wendy Buxton-Andrade  
CCI HHS Steering Committee, Chair

Commissioner Casey Tighe  
CCI HHS Steering Committee, V. Chair

May 6, 2019

To: Colorado Counties, Inc. (CCI)  
From: Colorado Human Services Director's Association (CHSDA)  
Regarding: SFY 2020-2021 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 (CDHS), Governor's office, Joint Budget Committee (JBC), 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 – FFPSA Implementation/Evidence-Based Prevention Funding

In February 2018, Congress passed the Family First Prevention Services Act (FFPSA)—a sweeping change to federal child welfare law. FFPSA includes financial incentives and requirements to help keep children safely with their families and ensure children are placed in the least restrictive setting possible when foster care is needed. Colorado must be proactive in planning and laying the groundwork for initial FFPSA implementation, particularly around the creation and expansion of Federally-approved prevention programs. For that reason, we hope that CDHS and the General Assembly will prioritize funding (\$10 million at a minimum) that helps counties and the state prepare to implement FFPSA, draw down critical IV-E dollars, and best serve children and families.

In order for Colorado to draw down the 50% federal match on prevention services spending through Title IV-E, we must provide our clients with specified evidence-based mental health and substance abuse prevention and treatment services and in-home parent skill-based programs. All services must be approved and identified as promising, supported, or well-supported practice by the Family First Clearinghouse. Half of state expenditures must go toward well-supported practices specifically, the most stringent of the three tiers.

Because at least 50 percent of state expenditures must be for programs and services that meet the federal standards of *well-supported* practice, the state should prioritize early investment in the initial deployment, coordination, and scaling up of well-supported practice across the state. From this foundation of well-supported practice, the state will earn a 50 percent match on services offered, which can then go toward investing in the evaluation and creation of promising or “homegrown” practices and expanding the use of well-supported practice to additional regions and counties. In effect, this strategy will build a pipeline to better federal reimbursement under FFPSA in the future. And most importantly, it is the right action to take for Colorado's children, youth, and families. Investing in a wide-ranging network of well-supported practice means that families in crisis can be referred to the most effective, well-tested services available that have been proven to lead to improved outcomes.

Counties imagine a few possible locations where an investment in FFPSA preparation and services could be housed, including the Child Welfare Prevention and Intervention Services Cash Fund created through SB18-254, the Core Services funding line, or a new, flexible, FFPSA fund.

While the introduction of FFPSA brings exciting opportunities to amplify the state's focus on prevention services, it also signals the end of the Title IV-E Child Welfare Waiver Demonstrations. We are appreciative that the JBC acknowledged the impending fiscal challenges associated with Colorado's waiver expiring September 30, 2019, and we are excited about the possible \$9.7 million that might be appropriated to the Child Welfare Prevention and Intervention Services Cash Fund. These funds would help cover the initial decrease in Title IV-E funding and support the sustainability of critical IV-E waiver interventions in the short term. However, there must be simultaneous efforts, as described above, to focus on implementing and building evidence-based services that meet federal standards and allow for federal reimbursement under FFPSA.

Furthermore, to truly build a comprehensive continuum of prevention services across the state, beginning with primary prevention efforts and reaching children and families as far upstream as possible, we hope the State will prioritize increased collaboration across the Office of Early Childhood and Division of Child Welfare. Enhancing this partnership will ensure that we are leveraging all potential resources in building Colorado's capacity to implement prevention under FFPSA.

Please note that with the addition of supplemental funding provided by the General Assembly for SFY 2018-19, it appears that Child Welfare spending statewide will be approximately 99% covered within the current Child Welfare Block appropriation. There is a possibility, however, that a number of counties will not be fully covered during closeout and will need to use TANF reserves or county-only funds to cover SFY 2018-19 system needs. While not perfect, having system needs and available resources closely matched for SFY 2018-19 is good news. Counties across the state are appreciative of collaboration between counties, CDHS, and the General Assembly to ensure this critical system is funded at the appropriate level. As we move into SFY 2019-20, we encourage the continued monitoring and analysis of the sufficiency of the Child Welfare Block funding to cover projected system needs. The Child Welfare Block faces several transitions in SFY 2019-20, most notably, the ending of the Title IV-E waiver. The end of the waiver will have a fiscal impact to the Child Welfare Block appropriation although the precise impact is not yet known. There is a possibility that as Colorado reverts to earning IV-E funding in a standard (non-waiver) manner, revenues could be reduced dramatically. The result could be the creation of a new "gap" within the Child Welfare Block. A continued commitment to monitoring and responding to changes in system funding is greatly appreciated.

*CHSDA recommends requesting \$10 million for SFY 2020-2021 to be used for the initial implementation of FFPSA prevention practices and a close monitoring of the sufficiency of the Block amid changes to Federal child welfare financing.*

#### Priority #2 – Colorado Child Care Assistance Program Funding

The Colorado Child Care Assistance Program (CCCAP) is a critical Two-Generation program that reaps benefits for both parents who can more easily access the workforce, education, and training programs and children who gain access to high quality early education and become kindergarten-ready. The program also serves as a key upstream child maltreatment prevention strategy. However, the program has seen, and continues to see, significant changes over the last few years. These changes, through both HB14-1317 and HB18-1335, improved the quality of early childhood education and increased child care provider rates. However, counties and our clients have failed to see increases in access to this ever-important program. It is critical to the children and families we serve—for achieving economic self-sufficiency, preventing child maltreatment, and preparing children for kindergarten—that we help more children gain access to the program.

Critical to the vision of HB18-1335 was the idea that CCCAP-eligible children should have the same access to child care as children in the general population in Colorado. CCCAP funding can currently serve approximately 9% of the eligible population, compared to 31% of the general population that regularly accesses licensed child care. CDHS has concluded, in the Request for Information submitted to the JBC, that each additional 1% increase in access to the CCCAP program costs an additional \$11.2 million. Counties are hopeful that the State and General Assembly will invest \$11.2 million, at a minimum, into the program to begin to take steps towards realizing parity between low-income Coloradans and the broader population of families that rely on child care.

*CHSDA recommends requesting at least \$11.2 million for SFY 2020-2021 to be used to increase access to the Colorado Child Care Assistance Program.*

#### Ongoing County Priorities:

In addition to our top two 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 2020-21.

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. Similarly, counties anticipate that CDHS will continue to prioritize an increase in funding for provider rates (including county homes) to reflect the needs identified in the recent actuarial analysis.

Finally, we hope to work with the State and the General Assembly to monitor and respond to developments with statewide technology projects, particularly Trails Modernization and FFPSA-related Trails changes, CBMS Transformation, and statewide interoperability. Counties are particularly concerned about the delay in Trails Modernization, which could also delay necessary FFPSA-related changes and the beginning of FFPSA implementation as a State. We hope CDHS will prioritize this critical work in the coming year.