COLORADO COUNTIES, INC.
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Colorado Counties are deeply appreciative of the time and energy all of you devote to grappling with and considering difficult human services issues before you each legislative session. This year is certainly no different; and we would like to take this opportunity to help clarify some of the questions we have heard arise with some regularity during your hearings and briefings. We hope this letter is of some assistance, but are also more than happy to discuss specific items with you individually as well.

1.) CCI supports funding for county administration <u>and</u> updating the workload study

Counties have made it one of their top priorities to secure additional funding for county administration.

Counties have been operating under a deficit in County Administration funding under CDHS for 16 years and an evaluation of County Administration Allocation was last conducted in 2007. Our systems, processes, and eligibility requirements have changed significantly in the past 8 years. 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. In SFY 2014-15, counties were overspent by almost $9.8 million in CDHS County Administration. After surplus distribution and a drawing down of additional Federal funds, counties had to cover $5.8 million on top of their expected county match. While CDHS noted that the bulk of the $5.8 million was covered by a handful of counties in particular, it is important to understand that 7 of the 10 largest counties overspent their allocation. In fact, only 24 out of 64 counties operated within their County Administration allocation in FY 14-15.

<u>An updated workload study will provide critical information on the level of staffing and funding that is needed to meet the program requirements and highlight newly emergent opportunities that would help make the state and counties more effective and efficient in their delivery of services</u>. A study, if tailored to do so, could also help respond to some of the questions legislators have about variables that affect spending and performance across counties. Ultimately, a workload study will provide the deeper analysis that is warranted.

As documented in CCI's June 26, 2015 letter to Director Reggie Bicha and shared with the JBC and the Governor's office, counties have made it one of their top priorities to secure funding for a workload study of County Administration. We think it is critically important to fully understand the workload demands and capacity constraints, should they exist.

Counties also appreciate the vigor with which Kevin Neimond has tackled the task of understanding food assistance (SNAP) administration and working with counties and other stakeholders to codify standards and clarify the potential distribution of incentives and penalties. Counties are generally supportive of his proposal, however, we are opposed to penalizing counties if and when we are not provided adequate funds to fully meet the expectations and demands of our system. We are seeking clarification that counties will not be subject to federal penalties if we have not been provided adequate funds to fully meet the expectations and demands of our system. Our hope is that a workload study will help us understand whether the system is adequately funded to meet the expectations upon it.

We also understand there have been questions about whether counties embraced business practice reengineering. While not all of the 10 largest counties adopted all of the strategies specifically recommended by Change and Innovation Agency, all counties have evaluated and adopted some form of business process changes they hope will improve their internal systems and their clients' experiences. For instance, one county implemented their own, but similar, model because they found the Change and Innovation Agency approach was more paper driven and did not work as well with their electronic workflow management model. Ultimately, both approaches were similar in their client-centric approach.

2.) CCI supports funding to hire child welfare caseworkers, case aides, and supervisors to address the staffing deficit identified in the 2014 Colorado Child Welfare County Workload Study

Counties support new and continued funding for child welfare caseworkers, case aides and supervisors to address the deficit identified in the Legislative Audit Report, Colorado Child Welfare Workload Study of 2014. As of December, all 100 allocated positions funded by the JBC last year had been hired and are helping to fill a critical need in addressing child safety and wellbeing.

In order to meet the needs of the children we serve, counties support flexibility in the allocated Child Welfare positions. The decision of whether or not to hire ancillary positions (i.e. nurses and educational advocates) must be determined by each individual county.

Counties have also heard questions about the turnover rate of caseworkers in the State. While the rates of turnover vary among counties, we believe that additional caseworkers will help reduce the workload of our current caseworkers, which will in turn increase caseworker job satisfaction and ultimately reduce turnover.

Counties also recognize that there have been questions about why some counties elected not to hire caseworkers over the past fiscal year. It is important to understand that all counties who wanted funding to hire new caseworkers were distributed funds to do so. The Child Welfare Allocation Committee (CWAC) allocated the funding to 41 of 64 counties. Some counties, particularly small counties, chose not to hire caseworkers due to their current workload demands, their inability to meet the county match, existing infrastructure restrictions, and recruitment challenges. We also know the 23 counties that did not request an additional child welfare worker collectively have a child population of less than 4.5% of the child population statewide.

3) Counties support reviewing the structure of child welfare funding with respect to added flexibility to transfer dollars between core services and child welfare service programs.

Counties are concerned with the proposal offered by JBC analyst Robin Smart. Counties are appreciative of the JBC's willingness to review and possibly restructure child welfare funding. We recommend changes that maximize the flexibility and responsiveness of the system to the family's needs while ensuring efficient management and local control.

Counties are concerned that Ms. Smart's proposal presumes there will be a recommended change in the structure of child welfare funding. While we see some potential value in a restructuring, we also recognize several complications and potential pitfalls. We would expect any review process would carefully consider new options, as well as our current structure. <u>Any review process that is established must clearly articulate the expectations for evaluation and not presume that a change will ensue.</u>

As an example of the potential complications, the current county share for Core Services is complex and an incorrect analysis could skew the determination of an appropriate county share. In addition, consolidating the funding for child welfare staffing with the last year's new funding for child welfare staffing based on the Workload Study will complicate the county match—particularly for those counties who based on their Tax Base Relief designation were exempt from providing a county match on this line item.

<u>In addition, Counties support the legislatively recognized ability to manage out of home care rates (the most costly services provided in child welfare) in order to operate within their allocations. It is important to keep in mind the historic, statutory basis on which Counties can negotiate and set Provider Reimbursement rates as a corollary to the child welfare funding structure entitled block grants. Prior to block grant funding, counties were reimbursed on the basis of expenditures.</u>

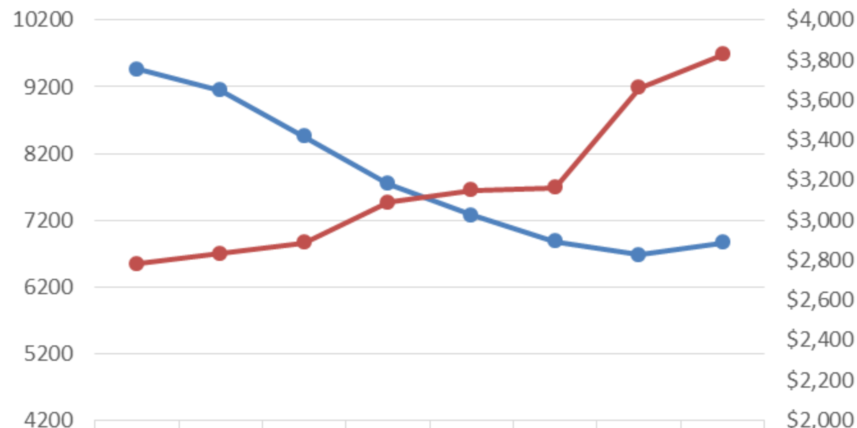
It is also important to note that several influences have changed Colorado's approach to child welfare over the years. These changes affect all parties working to improve the lives of children and families within the child welfare system. There is a fixed amount of funding provided through the child welfare block grant. Surges of funding have been provided in the past five years for specific programs such as the child abuse and neglect reporting hotline, community-based interventions like nurse home visitor programs, and most recently, county funding to increase staff to meet the needs identified in the 2014 child welfare workload study.

A fundamental shift affecting the backdrop of child welfare is the broad-reaching system change aimed at improving outcomes for children and families in the child welfare system. This effort includes a national emphasis on the reduction of out of home placements in congregate care. New approaches to child welfare practice have transformed the service delivery of all partners within the child welfare system. These include the practice of Differential Response, RED Teams, Permanency Roundtables, incentives to reduce congregate care, and other reforms that have inarguably affected many parties within the system. These approaches have effectively improved outcomes, and have resulted in shifts in demand for services and subsequently shifted utilization of funding at the local level. It has also led to a shift in service models, given that the clientele in many service areas may be different than it was five to ten years ago.

Colorado's placement of children and youth in congregate care, including residential treatment and group homes (excluding DYC), dropped 40% between 2005 and 2015. County spending on out of home care has declined from $140 million to $75 million because more family support services are allowing children to stay in their families and return to their families, more kinship placements are being accessed, and children and youth are finding permanency more quickly. The savings realized in reduced out of home care has been reinvested in family stabilization, early intervention with families who are at risk of engagement with the child welfare system, and robust wrap around services to prevent the need for out of home placements. (See data and Table 1 below.)

This trend has occurred in Colorado during the last eight years; since 2008, the 10 largest counties of Colorado have seen an overall reduction in the number of children placed in out of home care. The total number of children placed in out of home care was 6866 in SFY 2015 compared to SFY 2008, when

9460 were placed in out of home care. The Average Daily Placement (ADP) rates were 3,617 and 5,170 respectively. This represents an approximately 27% reduction in the number of children/youth placed over that time. Additionally, during the same time period, the average Core Services dollars spent per child increased by about 38%, moving from $2781 in SFY 2008 to $3827 in 2015. Core Service dollars are spent on evidence-based preventative and mental health interventions.



	SFY 2008	SFY 2009	SFY 2010	SFY 2011	SFY 2012	SFY 2013	SFY 2014	SFY 2015
Total number of children placed in OOH	9460	9144	8455	7742	7274	6885	6680	6866
Core Service Dollars Spent per child	$2,781	$2,834	$2,888	$3,089	$3,149	$3,162	$3,661	$3,827

Table 1: OOH and Core Service Dollars, Colorado Ten Large Counties

Residential Treatment Providers have continuously expressed frustration that there has not been a rate setting process established for existing residential child care facilities. HB05-1084 established a rate setting process for residential providers which includes participation by counties, residential treatment providers and the State Department of Human Services. The rate-setting timeline outlined in HB05-1084 has not been met; temporary rates have been put in place and recommended rates were established through CDHS. The rate setting committee has reconvened over the past year to address the unrealized mandate and develop an acceptable rate to all parties. However, in most counties rates are negotiated between the county child welfare division and the provider agencies, allowing for both parties to determine the most appropriate rate based local needs.

In addition to state issues related to residential treatment centers, federal changes to FFP (federal financial participation) and agency requirements for residential treatment centers are on the horizon through the Family First Act. Proposed changes are targeted at early interventions for reducing foster care placements and reducing prolonged stays in group homes for foster care children and youth. Both of these policies are likely to affect the type and duration of services provided by residential treatment facilities.

Counties recognize that a functional child welfare system requires resources to support not only child welfare caseworkers, but also the services needed to support children and families at any point within the system. Residential care providers are among the important partners required to meet these needs; they are not, however, the only entities (providers) with which counties contract to provide child welfare services. It is worth noting that significant questions remain unanswered. For example, when it comes to costs for services, what does that cost estimate include – what's being costed out? What's the overhead for services?

Other questions include:

- What is the projected type and intensity of those services?
- What's the right-size for the service delivery system based on the projected needs?
- How much funding is currently provided within the system to support clients requiring services from residential treatment centers?
- What are the current rates paid by counties through local contracts?
- Is there other information that may assist residential treatment centers in understanding their current and future role within the child welfare system?

We believe better data would help inform the conversations.

4) Counties support the SB15-109 Taskforce's funding recommendations, particularly funding for Adult Protective Services (APS) county caseworker staff to true-up the APS system with the service demands experienced through the implementation of mandatory reporting for elder abuse through SB13-111.

Counties are deeply appreciative of the JBC's approval of supplemental and ongoing funding to hire and train county staff to respond to the increase in adult protection reports we anticipate as a result of the implementation of SB 15-109.

<u>However, counties are hopeful that the JBC will also consider approving the Governor's office request of $2,586,726, which includes a 20% local match, to true-up the APS system with the service demands experienced through the implementation of mandatory reporting for elder abuse</u> (SB 13-111), as well as the licenses for new county APS workers.

The table below shows which SB15-109 Task Force recommendations the JBC has funded to date.

Table 1: FY 2016-17 SB15-109 Task Force Recommendations			
	Original Task Force Request	**Amount Funded During Figure Setting**	**Notes**
Total County Cost - IDD	$3,753,289	$3,753,289	80% General Fund, 20% County Match
Total State FTE Cost	$160,650	$0	
Total IT Licensing Cost	$17,745	$0	
Total APS Training	$65,000	$65,000	
LE/DA Implementation Grant Fund	$1,000,000	$0	
Total LE Training	$150,000	$0	
Total DA Training	$55,000	$55,000	
FTE/Contract for Facilitated Training of Mandatory Reporters	$250,000	$80,000	
County FTE - Deficit Funding	$2,586,726	$0	80% General Fund, 20% County Match
Total Costs/Funding for SB15-109	**$8,038,410**	**$3,953,289**	

Funding to implement mandatory reporting for adults age 70 and older, which went into effect in July 2014 due to SB 13-111, anticipated a 15% increase in APS reports. Instead, counties have seen a 41% increase in APS reports. Funding for elder abuse mandatory reporting was tied to a 25:1 caseload ratio for APS workers, which is based on the national recommendation for APS. The unanticipated increase in reports has driven the current caseload ratio to 32:1 statewide and 34:1 among the ten large counties. This decreases the morale of APS caseworkers, increasing turnover, and affects quality of casework, which could jeopardize the safety of clients coming into the APS system generally, including individuals with IDD. While funding for SB15-109 will help counties prepare for the influx of reports beginning in Jul 2016, the funding does not fully address the unmet need in the system more broadly.

In addition, counties want to ensure that new county APS staff have the ability to use the Colorado Adult Protective Services (CAPS) data and case management system. For this reason, we believe it is important that the taskforce's request of $17,745 be funded as well.