

Community Centered Board

Proposed Dedicated Mill Levy Ordinance

Background

- ▶ Statewide, there are 20 community centered boards for people with intellectual and developmental disabilities (“CCBs”) that serve 64 counties. Denver’s CCB (Denver Options, Inc., dba Rocky Mountain Human Services) is one of a few that serve a single county.
- ▶ Since 1987, the City & County of Denver has had a dedicated mill levy supporting the CCB for people with intellectual and developmental disabilities.
- ▶ Colorado Revised Statutes allow for counties to levy up to one mill “for the purpose of purchasing services and supports for persons with intellectual and developmental disabilities (CRS 25.5-10-206(6))”.

Background

- ▶ In 2003, Denver voters approved a voter initiated ordinance (Initiative 100) increasing to one mill the levy for the CCB, “with the proceeds of such levy to be applied for the benefit of developmentally disabled individuals and their families through Denver Options, Inc., the current community centered board for the City and County of Denver.”
- ▶ Several other counties have voter approved dedicated mill levies, many of which were also adopted in 2003.

Audit Reveals That Rocky Mountain Human Services Spent Public Money Improperly

(Denvergov.org, Auditor's Page, Dec. 17, 2015)

Auditor Timothy M. O'Brien, CPA, announced the results today of a five-month audit of the City's contract with Rocky Mountain Human Services, also known as Denver Options, Inc. For more than a decade, Rocky Mountain Human Services (RMHS) has been the recipient of dedicated property taxes, in the form of a mill levy, to provide services to Denver children and adults with intellectual and developmental disabilities.

“Unfortunately, our audit found a pattern of abuse of taxpayer funds by RMHS,” said Auditor O'Brien. “Overall fiscal mismanagement was severe enough to result in the termination of the organization's Chief Executive Officer and Chief Financial Officer. When individuals with intellectual and developmental disabilities are not getting all the services they need to begin with, it is heartbreaking to see this level of improper expenditures by RMHS.”

Auditor O'Brien's Recommendations

- ▶ The City Auditor's Office made a number of recommendations following its audit of Rocky Mountain Human Services, including the following:
 1. Determine whether to codify Initiative 100 in City Ordinance
 2. Determine what constitutes "questionable spending" of mill levy funds
 3. Limit administrative costs to 15%
 4. Determine how best to address residency requirements
 5. Monitor contract on a quarterly basis
- ▶ The proposed ordinance is intended to address each of the recommendations listed above.

Amendment to Initiated Ordinance

- ▶ The voter initiative ordinance has never been codified in the Revised Municipal Code. The Charter allows for any initiated ordinance to be amended after its passage, provided it:
 1. Has the support of the majority of City Council; and
 2. The council vote is preceded by a public hearing.

Elements of Proposed Ordinance

- ▶ Directs that the proceeds from the mill levy be deposited in the human services special revenue fund
- ▶ Defines permitted use of the proceeds:
 - ▶ To contract for services and supports through CCB;
 - ▶ To contract for services and supports through any other entity that provides such services;
 - ▶ Authorizes the transfer of funds to the Colorado Dept. of Health Care Policy and Financing for purposes of receiving matching federal funds to provide Medicaid approved waiver services; and
 - ▶ Sets an administrative expenses limit to less than 15%.
- ▶ Residency requirements to be aligned with state rules and requirements.
- ▶ Carve-out of mill levy revenue (not to exceed 0.75% of total collections) for the Department of Human Services to administer and enforce