



March 28, 2017

To: Council Government and Finance Committee, City and County of Denver

From: Tanya and Ernestine, Policy Matters

Subject: 2017 State Budget Wins

Summary

The following is a priority list of Human Services budget issues we were successful in advocating for funding in the state budget bill on behalf of the City and County of Denver for FY 2017-18.

Mitigation of Child Care Assistance Program (CCAP) Waitlists Supplemental

Policy Matters was successful in advocating for a supplemental submitted by the Department of Human Services to mitigate the CCAP waitlists. The Joint Budget Committee approved funding for FY 2016-17 in the amount of \$2,471,482 total funds and \$524,482 General Fund. The original Department request did not include the General Fund piece and we were successful in getting the Committee to approve both slices of funding.

County Administration Budget Request

For FY 2017-18, the Governor's Office submitted a budget request for \$16.6 million total funds, including \$5 million General Fund for county administration. This request comes before the state has concluded the workload study we were successful in advocating for last year. Because that study has not yet concluded, there were concerns from JBC staff and members that this request was premature. After meeting with staff and making our case to the members, we are proud to report that our lobbying efforts paid off. The JBC staff made the recommendation to approve the funding and the JBC members unanimously approved the funding recommendation.

County Child Welfare Staffing

The Executive request for phase three was for \$4.07 million total funds, including \$3.6 million General Fund for counties to hire an additional 58 child welfare caseworkers.

Last year, the City and County of Denver received 15 FTE and the year before Denver received 7 FTE.

We were successful in getting this funding for the counties. The staff recommendation includes funding for \$4.08 million total funds, which will fund 67 FTE (as opposed to 58).

Child Welfare Oversight and Technical Assistance

The Department requested \$320,830 total funds, including \$266,289 General Fund and \$54,541 federal funds. It also includes a transfer of 3.7 FTE from the training line item to the administrative line item.

The staff recommendation was to reduce the administrative line by \$492,144 total funds. The recommendation has a net zero budgetary impact. The JBC adopted this recommendation 6-0.

Cut to Child Welfare Block Grant/Indirect Cost Issue

The Department of Human Services put forth a budget request titled "Department Indirect Costs" which would've resulted in a cut to the county child welfare block grant and would've mitigated the funding for additional child welfare staffing.

The DHS proposal was to withhold from Child Welfare allocations \$5,643,322 in federal funds, monies that would otherwise be used by counties to pay for Child Welfare staff and out of home placements. Under the DHS proposal, the loss to counties' allocations of \$7,054,153 would've equated to 102 FTE statewide.

Policy Matters convened several meetings with the JBC staff, Denver Human Services staff and the JBC members to address issues with this request related to transparency and a reduction in county child welfare staffing.

In the end, we were able to work with staff to develop a new indirect cost system for the Department of Human Services which will result in greater transparency and now includes payments from child welfare; and a funding adjustment (General Fund) to hold the Child Welfare division unharmed in 2017-18 because of payments to Department indirect costs.

Legislation Impacting the City and County of Denver

Policy Matters has actively engaged on key JBC bill proposals. The providers brought forth a legislative request on child welfare out of home placement reimbursement. The bill would have negatively impacted Denver because it would have required that the county pass on provider rate increases directly to providers even if a separate MOU reimbursement rate agreement was in place and even if the state funding was less than the provider rate amount. Because of our efforts with the JBC members and staff, we were able to amend the draft legislation and removed that detrimental section out of

the bill. The City and County of Denver Human Services will now support the bill, which requires an actuarial study on the rates that might be underfunded. That legislation is forthcoming.

The Department of Human Services proposed a bill to use TANF reserve dollars for a subsidized employment program. Unfortunately, the bill draft did not have any of Denver's feedback or language included in the draft legislation. Policy Matters was successful in lobbying the JBC members to delay passage of the draft bill until the Department worked with Denver DHS on their requests. Don Mares has subsequently provided feedback to Director Bicha on this critical issue. The Committee will take up the bill on April 11 for final approval prior to introduction.

Outstanding Budget Requests

The Executive request included the following proposals, which the JBC was not able to reach agreement and therefore, they remain unfunded. Policy Matters has heard that the Executive Branch continues to seek funding for these proposals from the balance in the marijuana tax cash fund. We will continue to lobby these requests for the City and County of Denver.

- **Affordable Housing request (250 units):** \$2 million General Fund to increase the production of affordable housing by approximately 250 units per year. Funds will be targeted toward low income households across the state that spend more than 50% of their income on housing, including seniors and households in communities at risk of rising prices resulting from gentrification.
- **Supportive Housing for Behavioral Health:** \$4 million from the marijuana tax cash fund to develop permanent supportive housing units for people with behavioral health needs. In the first five years, this funding will allow the acquisition, rehabilitation or construction of approximately 354 units of service enriched supportive housing paired with 300 housing vouchers for CO's most vulnerable behavioral health consumers.
- **Supportive Housing and Rapid Rehousing:** \$12.3 million from the marijuana tax cash fund to support and develop the continuum of needs for CO's homeless population. In the first 5 years, the Departments goal is to build 1200 new permanent supportive housing (PSH) units for chronically homeless individuals and 300 rapid rehousing (RRH) units with vouchers for individuals experiencing episodic homelessness. For residents of PSH and RRH, the ultimate goal is to live as independent of supportive services and public subsidy as possible.

***Legislation is required to expand the use of marijuana tax cash revenues to include housing for at-risk individuals with behavioral health needs and individuals either experiencing or at risk of homelessness.*

Looking Ahead

The Long Bill will make its way through the Senate and then the House over the next two weeks. Policy Matters will track the bill through the process to ensure that all of

these line items remain. Should the legislature make any amendments to the long bill, the Joint Budget Committee will have to meet as a conference committee to work out any differences in balancing.