

Colorado Legislative Council Staff Fiscal Note

STATE

REVISED FISCAL IMPACT

(replaces fiscal note dated February 23, 2012)

Drafting Number: LLS 12-0219 **Date:** February 28, 2012
Prime Sponsor(s): Sen. Newell; Hodge **Bill Status:** Senate Appropriations
 Rep. Massey; Hamner **Fiscal Analyst:** Bill Zepernick (303-866-4777)

TITLE: CONCERNING GOVERNANCE OF CHILD DEVELOPMENT PROGRAMS, AND, IN CONNECTION THEREWITH, REQUIRING A POST-ENACTMENT REVIEW OF THE IMPLEMENTATION OF THIS ACT.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures Multiple Fund Sources.	Minimal increase. See State Expenditures section.	
FTE Position Change		
Effective Date: July 1, 2012.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: None.		

This costs of programs identified in this fiscal note may change based on the funding including in the FY 2012-13 Long Bill. Figures are the most recent available through the figure setting process.

Summary of Legislation

The bill, *as amended by the Senate Health and Human Services Committee*, makes the following changes within the Department of Human Services (DHS):

- creates the *Office of Early Childhood* (the office) and transfers several programs from within the DHS and other agencies into the newly created office; and
- creates the *Division of Youth and Community Development* within the DHS and transfers the Tony Grampas Youth Services Program and related initiatives from the Department of Public Health and Environment (DPHE) to this new division.

The following programs are moved to the Office of Early Childhood within the DHS:

- the Child Care Program, including child care licensing and the Child Care Assistance Program;
- Early Intervention Services for children with developmental disabilities age 0 to 2 (Part C services); and
- the Promoting Safe and Stable Families program.

The following programs are moved from the DPHE to Office of Early Childhood in the DHS:

- the Family Resource Center Program;
- the Colorado Children's Trust Fund and its board; and
- the Nurse Home Visitor Program.

Other programs may also be transferred to the office by executive order. For example, this analysis assumes that the Early and Periodic Screening, Diagnosis, and Treatment Program would be transferred to the office from the Department of Health Care Policy and Financing (DHCPF).

The Office of Early Childhood is required to coordinate with the various state and local agencies providing early childhood services, review funding for early childhood programs, develop performance measures, and other duties. The office is required to develop a state plan on the provision of services to pregnant women, children age 0 to 8, and their families, and to present the plan to the Early Childhood Leadership Commission, the executive director of the DHS, and the Early Childhood and School Readiness Commission for review and comment on or before January 31, 2013. After making any necessary revisions, the office is to present the state plan to the State Board of Human Services for approval. The state plan is to be reviewed and updated every two years.

State Expenditures

The bill is expected to result in a minimal increase in total costs in the DHS beginning in FY 2012-13, as well as one-time costs associated with transferring the various programs to the newly created office. At this time, no additional funding is required beyond the transfer of funding into the DHS from other agencies that currently house the various early childhood programs that will be consolidated. These costs are discussed below and transferred program costs are shown in Table 1.

Office director. At a minimum, the bill will require the creation of a director position for the Office of Early Childhood, which will increase costs compared with the existing staffing mix in the various programs to be transferred into the DHS. It is assumed that this position can be created within the existing appropriations transferred to the office.

State plan. The office will be required to develop the state plan for early learning. This analysis assumes that similar planning functions occur throughout the various programs to be transferred and that the improved coordination and centralization in the development of the state plan will not result in significant new costs. Therefore, no additional appropriation is required.

Relocation costs. The DHS may have one-time costs associated with transferring the various programs and staff into the newly created office and the Division of Youth and Community Development. These costs will include new employee ID cards, letterhead, and other such items, as well as the time and costs of physically relocating staff and rearranging offices. These costs are assumed to be minimal and can be accomplished within existing appropriations.

Transferred programs. The DHS will have increased costs to operate the various programs in the newly created office and division, but these costs are offset by a reduction in costs in the DPHE and DHCPF. ***No net change in costs to operate the various programs is anticipated.*** The costs of programs transferred to the new office and division in the DHS are described in Table 1.

State Appropriations

The bill requires the following appropriations in FY 2012-13:

- an increase of \$23,311,190 and 12.0 FTE to the DHS;
- a decrease of \$20,808,911 and 10.0 FTE from the DPHE; and
- a decrease of 2,502,279 and 2.0 FTE from the DHCPF and a corresponding increase in transfers to the DHS.

More detail on these appropriations transferring funding between departments is shown in Tables 2 through 4.

Departments Contacted

Human Services
Governor

Health Care Policy and Financing
Public Health and Environment

Education
Counties

Table 1. Summary of Programs Costs Transferred under SB 12-130 in FY 2012-13

Cost Components	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
<i>Transferred to Office of Early Childhood</i>					
Programs Currently in DHS					
Child Care (66.4 FTE)	\$88,266,421	\$15,545,848	\$9,973,446	\$0	\$62,747,127
Early Intervention Services (8.5 FTE)	31,282,540	17,037,422	3,508,878	2,886,048	7,850,192
Promoting Safe and Stable Families (2.0 FTE)	4,456,680	50,265	1,064,160	0	3,342,255
DHS Subtotal (76.9 FTE)	124,005,641	32,633,535	14,546,484	2,886,048	73,939,574
Programs Currently in DPHE					
Colorado Children's Trust Fund, including Family Resource Centers (3.0 FTE)	1,170,914	0	470,914	0	700,000
Nurse Home Visitor Program (4.0 FTE)	16,024,948	0	12,737,350	0	3,287,598
DPHE Subtotal (7.0 FTE)	17,195,862	0	13,208,264	0	3,987,598
Programs Currently in DHCPF					
Early and Periodic Screening, Diagnosis, and Treatment Program (2.0 FTE)	2,488,143	1,238,591	5,480	0	1,244,072
Employee Insurance / Supplemental Retirement Payments	14,136	7,068	0	0	7,068
DHCPF Subtotal (2.0 FTE)	2,502,279	1,245,659	5,480	0	1,251,140
TOTAL - Office of Early Childhood (85.9 FTE)	\$143,703,782	\$33,879,194	\$27,760,228	\$2,886,048	\$79,178,312
<i>Transferred to Division of Youth and Community Development</i>					
Programs Currently in DPHE					
Tony Gramscas Youth Services Program (3.0 FTE)	3,613,049	0	3,613,049	0	0
TOTAL - Division of Youth and Community Development (3.0 FTE)	\$3,613,049	\$0	\$3,613,049	\$0	\$0
GRAND TOTAL (88.9 FTE)	\$147,316,831	\$33,879,194	\$31,373,277	\$2,886,048	\$79,178,312

Table 2. Appropriations in FY 2012-13 under SB 12-130 - Department of Health Care Policy and Financing					
Budget Item <i>*New line item</i>	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
<i>Department of Health Care Policy and Financing</i>					
<i>(1) Executive Director's Office, (A) General Administration,</i>					
Health, Life, and Dental	(\$8,106)	(\$4,053)	\$0	\$0	(\$4,053)
Short-term Disability	(174)	(87)	0	0	(87)
SB 04-257 Amortization Equalization Disbursement	(3,150)	(1,575)	0	0	(1,575)
SB 06-235 Supplemental Amortization Equalization Disbursement	(2,706)	(1,353)	0	0	(1,353)
Personal Services - (-2.0 FTE)	(109,846)	(54,923)	0	0	(54,923)
Operating Expenses	(1,742)	(871)	0	0	(871)
<i>(1) Executive Director's Office, (D) Eligibility Determination and Client Services, Customer Outreach</i>	(2,376,555)	(1,182,797)	(5,480)	0	(1,188,278)
<i>Subtotal - Reduction in direct expenses (Reduction of 2.0 FTE)</i>	(2,502,279)	(1,245,659)	(5,480)	0	(1,251,140)
<i>(1) Executive Director's Office, (B) Transfers to Other Departments,</i>					
Transfer to DPHE for Nurse Home Visitor Program	(3,010,000)	0	0	(1,505,000)	(1,505,000)
<i>(6) DHS Medicaid Funded Programs, (A) Executive Director's Office - Medicaid Funding</i>	14,136	7,068	0	0	7,068
<i>(6) DHS Medicaid Funded Programs, (G) Services for Persons with Disabilities - Medicaid Funding;</i>					
Community Services for Persons with Developmental Disabilities, Program Cost	(2,886,048)	(1,443,024)	0	0	(1,443,024)
<i>(6) DHS Medicaid Funded Programs, (K) Office of Early Childhood*</i>					
Nurse Home Visitor Program - Medicaid Funding	3,010,000	0	0	1,505,000	1,505,000
Administration and Early and Periodic Screening, Diagnosis, and Treatment Program - Medicaid Funding	2,488,143	1,238,591	5,480	0	1,244,072
Early Intervention Case Management	2,886,048	1,443,024	0	0	1,443,024
<i>Subtotal (Transfers to other agencies)</i>	2,502,279	1,245,659	5,480	0	1,251,140
Net Change in HCPF (Reduction of 2.0 FTE)	(\$14,136)	(\$7,068)	\$0	\$0	(\$7,068)

Table 3. Appropriations in FY 2012-13 under SB 12-130 - Department of Public Health and Environment					
Budget Item	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
<i>Department of Public Health and Environment</i>					
<i>(9) Prevention Services Division, (D) Prevention Partnerships</i>					
Colorado Children's Trust Fund and Family Resource Centers Personal Services and Operating Expenses (-3.0 FTE)	(\$1,170,914)	\$0	(\$470,914)	\$0	(\$700,000)
Tony Grampas Youth Services Program (-3.0 FTE)	(3,613,049)	0	(3,613,049)	0	0
<i>(9) Prevention Services Division, (E) Family and Community Health; (2) Child, Adolescent, and School Health</i>					
Nurse Home Visitor Program (-4.0 FTE)	(16,024,948)	0	(12,737,350)	0	(3,287,598)
Net Change in DPHE (Reduction of 10.0 FTE)	(\$20,808,911)	\$0	(\$16,821,313)	\$0	(\$3,987,598)

Table 4. Appropriations in FY 2012-13 under SB 12-130 - Department of Human Services

Budget Item <i>*New line item</i>	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
Department of Human Services					
<i>(5) Division of Child Welfare</i>					
Promoting Safe and Stable Families Program (-2.0 FTE)	(\$4,456,680)	(\$50,265)	(\$1,064,160)	\$0	(\$3,342,255)
<i>(6) Division of Child Care</i>					
Child Care Licensing and Administration (-64.4 FTE)	(6,589,293)	(2,259,138)	(770,824)	0	(3,559,331)
Fines Assessed Against Licensees	(20,000)	0	(20,000)	0	0
Child Care Assistance Program	(73,976,592)	(13,286,710)	(9,182,622)	0	(51,507,260)
Grants to Improve Quality and Availability of Childcare and to Comply with Federal Targeted Funds Requirements	(3,473,633)	0	0	0	(3,473,633)
Early Childhood Councils (-1.0 FTE)	(1,978,317)	0	0	0	(1,978,317)
School-readiness Quality Improvement Program (-1.0 FTE)	(2,228,586)	0	0	0	(2,228,586)
<i>(9) Services for Persons with Disabilities; (A) Community Programs for Persons with Developmental Disabilities, (1) Administration</i>					
Personal Services (-2.0 FTE)	(80,307)	0	(80,307)	0	0
Operating Costs	(7,128)	0	(7,128)	0	0
<i>(9) Services for Persons with Disabilities; (A) Community Programs for Persons with Developmental Disabilities, (2) Program Costs</i>					
Early Intervention Services	(14,960,930)	(14,960,930)	0	0	0
Custodial Funds for Early Intervention Services	(3,421,443)	0	(3,421,443)	0	0
Case Management	(4,962,540)	(2,076,492)	0	(2,886,048)	0
<i>(9) Services for Persons with Disabilities; (A) Community Programs for Persons with Developmental Disabilities, (3) Other Community Programs</i>					
Federal Special Education Grants for Infants, Toddlers, and Their Families (-6.5 FTE)	(7,850,192)	0	0	0	(7,850,192)
Subtotal - Relocated DHS programs (Reduction of 76.9 FTE)	(124,005,641)	(32,633,535)	(14,546,484)	(2,886,048)	(73,939,574)

Table 4. Appropriations in FY 2012-13 under SB 12-130 - Department of Human Services

Budget Item <i>*New line item</i>	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
<i>Department of Human Services</i>					
<i>(1) Executive Director's Office, (A) General Administration</i>					
Health, Life, and Dental	\$8,106	\$0	\$0	\$8,106	\$0
Short-term Disability	174	0	0	174	0
SB 04-257 Amortization Equalization Disbursement	3,150	0	0	3,150	0
SB 06-235 Supplemental Amortization Equalization Disbursement	2,706	0	0	2,706	0
<i>(3) Office of Operations, (A) Administration</i>					
Personal Services (2.0 FTE)	80,307	0	80,307	0	0
Operating Costs	7,128	0	7,128	0	0
<i>(12) Division of Youth and Community Development*</i>					
Tony Grampas Youth Services Program (3.0 FTE)	3,613,049	0	3,613,049	0	0
<i>(13) Office of Early Childhood*</i>					
Promoting Safe and Stable Families (2.0 FTE)	4,456,680	50,265	1,064,160	0	3,342,255
Child Care Licensing and Administration (64.4 FTE)	6,589,293	2,259,138	770,824	0	3,559,331
Fines Assessed Against Licensees	20,000	0	20,000	0	0
Child Care Assistance Program	73,976,592	13,286,710	9,182,622	0	51,507,260
Grants to Improve Quality and Availability of Childcare and to Comply with Federal Targeted Funds Requirements	3,473,633	0	0	0	3,473,633
Early Childhood Councils (1.0 FTE)	1,978,317	0	0	0	1,978,317
School-readiness Quality Improvement Program (1.0 FTE)	2,228,586	0	0	0	2,228,586
Federal Special Education Grants for Infants, Toddlers, and Their Families (6.5 FTE)	7,850,192	0	0	0	7,850,192
Early Intervention Services	14,960,930	14,960,930	0	0	0
Custodial Funds for Early Intervention Services	3,421,443	0	3,421,443	0	0

Table 4. Appropriations in FY 2012-13 under SB 12-130 - Department of Human Services

Budget Item <i>*New line item</i>	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
<i>Department of Human Services</i>					
Early Intervention Case Management	4,962,540	2,076,492	0	2,886,048	0
Nurse Home Visitor Program (4.0 FTE)	16,024,948	0	12,737,350	0	3,287,598
Colorado Children's Trust Fund / Family Resource Centers (3.0 FTE)	1,170,914	0	470,914	0	700,000
Early and Periodic Screening, Diagnosis and Treatment Program (2.0 FTE)	2,488,143	0	0	2,488,143	0
<i>Subtotal - Relocated DHS Programs and Programs from DHCPF and DPHE (88.9 FTE)</i>	<i>147,316,831</i>	<i>32,633,535</i>	<i>31,367,797</i>	<i>5,388,327</i>	<i>77,927,172</i>
Net Change in DHS (12.0 FTE)	\$23,311,190	\$0	\$16,821,313	\$2,502,279	\$3,987,598