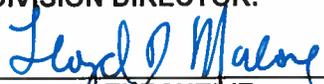
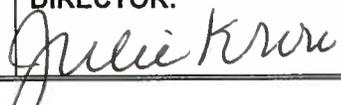


<b>COLORADO DEPARTMENT OF HUMAN SERVICES</b> <b>1575 SHERMAN ST., DENVER, COLORADO 80203-1714</b>  <b>AGENCY LETTER</b>	<b>NUMBER:</b> ABA-12-01-A
	<b>CROSS REFERENCE NUMBER:</b> CW
<b>DIVISION OR OFFICE:</b> Children, Youth and Families	<b>DATE:</b> May 11, 2012
<b>PROGRAM AREA:</b> Accounting, Budgeting Allocations - ABA	<b>DIVISION DIRECTOR:</b> 
<b>TITLE:</b> CHILD WELFARE MITIGATION COMMITTEE PROCESS STATE FISCAL YEAR 2012	<b>DEPUTY EXECUTIVE DIRECTOR:</b> 
<b>TYPE:</b> A - Action	

**Proposed Distribution:** County Directors and County Financial Officers

**Purpose:** The purposes of this letter are:

- to request submittal of mitigation requests and
- to communicate information for County Directors/ County Financial Officers for Medium Sized (MS) and Balance-of-State (BOS) counties about the mitigation process for accessing the MS/BOS reserve.

**Background:** C.R.S. 26-5-104 (4), C.R.S., requires the State Department, in consultation with the Child Welfare Allocation Committee, to develop and implement a capped allocation to county departments for Child Welfare Services. Implemented effective July 1, 1997, the allocation process created a reserve fund for the MS/BOS counties by holding out four percent of each MS/BOS County's computed allocation. The reserve only applies to the Child Welfare Services Block allocation. To calculate the reserve, the County's 100% Child Welfare County Administration line was subtracted from the County's SFY 2011 Allocation, then the remainder was multiplied by four percent (4%).

Access to the reserve is restricted to the MS/BOS counties. The reserve was established to address the issue of MS/BOS counties administering and controlling cost fluctuations in caseloads and costs of providing services in relatively small allocations.

A Mitigation Committee of MS/BOS County Directors and State staff was convened to develop procedures for accessing the reserve. The Mitigation Committee is a standing committee comprised of two State staff and six MS/BOS County Social Services Directors.

**Information:** With the implementation of the Optimization Model for allocating the Child Welfare Block funds to the counties, several changes in the mitigation process took effect. The new model as of SFY 2011 further addressed small county funding by creating special processes for extremely small operations and for those counties not included in the annual model:

- **Small Scale 1** [no separate caseworker and a minimal caseload] and
- **Small Scale 2** [one caseworker assigned to a minimal caseload].
- **13 Counties with less than 100 open involvements** [not included within the Allocation model because of a lower than 100 open involvement per year on a three year rolling average]

If Small Scale 1 and Small Scale 2 counties need to mitigate, they will have priority up to the maximum of \$235,000 per county. If the 13 counties with less than 100 open involvements need to mitigate, they will have priority up to the maximum of \$30,000 per county. Any funds required above this amount would be subject to the standard mitigation process and possible prorating of

additional requested funds. All counties, no matter the size, must submit the mitigation request to be considered for mitigation funding, as no counties are automatically mitigated.

**Action:** MS/BOS County Departments may request access to the reserve through mitigation by submitting a formal request documenting caseload growth, out-of-home placement growth, increasing costs of out-of-home placement, efforts at cost control, and a clear projection that their block allocation will be overspent. Send all requests electronically by email to [glenn.lavezzi@state.co.us](mailto:glenn.lavezzi@state.co.us). An electronic copy of the form attached to this agency letter, with county specific information, will be provided to each individual County Director by email.

There is one attachment to this letter which is the Mitigation Request Form.

Any county requesting mitigation shall complete the Mitigation Request Form based on the instructions below (and on the form). The Mitigation Request Form acts as the Mitigation request for each county. Please answer the questions as accurately as possible (where applicable) as this will help the Committee in making recommendations to individual counties regarding a Mitigation request. It will also provide information for the Committee and the Division regarding trends, issues, and concerns.

**All requests to be considered for mitigation by the Committee are due to Glenn Lavezzi no later than Close of Business June 10, 2012.** The Committee will address any emergency requests from the Small Scale 1 and Small Scale 2 counties in June. The Committee will accept emergency requests or changes from these counties through the end of June 2012.

**Instructions:**

Mitigation Request Form - This form letter serves as the official request letter for mitigation. For counties with allocations over \$125,000 and expenditures at ten percent (10%) over their total Child Welfare allocation or greater, the bottom portion of the letter should be filled out. The answers to the questions in this narrative should reflect accurate descriptions of over-expenditures and the inability for a county to control these costs.

**Effective Date:** Immediately

**Supersedes:** ABA-07-02-1

**Contact Person:**

Glenn Lavezzi, Policy and Financial Analyst

Phone: 303-866-5631

E-mail: [Glenn.Lavezzi@state.co.us](mailto:Glenn.Lavezzi@state.co.us)

**Attachments:**

- FY2012 Child Welfare Mitigation Request Form

**FY2012 Child Welfare Mitigation Request Form**

**County Name**

**Name of County Contact**

**Phone#**

**Mitigation Request Amount**

**FOR COUNTIES WITH AN ALLOCATION OF \$125,000 OR LESS – OR –  
PROJECTED CHILD WELFARE OVER-EXPENDITURES OF LESS THAN 10% OF  
THE COUNTY'S TOTAL CHILD WELFARE ALLOCATION –**

**STOP HERE**

**FOR COUNTIES WITH AN ALLOCATION OF \$125,000 OR OVER –OR- PROJECTED  
CHILD WELFARE OVER-EXPENDITURES OF GREATER THAN 10% OF THE  
COUNTY'S TOTAL CHILD WELFARE ALLOCATION –**

**PLEASE FILL OUT THE REMAINDER OF THIS FORM**

**1) Nature of the caseload that is driving cost (e.g.: OOH Population; Higher end treatment regimens; Court orders for institutional settings for adolescents)**

**2) Percent of costs driven by administration and nature of administration costs (Salaries, Physical Plant; Contracts for Treatment; Legal costs; Operating, Travel)**

**3) List of any and all disallowances that occurred during the fiscal year.**

**4) Other Comments or Concerns**