

**Schedule 13**  
**Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10  Base Reduction Item FY 2009-10  Supplemental FY 2008-09  Budget Amendment FY 2009-10

Request Title: Technical Adjustment for Administrative Review Unit FTE  
 Department: Human Services Dept. Approval by: *Will [Signature]* Date: 1-22-09  
 Priority Number: SBA-2 OSPB Approval: *[Signature]* Date: 1-22-09

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/Base Reduction FY 2009-10	November 1 Request FY 2009-10	*Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
<b>Total of All Line Items</b>	<b>Total</b>	1,966,281	1,951,619	140,657	2,092,276	2,041,610	459,113	2,500,723	43,308	2,544,031	43,308
	FTE	0.0	22.2	1.7	23.9	22.2	6.6	28.8	0.0	28.8	0.0
	GF	1,209,456	1,196,849	0	1,196,849	1,257,143	0	1,257,143	0	1,257,143	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	756,825	754,770	140,657	895,427	784,467	459,113	1,243,580	43,308	1,286,888	43,308
<b>(1) Executive Director's Office (B) Special Purpose, Administrative Review Unit</b>	<b>Total</b>	1,966,281	1,951,619	140,657	2,092,276	2,041,610	459,113	2,500,723	43,308	2,544,031	43,308
	FTE	0.0	22.2	1.7	23.9	22.2	6.6	28.8	0.0	28.8	0.0
	GF	1,209,456	1,196,849	0	1,196,849	1,257,143	0	1,257,143	0	1,257,143	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	756,825	754,770	140,657	895,427	784,467	459,113	1,243,580	43,308	1,286,888	43,308

Non-Line Item Request:  
 Letternote Revised Text: None  
 Cash or Federal Fund Name and COFRS Fund Number: Federal Fund: Title IV-E  
 Reappropriated Funds Source, by Department and Line Item Name:  
 Approval by OIT? Yes:  No:  N/A:   
 Schedule 13s from Affected Departments: None

**CHANGE REQUEST for FY 09-10 BUDGET REQUEST CYCLE**

Department:	Colorado Department of Human Services
Priority Number:	SBA - 2
Change Request Title:	Technical Adjustment for Administrative Review Unit FTE

**SELECT ONE (click on box):**

- Decision Item FY 09-10
- Base Reduction Item FY 09-10
- Supplemental Request FY 08-09
- Budget Request Amendment FY 09-10

**SELECT ONE (click on box):**

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request is for a technical adjustment to the FY 2009-10 Change Request #16, Increase in Administrative Review FTE. This is a request for \$43,308 in federal funds in FY 2009-10 for travel costs not contained in the original Change Request. This request of \$43,308 in travel expenses (vehicle leases, mileage and lodging costs) supports the additional staff (requested in Change Request #16) required to meet Section 422 of the Social Security Act and the Adoption and Foster Care Analysis Reporting System (AFCARS) by providing timely 6-month periodic reviews of all children in foster care and avoiding Federal Fiscal Sanctions due to non-compliance.

Background and Appropriation History:

In 1991, the Administrative Review process was established due to the State's failure to correct non-compliance issues and the federal fiscal sanctions that were going to be imposed. As a result, the Division was created and approved by the legislature to meet the federal mandates requiring states to have a comprehensive, statewide system for assessing all Colorado children placed out of their own homes.

The term "Administrative Review" as defined in federal and state law, means a review open to the participation of the parents of the child, the foster care provider, and youth (if

age appropriate) that is conducted by a panel of appropriate persons at least one of whom is not responsible for the case management, or the delivery of services to, either that child or the parents who are the subject of the review. (19-1-103 C.R.S. (2008)) This review provides a third-party objective view of the case. It also allows for case specific training and technical assistance as the findings are discussed with the caseworker/client manager at the end of each review.

The administrative review consists of reading a case file read and facilitating a one-hour long face-to-face review with those involved with the case. This would include the caseworker or client manager, parent/guardian(s), youth, foster care provider, Guardian ad Litem (GAL), and anyone else the caseworker or client manager deems appropriate in their relationship to the case. Colorado's process also incorporates a Quality Assurance (QA) process with data collection, needs and strength identification, written findings and case specific data reports. These are provided daily for each completed Administrative Review. Aggregate reports are then distributed to county and program managers, judicial and other stakeholders for their use in policy development and program evaluation. This data is also used to research statewide trends in Child Welfare and identify strengths and weaknesses in the service delivery system.

The statewide data collected from the reviews was also used for measuring Colorado's compliance with the Performance Improvement Plan (PIP) negotiated with the Federal Regional Office to address areas of non-conformity and areas needing improvement, which were found during the Child and Family Services Review (CFSR) of 2002.

The final report dated August 2002 on the Colorado Child and Family Services Review (CFSR) issued by the U.S. Department of Health and Human Services, Administration for Children and Families, and the Children's Bureau found Colorado to be compliant with most of the Items listed under the outcomes of Safety, Permanency and Well-Being and six of the seven Systemic Factors. The Case Review System was the only systemic factor to be an "Area Needing Improvement". At that time, only two of the five items under the Systemic Factor of Case Review were found to be strengths. These two items found to be strengths were directly related to the ARD Reviews. The other three items were areas needing improvement. These items were related to the Case Plan being

developed jointly with the child's parents with regard to timely Permanency Hearings conducted by the courts and a process for termination of parental rights. In order to be found in compliance on any Systemic Factor, the number of Items listed as strengths must be larger than those needing improvement.

At that time FY 2002, the unit was staffed with 19.0 FTE Compliance Investigators, who completed 11,902 reviews, was able to maintain compliance with the federal regulation of timely periodic reviews and was successful in meeting the legislative mandate.

In FY 2003, the Division incurred its first budget reduction of 2.0 FTE that provided supportive functions. During this period the Division maintained federal compliance.

In FY 2004, ARD received additional reductions resulting in the loss of 7.0 FTE Compliance Investigators and an additional 2.0 FTE that provided supportive functions. The Division reorganized and implemented several changes including the Joint Budget Committee staff recommendations. Some of the changes that were made are as follows:

1. Restructured reviews allowing only for questions that were required by federal regulations and eliminating duplication of data collected through other sources i.e. Trails. This decreased that amount of time required to conduct the review.
2. Decreased on-site county audits from every year to once every 4 years
3. Eliminated client satisfaction surveys
4. Eliminated training and technical assistances for the counties
5. Reduced the staff consistency training for review and updates of changes in child welfare rules/agency letters/procedure from three-days to two days.

In FY 2006, the Division received \$120,000 to provide funding for contractors to assist in reducing the number of late reviews. ARD reduced the number of late reviews by 1,410. However, the Division remained out of compliance.

The FY 2006-07 appropriation recommended for ARD was \$1,869,984 and 22.2 FTE. The JBC recommended General Fund of \$1,143,089 and \$730,549 in Federal Title IV-E funding. Although calculating a need for 4.2 FTE, the JBC staff only recommended and approved 2.2 FTE. (See page 45 of the FY 2006-07 Staff Figure Setting.) The staff recommended that 1.0 FTE could supervise the unit of 22 FTE, so the committee asked

that the department reclassify two supervisory positions to reviewer positions. As a result, one supervisory position was reallocated to a reviewer FTE. They did recommend two additional vehicles for 4-month leases in FY 07 and then for 12 months in FY 2008.

General Description of Request:

This request is a technical adjustment to DI #16 - Increase in Administrative Review FTE for \$459,113 and 6.6 FTE. The Department has submitted two previous budget actions on this issue, a decision item included in the FY 2009-10 budget request and a supplemental for the current year.

- DI #16 requested 6.6 FTE and \$459,113 for FY 2009-10. This request was submitted as part of the November 1, 2008 budget request.
- Additionally the Department requested a current year supplemental, S-10 Administrative Review Compliance FTE FY 2008-09, (\$140,657 and 1.7 FTE) to begin the training of the staff (3 months) allowing the staff to be trained beginning in April. This supplemental request would allow the program to begin on July 1 with staff that could provide the federal oversight needed from the first day of the fiscal year.

This stand-alone budget amendment is needed to correct a technical issue. Travel costs were erroneously not included in the original DI #16 and this budget amendment seeks to address this oversight. It is assumed that six of these positions will travel. These positions require frequent travel to the counties and occasional overnight stays in order to meet the requirements of Section 422 of the Social Security Act and AFCARS by providing timely 6-month periodic reviews of all children in foster care through Child Welfare and the Division of Youth Corrections, while also monitoring for safety, permanency, and well-being of Colorado's children.

Calculations for Request:

STATE OF COLORADO FY 09-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$43,308	\$0	\$0	\$0	\$43,308	0.0
Admin Review Unit Travel in FY 2009-10	\$43,308	\$0	\$0	\$0	\$43,308	0.0

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$43,308	\$0	\$0	\$0	\$43,308	0.0
Admin Review Unit Travel continuation budget FY 2010-11	\$43,308	\$0	\$0	\$0	\$43,308	0.0

<b>OPERATING EXPENSES</b>		<b>FY 2009-10</b>	<b>FY 2010-11</b>
Vehicle Lease, (3 Jeep Liberty 4WD vehicles times per month rate of \$472 for 12 months)	\$472	\$16,992	\$16,992
Mileage (Estimate 12,000 miles per year per 3 vehicles times \$0.221 mileage rate)	\$0.221	\$7,956	\$7,956
Lodging (36 nights times 6 FTE times \$85 per night)	\$85	\$18,360	\$18,360
Subtotal Operating Expenses		\$43,308	\$43,308

Cash Funds Projections

None.

Assumptions for Calculations:

Calculations for the operating expense request are based on average mileage reimbursements of 12,000 miles per each vehicle at \$0.221 per mile, which is the same cost per mile for current Compliance Investigator II FTE travel. Lease prices of \$472 per month are based on current lease prices for the three Jeep Liberty (4WD), which is requested due to the need to travel over various mountain passes in the winter in order to conduct reviews year-round. Similarly, lodging costs of \$85 per nigh for 36 nights for each of the six FTE that will travel are based on average lodging and number of overnight stays required by current Compliance Investigator II FTE.

Impact on Other Government Agencies:

None

Cost Benefit Analysis:

The cost benefit analysis shows a full annual net benefit of providing the requested FTE vs. incurring the federal penalties of non-compliance in regards to AFCARS and Social Security Act. This net benefit is the difference between the amount of the cost associated with the FTE \$459,11 plus \$43,308 for travel totaling \$502,421 and the cost for the fiscal penalties.

Cost to State	Full Year	Benefit to State	Net Benefit (Cost)	Comments
\$502,421	1	\$693,510.	\$191,089	Positive net benefit.
\$473,144	2	\$693,510+	\$220,366+	Sanctions continue to increase

IV-B	Total	Subpart 2	Subpart 1	Caseworker Contacts
FFY08	\$7,328,989	\$3,308,202	\$3,970,916	\$49,871
FFY07	\$7,877,050	\$3,448,038	\$4,048,736	\$380,276
FFY06	\$7,279,114	\$3,308,202	\$3,970,912	\$0
FFY05	\$7,340,362	\$3,329,769	\$4,010,593	\$0
FFY04	\$7,203,564	\$3,184,015	\$4,019,549	\$0
FFY03	\$7,244,740	\$3,329,794	\$3,914,946	\$0
<b>Total IV-B</b>	<b>\$44,273,819</b>			

IV-E FC Admin	FY07	10%
FFY08 (estimated)	\$45,783,452	
FFY07 (actual)	\$45,783,452	
FFY06 (actual)	\$44,025,017	
FFY05 (actual)	\$39,986,843	
FFY04 (actual)	\$37,376,177	
FFY03 (actual)	\$37,816,955	
<b>Total IV-E FC Admin</b>	<b>\$250,771,896</b>	<b>\$25,077,190</b>

POOL TOTAL: \$44,273,819 + \$25,077,190 = \$69,351,009

PENALTY PER ELEMENT: \$693,510 (Assuming 1% Penalties For FFY03 Thru FFY08)

Implementation Schedule:

<b>Task</b>	<b>Month/Year</b>
FTE hired - date dependent on General Assembly actions	February, March, April or July 2009
Begin travel to do reviews	July 2009

Statutory and Federal Authority

26-1-111 C.R.S. (2008)

(II) (A) For the fiscal year beginning July 1, 1991, the state department shall pay to each county an amount equal to all federal revenues earned by the state pursuant to Title IV-E of the federal "Social Security Act", as amended, which exceed the amount necessary to fully fund program, training, and administrative costs that are reimbursed under Title IV-E for eligible services for the fiscal year beginning July 1, 1990, plus an amount necessary to fully fund the state foster care review program for the fiscal year beginning July 1, 1991.

(B) For each fiscal year after the fiscal year beginning July 1, 1991, the amount set aside from federal revenues earned by the state in accordance with sub-subparagraph (A) of this subparagraph (II) to fully fund Title IV-E eligible services and the costs of the administrative review unit shall be adjusted annually by the general assembly to reflect rate changes, workload, federal financial participation, and any other factor determined as necessary to maintain a comparable level of said services and costs as for the respective fiscal years described in sub-subparagraph (A) of this subparagraph (II).

Section 475 (5) and (6) of the Social Security Act (42 U.S.C. 675), defines "Case Review System" and the requirements of a case review system. This section also defines "administrative review".

Section 422 (8)(ii) of the Social Security Act (42 U.S. C. 622) 45 C.F.R 1355.34(c)(2)(2001). The Federal Rule Interpretation outlines the requirements of a Case Review System.

471 (a) (22) provides that, not later than January 1, 1999, the State shall develop and implement standards to ensure that children in foster care placements are provided quality services that protect the safety and health of the children.

45 C.F.R 1355.34(c)(3)(2001). The Federal rule and interpretation, outlines the requirements of an identifiable quality assurance system.

Section 471 (42 U.S.C. 671). State Plan for Foster Care and Adoption Assistance. In order for a State to be eligible for payment under this part, it shall have a plan approved by the Secretary which provides for the development of a case plan (as defined in section 475(1)) for each child receiving foster care maintenance payments under the State plan and provides for a case review system which meets the requirements described in section 475(5)(B) with respect to each such child;

P.L. 107-273. A 2002 Department of Justice authorization act. States receiving juvenile justice funds must provide assurances that juvenile offenders whose placements are financed using federal funds through the Title IV-E Foster Care program receive all the protections included for children in the foster care system, including a case plan and a case plan review.

Performance Measures:

Program	Workload Indicator	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
		Actual	Actual	Actual	Estimate	Projected
Administrative Review	Increase the average daily number of quality assurance reviews from eight to twelve to maintain compliance with federal mandates for an identifiable statewide Quality Assurance System.	10.83	10	10	12	12
Program	Workload Indicator	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
		Actual	Actual	Actual	Estimate	Projected
Administrative Review	Increase the average number of monthly case/administrative reviews completed per FTE to maintain compliance with federal mandates for timely six-month periodic reviews of all children/youth in out-of-home placements.	56.40	53	57	55	55
Program	Workload Indicator	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10

STATE OF COLORADO FY 09-10 BUDGET REQUEST CYCLE: COLORADO DEPARTMENT OF HUMAN SERVICES

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Administrative Review	Decrease the percent of late 6-month periodic reviews in order to meet Federal Requirements	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Projected</b>
		38.4%	45.54%	39.2%	38%	38%