

## CDHS Proposed TANF Reductions – for Discussion

Line Item	SFY 2011-12	SFY 2012-13
Reimbursement to Counties – MOE Reduction	\$5,524,726	\$5,524,726
Funding supporting LEAP	1,500,000	1,500,000
County Block Grant Support Fund	1,000,000	1,000,000
Colorado Works Block Grant	2,175,000	265,000
Funds to Child Welfare Services	2,000,000	2,250,000
Funds to Core Services	1,000,000	1,000,000
Funds to Refugee Services	100,000	161,000
Funding for Domestic Violence Program	25,000	75,000
Colorado Works Program Maintenance Fund	100,000	100,000
Administrative Costs Reduction	100,000	-0-
Reduction in to 1% in Reserve Balance	-0-	1,360,566
<b>Total</b>	<b>\$13,524,726</b>	<b>\$13,236,292</b>

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Boulder County

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# Memo

To: Commissioner Susan Beckman  
From: Colorado Human Services Directors Association  
CC: Gini Pingent  
Date: 12/19/2011  
Re: TANF Solvency Recommendations to CDHS

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We appreciate the opportunity to dialogue regarding the impact of the TANF Supplemental Awards being suspended by the federal government. Supplemental Funds have been a significant contributor to human services budgets for over a decade. As the recession continues and caseloads continue to grow, cutting TANF funds will have devastating impacts for the most vulnerable children and families in Colorado. This administration has agreed that vulnerable Coloradans are a priority and the current Joint Budget Committee has expressed some sensitivity about negative impacts to counties in trying to provide for these constituents as a result of the loss of TANF supplemental funds. For these reasons, CHSDA's Fiscal Subcommittee brought together a group of county human services Directors and staff, state staff and Commissioners to work in partnership to discuss options to mitigate the devastating impact of these cuts.

It is our hope that funds can be diverted from areas with lower impacts on our most vulnerable citizens to offset the loss of the federal TANF funds. Should these cuts go forward as proposed, not only will the TANF-eligible population suffer, but because many counties depend on the MOE Reimbursement for Work Participation funding to draw down additional federal funding, the absence of this funding will certainly put additional vulnerable individuals at risk.

Recognizing the importance of working through budget decisions collaboratively among counties and the state department, the CHSDA proposes that CCI consider forwarding the following recommendations to CDHS:

**Consensus Recommendations:**

- It is anticipated that the revenue projections due on December 20 will be better than first projected. Utilize a portion of this unanticipated revenue to backfill Child Welfare and Core funding in lieu of relying on federal TANF dollars. The current TANF funding reality is dire and this is no time to use TANF funds to fill in gaps in the state budget.

- Consider whether Hospital Provider Fees can backfill General Fund dollars elsewhere in the budget to provide relief to TANF.
- The CDHS proposal to absorb these cuts included a reduction of MOE reimbursement. This could have significant impacts on county budgets and services. If the proposed MOE reduction goes forward, required legislation should include a sunset provision to extend no longer than two years, so the reduction would only impact SFY 2012 and 2013 budgets.
- Further reduce the “County Training” budget line.
- Further reduce the “Works Program Evaluation” budget line.
- Further reduce the “Workforce Development Council” budget line.
- Further reduce the “Colorado Works Administration” budget line.

The committee also discussed the following proposals, but there was not consensus on these items. After some length of deliberation, counties are not putting forward these recommendations at this time.

#### Proposals Considered Without Consensus

- Reconsider the \$5.2M cut in the Governor’s proposed budget to address a structural deficit.
- Reduce and/or reconfigure the refugee program as supported by TANF. This discussion will be proposed for consideration at PAC.
- Reduce the Long-Term Reserve below 1%.
- Utilize individual county TANF reserves to cover the deficit.
- Reduction of BCA
- Reduce EBT Transfer Service budget line.

We feel that it is absolutely critical that CCI and CDHS work together to continue and strengthen conversations with Colorado’s federal delegation regarding the importance of TANF supplemental funds. These cuts will have real, significant, impacts for low-income Coloradans. Further detail regarding the discussion is available from the written minutes or from any of the committee members. If you have questions or need additional clarification, please do not hesitate to contact us.

# STATE OF COLORADO



**Colorado Department of Human Services**

*people who help people*

**EXECUTIVE DIRECTOR**  
Reggie Bicha

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John W. Hickenlooper  
Governor

Reggie Bicha  
Executive Director

## MEMORANDUM

**To:** County Human Services Directors  
Colorado Counties, Inc.

**From:** Reggie Bicha, Executive Director

**Date:** December 23, 2011

**Subject:** TANF Update

As you all know, our department has been working closely with the counties in grappling with the impacts of the suspension of TANF Supplemental Awards. As difficult as all of this has been, it has once again brought us together to find solutions that preserve those critical services we provide to our families and children in need of our support, as best as is possible under the current fiscal constraints.

The uncertainty about the status of the TANF Supplemental Awards has been taxing on all of us. To further illustrate how unstable the TANF fiscal picture is, late last week, the State received notification from the U.S. Department of Health and Human Services that we had been awarded additional TANF Contingency Funds in the amount of \$4,535,222. The department had not been given any forewarning of the fund's award, any explanation for why the funds were awarded in that amount, or any indication of the likelihood of receiving additional awards in the current fiscal year. Over the weekend, we developed a proposal for how to apply those newly awarded funds to help offset the proposed reductions needed to balance the TANF Fund, given the loss of the Supplemental Awards. On Monday, we received a subsequent notification from HHS, rescinding the \$4.5 million award and replacing it with one half its size, or \$2,267,611. Accompanying the award notification was a statement that additional Contingency Funds would be awarded in January 2012, "if funding is available."

These times of uncertainty have only been exacerbated by the current federal stalemate that places in jeopardy the authorization of TANF beyond the end of the calendar year. In past years, when federal shutdowns have occurred, the federal departments have issued guidance to the states. We expect to receive guidance from our HHS to determine what course of action we are to take, should Congress fail

County Human Services Directors  
Colorado Counties, Inc.  
December 23, 2011  
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to pass legislation to either continue or reauthorize TANF beyond December 31<sup>st</sup>. Just this morning Congress reauthorized TANF for two months as part of the compromise reached on the continuing resolution on the budget. Should there be a need for counties to modify their current practices, I will be sure to notify you immediately. In the meantime, I encourage you to contact your congressional delegation to emphasize the urgency of passing legislation to keep the TANF Program fully funded and to restore the supplemental grant awards.

Given how challenging it is to operate with this uncertainty, based on what we heard from the counties balanced with the Governor's budget priorities, I believe that it is best to use the Contingency Funds to restore funding to the most critical services. With this award, my initial thoughts are to first fully restore the proposed \$2 million reduction to Child Welfare Services, and apply the remaining balance against the reduction to Core Services. Additionally, we have looked inside the department and have identified \$125,000 in TANF-funded spending reductions that will allow for a restoration of a portion of the proposed reductions to the Colorado Works Block Grant.

This memo is to share our most up-to-date understanding of the TANF dynamics and to offer my thoughts on how to proceed given the information we have today. As always, I look forward to continuing our conversations with CHSDA and CCI as we work together to find real solutions to federal funding reductions while meeting the needs of Coloradoans.

I wish you all a Happy Holiday and look forward to collaborating with you in 2012 as we work together to design and deliver high quality human and health services that improve the safety, independence and well-being of the people of Colorado.

## MOE Reimbursement

26-2-714 (10) (a) If the state meets federal work participation rates and qualifies for a percent reduction in the state's maintenance of effort as specified in federal law for any year, the actual spending level for the works program of all counties collectively **shall** be reduced by the same amount as the amount of the reduction in the federal maintenance of effort requirement.

(b) For the purposes of this subsection (10), "percent reduction" means the percent of reduction of historical expenditures as that term is defined in section 409 (7) (b) of the federal social security act, as amended.

(c) For any year in which a percent reduction in the state's maintenance of effort requirement occurs, the works allocation committee created pursuant to subparagraph (IV) of paragraph (c) of subsection (6) of this section shall determine each county's share of the reduction in actual spending levels. Prior to making such determination, the works allocation committee shall ensure that all counties have been notified of the recommended reduction for each county and given an opportunity to provide comment on the recommendation. In the event that the works allocation committee does not reach an agreement on each individual county's reduction in actual spending levels, the committee shall submit alternatives to the joint budget committee of the general assembly from which such joint budget committee shall identify each individual county's reduction in actual spending levels. The state department is authorized to adjust each county's share of the reduction in actual spending levels. The state department is authorized to adjust each county's actual spending level for any percentage reduction earned in accordance with the determination of the works allocation committee concerning each county's share of the reduction.

APPROPRIATION FROM

	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	\$
Grants to Improve the Quality and Availability of Child Care and to Comply with Federal Targeted Funds Requirements	3,473,633						3,473,633 <sup>f</sup>
Early Childhood Councils	1,978,317						1,978,317 <sup>f</sup> (1.0 FTE)
School-readiness Quality Improvement Program	2,228,586						2,228,586 <sup>f</sup> (1.0 FTE)
		88,233,980					

<sup>a</sup> This amount shall be from the Child Care Licensing Cash Fund created in Section 26-6-105 (4), C.R.S.

<sup>b</sup> Of this amount, \$3,409,331 shall be from Child Care Development Funds and \$150,000 shall be from Title IV-E of the Social Security Act.

<sup>c</sup> This amount shall be from the Child Care Cash Fund created in Section 26-6-114 (5), C.R.S.

<sup>d</sup> This amount shall be from local funds and reflects the local share of the costs of administering the Child Care Assistance Program and the local share of child care subsidies. County maintenance of effort for this program, pursuant to federal requirements, totals \$8,985,901.

<sup>e</sup> Of this amount, \$50,589,749 shall be from Child Care Development Funds and \$100,000 shall be from the Title XX Social Services Block Grant.

<sup>f</sup> These amounts shall be from Child Care Development Funds.

**(7) OFFICE OF SELF SUFFICIENCY**

**(A) Administration**

Personal Services	1,694,793						
	(22.0 FTE)						
Operating Expenses	75,539						
	1,770,332		778,159				992,173

**(B) Colorado Works Program**

Administration	1,577,454						1,577,454 <sup>a</sup> (19.0 FTE)
County Block Grants <sup>21, 25, 26</sup>	151,536,168				22,823,033 <sup>b</sup>		128,713,135 <sup>a</sup>

APPROPRIATION FROM

	ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
			GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	\$
Reimbursement to Counties for Prior Year Expenditures Due to Reduction in Federal Maintenance of Effort Requirement	5,524,726						5,524,726 <sup>a</sup>
County Block Grant Support Fund	1,000,000						1,000,000 <sup>a</sup>
County TANF Reserves for Colorado Works, Child Welfare, and Child Care Programs	55,618,851						55,618,851 <sup>c</sup>
County Training	589,744						589,744 <sup>a</sup> (2.0 FTE)
Domestic Abuse Program	1,831,431 (2.7 FTE)				1,171,754 <sup>d</sup>		659,677 <sup>a</sup>
Works Program Evaluation	95,000						95,000 <sup>a</sup>
Workforce Development Council	105,007						105,007 <sup>a</sup>
Promoting Responsible Fatherhood Grant	518,000		18,000				500,000 <sup>e</sup>
Colorado Works Program Maintenance Fund	100,000						100,000 <sup>a</sup>
	<u>218,496,381</u>						

<sup>a</sup> These amounts shall be from the Temporary Assistance for Needy Families Block Grant.

<sup>b</sup> Of this amount, \$22,238,672(L) shall be from local funds, and \$584,361 is estimated to be from the State's share of cash funds revenues, including retained child support collections, retained fraud refunds, state revenue intercepts, and other refunds. Of the amount appropriated from local funds, \$3,789,313 is estimated to be from the local share of cash funds revenues, including retained child support collections, fraud refunds, state revenue intercepts, and other refunds.

<sup>c</sup> This amount is shown for informational purposes and reflects the portion of Temporary Assistance for Needy Families federal block grant funds appropriated in prior years in the County Block Grants line item that constitute county reserves pursuant to Section 26-2-714 (5), C.R.S., as of September 30, 2010.

<sup>d</sup> This amount shall be from the Colorado Domestic Abuse Program Fund established pursuant to Section 39-22-802, C.R.S., and shall include donations and moneys generated from fees pursuant to Section 26-7.5-105, (1) (b), C.R.S.

<sup>e</sup> This amount shall be from the Promoting Responsible Fatherhood Community Access Program Grant.