

COLORADO CHILDREN'S BUDGET 2013



COLORADO CHILDREN'S CAMPAIGN

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THE WOMEN'S
FOUNDATION
OF COLORADO

December 19, 2013

Children are our greatest asset, and that's why Colorado invests significant resources in their healthy development and education. Shifts in spending can have a big effect on kids, and it is important to take a step back from time to time to look at trends and how spending decisions impact all children. We hope you'll find the *Colorado Children's Budget 2013* useful in better understanding how the state helps support our children and what we can do to ensure all Colorado kids succeed.

In light of challenging economic conditions during the last several years, we are pleased to celebrate a budget picture for Colorado children that is more positive in 2013 than 2012. However, as detailed in this report, although state investments in children increased during the past five years, these increases did not keep pace with inflation and child population growth and represent a declining share of the state's overall budget. In addition, spending on children remains vulnerable to loss of federal funds, to changes in the trajectory of the state's economic recovery and to constitutional fiscal constraints.

As state revenues begin to recover from the impacts of the recession, giving thoughtful consideration to how our state's resources can support children in reaching their full potential is more important than ever. Thousands of children and families in our state continue to feel the effects of the economic downturn, with 18 percent of all Colorado children living in poverty in 2012. Without access to high-quality education and health care systems that help children grow into healthy, well-educated adults, overcoming the obstacles that come along with economic hardship will be difficult for many kids. If we fail to invest in opportunities for the children of Colorado to achieve their potential today, we diminish not just their futures, but our collective future.

Research is clear that early interventions in the healthy development and education of all kids pay dividends to both individual children and to our communities as these children grow. As the state continues to emerge from the recession, the Colorado Children's Campaign will advocate for strengthening investments that drive stronger health, developmental and educational outcomes for children.

The *Colorado Children's Budget 2013* complements our annual *KIDS COUNT in Colorado!* report. Together, they provide research and data about how children in Colorado are faring and what our state is doing to help support them. Our hope is that these reports will spark and inform discussions in the statehouse and in local communities about the sufficiency of state investments to secure the future of the next generation of Coloradans.

Sincerely,



Chris Watney
President & CEO, Colorado Children's Campaign



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INTRODUCTION

The *Colorado Children's Budget* presents and analyzes investments and spending trends during the past five state fiscal years on services that benefit children. The goal is to help advocates and citizens better understand the budget choices of our elected policy makers. The report does not make policy recommendations.

The Children's Budget focuses mainly on state investment and spending, with some analysis of federal investments and spending to provide broader context of state expenditures. The analysis is retrospective and does not speculate about events or changes that may occur in the future. As a result, recent changes in state law and policy that have major budget implications (the establishment of the Office of Early Childhood, for example) will be discussed in future reports when they are reflected in state budget documents.

State spending that impacts children is presented for four areas: Child Health, Early Childhood, K-12 Education and Family and Community Support. We recognize the overlap and interdependence of these areas in the lives of children and their families and in the positive outcomes we want for all Colorado children. As a result, we strive to apply an integrated approach in our policy and advocacy efforts on behalf of kids. We report the data using these categories to reflect the structures of funding streams in the current state budget process.

The report covers the five-year period of fiscal year (FY) 2009-2010 through FY 2013-2014. Amounts for the first three years of the tracking period reflect actual expenditures. The figures for FY 2012-2013 include appropriations and supplemental appropriations. The figures for FY 2013-2014 are appropriated amounts.

We have reorganized the *Colorado Children's Budget* this year in an attempt to meet the needs of two audiences: those who want a higher-level overview of how state spending impacts Colorado children, and those who want to delve into detailed analysis of the various programs and funding sources that affect kids.

Part I: The Big Picture begins with an overview of overall trends and cross-cutting themes. The essay is followed by summary sections for Health, Early Childhood, K-12 Education and Family and Community Support. The detailed analysis underlying the themes and trends identified in Part I are presented in Part II.

Part II: The Details contains additional explanatory narrative and detailed program tables that describe state spending on children during the past five years. Each table shows the year-over-year percent changes, as well as the compound annual adjusted growth rate (CAAGR) for the funding levels shown. In layman's terms, the CAAGR represents the average annual change in funding during the five-year time period. The tables also include a calculation of the funding levels adjusted for inflation as well inflation plus growth in child population.

The Methodology section on page M-1 reviews the methodology used in this report.

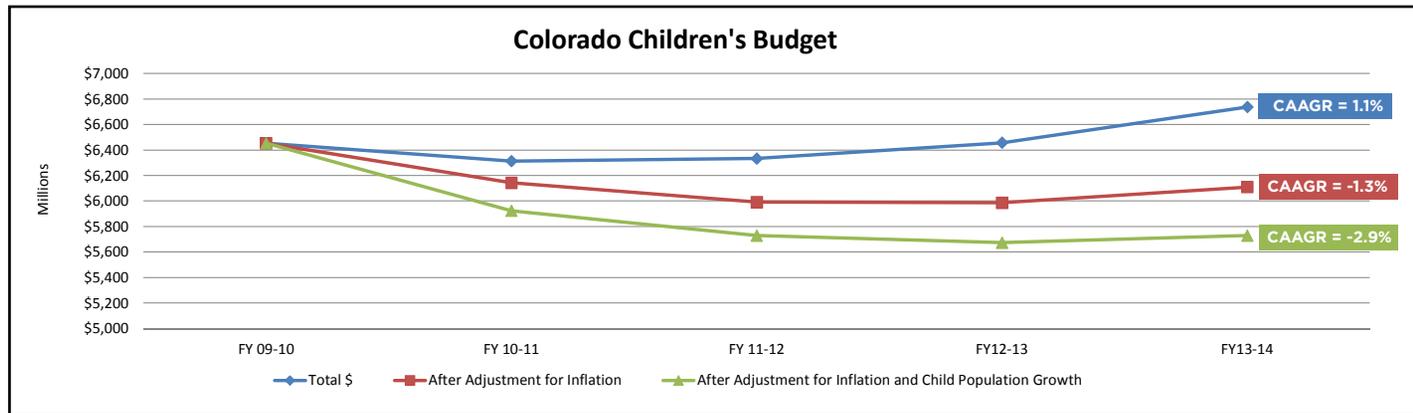
Some programs in this year's Children Budget have been categorized differently than in past reports, so comparisons with last year's report should be done with care. For example, appropriations for FY 2013-2014 are \$9 million more than the previous year because this year the CDPHE total includes the appropriations for oral health, poison control and birth defects—none of which were included in last year's report.



Part I: THE BIG PICTURE

Overall Investment Trends

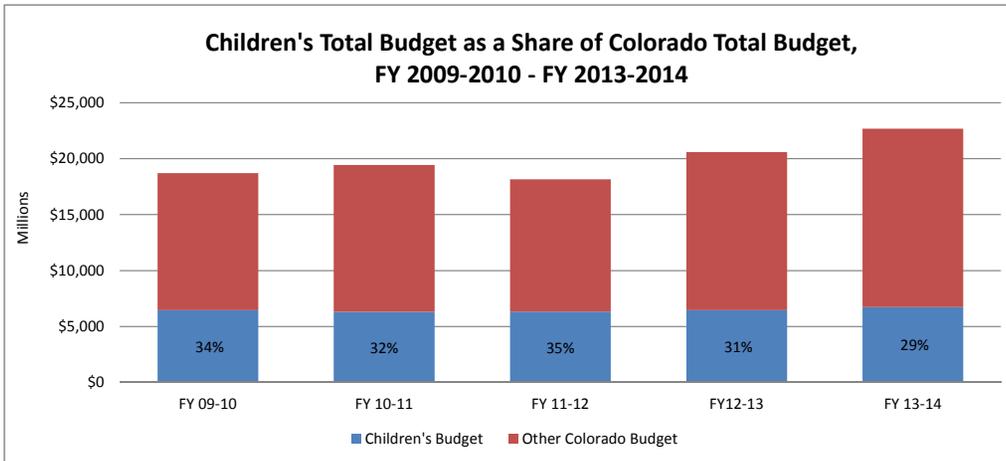
State investments in programs serving children increased during the past five years, but not enough to keep pace with inflation and child population growth. Between FY 2009-2010 and FY 2013-2014, Colorado's total investment (including state and federal funds) in children and family services increased by more than \$284.5 million, or about 1 percent per year, on average. However, the growth in appropriations did not keep pace with inflation or growth in the state's child population. When adjusting for inflation, Colorado's investment decreased by an average annual rate of 1.3 percent. Taking into account inflation and growth in the child population, appropriations decreased by an average of nearly 3 percent each year during the five-year study period.



	TOTAL FUNDING CHANGE			COMPOUND AVERAGE ANNUAL GROWTH RATE (CAAGR)		
	Appropriated Amount FY 2013-2014	Funding Change since FY 2009-2010	Percent Change in Funding FY 2009-2010 FY 2013-2014	FY 2013-2014 Budget Amount	FY 2013-2014 Budget Amount Adjusting for Inflation	FY 2013-2014 Budget Amount Adjusting for Inflation and Child Population Growth
TOTAL CHILDREN'S BUDGET	\$6,737,467,912	284,565,361	4.4%	1.1%	-1.4%	-2.9%
Early Childhood Learning and Development	\$334,902,450	-5,036,587	-1.5%	-0.4%	-2.8%	-4.3%
K-12 Education	\$4,524,040,958	143,835,579	3.3%	0.8%	-1.6%	-3.2%
Health	\$1,179,806,646	205,120,486	21.0%	4.9%	2.4%	0.7%
Family and Community Support	\$778,769,440	-52,572,870	-6.3%	-1.6%	-4.0%	-5.5%

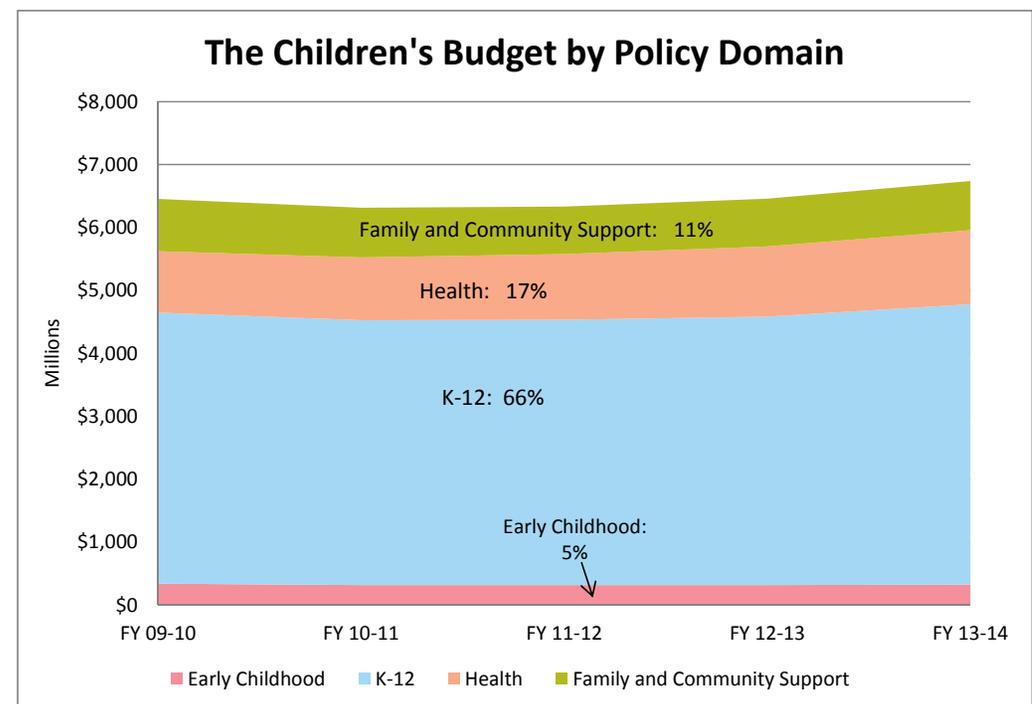
NOTE: Subtotals do not add to the total because the Colorado Preschool Program is included in both the Early Childhood Learning and Development and K-12 Education subtotals, but counted only once in the total.

Investments in children’s programs make up a substantial share of Colorado’s state budget, but that share has declined during the five-year study period. In FY 2013-2014, investments in children made up 29 percent of Colorado’s state budget, compared to 34 percent in FY 2009-2010. During the same five-year period, the child population in Colorado continued to grow, and the child poverty rate of 18 percent in 2012 remained high in the wake of the Great Recession.



Health is the only one of the four policy areas addressed in the *Children's Budget* that kept pace with inflation and child population growth. Appropriations for K-12 Education, Early Childhood and Family and Community Support decreased during the study period when taking inflation and child population into account.

As it does each year, K-12 education spending represents the majority of state spending in the programs covered in this Children’s Budget. Under the State Constitution, the state has a responsibility to provide for a “thorough and uniform system of free public schools throughout the state.” The next largest share of funding for children’s programs and services is in the health domain. This domain is growing as the state and the nation continue to encourage access to quality health care services to vulnerable children. Family and Community Support makes up 11 percent of funding for children’s programs and services like those that promote family economic security and prevent child abuse. The smallest share of funding goes toward early childhood (5 percent). In recent years, however, both the state and the nation have recognized the critical importance of quality programs for infants, toddlers and young children. As a consequence, policy makers are focusing more on funding quality programs and services for preschool children.



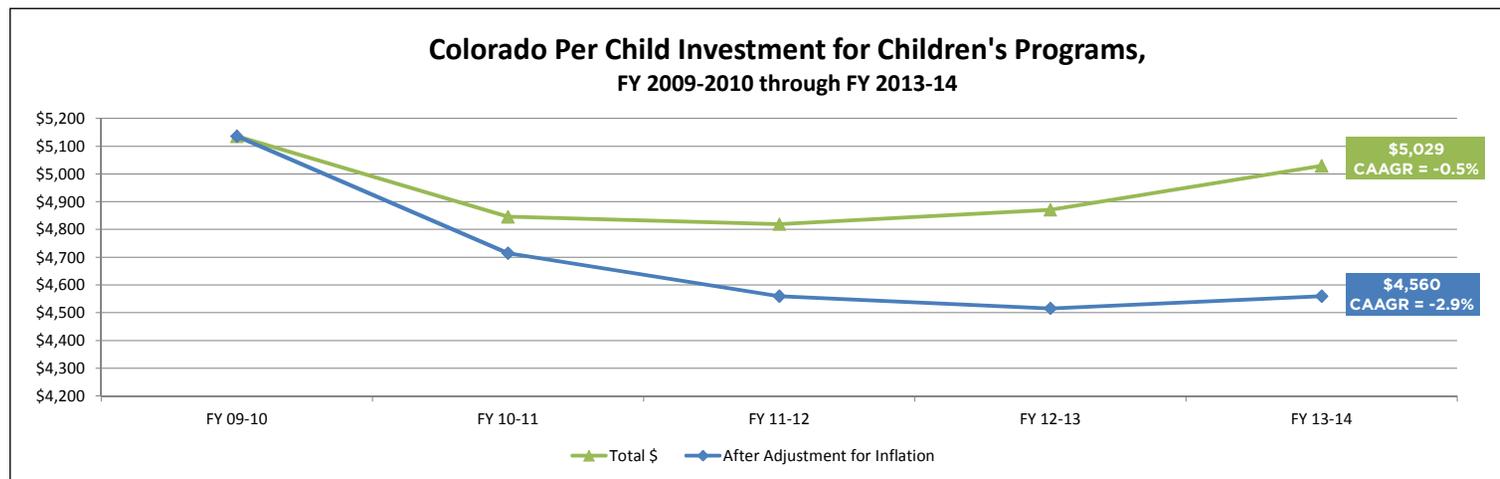
Colorado relies heavily on the state's General Fund to support children's services. Of the total amount spent on children, nearly half (48 percent in FY 2013-2014) of appropriations come from the state General Fund.

Yet, funding for a number of individual children's programs (e.g. WIC, subsidized child care, school-based health centers, Medicaid, CHP+ and TANF) depend on federal financing. In the current fiscal year, federal funds account for nearly 30 percent of the amount spent on children, with the level of dependence on federal funding varying greatly by program. Federal support makes up an especially large part of the budget for economic security programs, early childhood services and health services to low-income children and families. Federal funds spiked in FY 2009-2010 and FY 2010-2011 due to the American Recovery and Reinvestment Act (ARRA). By FY 2011-2012, those one-time funds were largely gone.¹

Nationally, many essential children's services experienced federal budget cuts during the past decade.² In federal fiscal year (FFY) 2012, federal spending on children fell by 7 percent, which was the largest single-year reduction since the early 1980s. Furthermore, federal spending on children is projected to decline as a proportion of the federal budget during the next 10 years. Forecasts through 2023 show federal spending on children falling as a share of the federal budget, from 10 percent to 8 percent of total spending.³ At the federal level, sequestration required 5 percent cuts to many services that impact children and families. Child welfare programs, for example, saw their budgets cut by \$124 million nationally. Education programs experienced a \$2.1 billion budget cut at the national level as a result of sequestration.

The net amount spent per Colorado child (adjusted for inflation) fell by nearly 3 percent per year during the five-year study period. State investment per child is calculated by dividing the total amount spent on children by the child population. In FY 2009-2010, the state invested \$5,138 per child. By FY 2013-2014, the net amount invested was \$4,560 per child, which was a decrease of 0.5 percent per year on average. After adjusting for inflation, per child investments dropped to \$4,560 in FY 2013-14, an average annual decrease of nearly 3 percent during the study period.

Some programs fared better than others in the state budgeting process. Programs with resources outside the General Fund fared best. Because the state budget process is a political process, year-to-year funding levels reflect changes in need (underscoring the importance of data to track child well-being), public priorities and preferences, opportunities to leverage federal funds, and the degree to which the interests or constituencies affected by certain programs are organized for political advocacy. In general, services that maintained or increased their level of funding during the study period enjoyed state constitutional protection, a dedicated cash fund revenue stream, or the ability to leverage substantial federal funding—especially when the federal government matches state expenditures on an open-ended basis. When none of these conditions existed, investments generally failed to keep pace with inflation and population.



¹ *Children's Budget 2012*, First Focus, <http://www.firstfocus.net/sites/default/files/ChildrensBudget2013.pdf>, pp.9-10; Isaacs, J, and Stuerle, E. (2011). *Kids' Share 2012*, Urban Institute-Brookings Institution, <http://www.urban.org/UploadedPDF/412600-Kids-Share-2012.pdf>

² *KidsShare 2012* <http://www.urban.org/UploadedPDF/412600-Kids-Share-2012.pdf>

³ *Children's Budget 2013*, First Focus, <http://www.firstfocus.net/sites/default/files/ChildrensBudget2013.pdf>, pp.9-10; Isaacs, J, Stuerle, CE, et al. (2011). *Kids' Share 2013*, Urban Institute-Brookings Institution, http://www.firstfocus.net/sites/default/files/KS2013_0.pdf

Trends in Child Well-Being

The needs of Colorado's children are increasing. Since 2000, the number of Colorado children living in poverty has more than doubled. In 2012, more than 18 percent of all Colorado children under 18 were living in poverty, defined as \$23,050 for a family of four. Children represent the poorest age group in Colorado. They are 1.4 times more likely to live in poverty than adults ages 18 to 64 and 2.4 times more likely to live in poverty than Colorado seniors. In addition, more and more children are living in areas of concentrated poverty, which negatively affects poor and non-poor children alike. Meanwhile, investments in many of the programs that help children reach their full potential have failed to keep pace with inflation and a growing child population.

Disparities in access to needed services and in outcomes across subgroups of children are widening. The differences in opportunities, as well as outcomes, for Colorado children from different backgrounds are stark. Low-income children and children of color face disadvantages throughout their lives that often impact their ability to succeed. They are less likely than their more affluent or white peers to be enrolled in preschool, less likely to have health coverage and less likely to graduate high school on time.

Especially in the context of growing need, there is potential tension between increasing access to programs or services and enhancing the quality of programs or services. Investments in access (e.g. increasing funding levels to serve more children) do not necessarily translate into increases in the number of children being served by high quality services. Similarly, health coverage alone does not necessarily ensure access if, for example, many providers do not accept Medicaid patients.

Increases in state investments may temporarily mask decreases in federal funding. Funding for children's programs includes a mix of state, local and federal support that varies across programs and can also vary within programs over time. Recent budget concerns at the federal level have led to little or no increased funding for some programs, and in some cases, programs and services have sustained a loss of federal funding. In such cases, the state often attempts to backfill decreases in funding. Often, however, increases in state investments were combined with decreases in federal funding for a level of overall funding that did not keep up with inflation.

Looking Ahead

While the focus of this report is retrospective, we look ahead briefly here in the interest of providing additional context. The text in this section describes projected or proposed events or conditions rather than the known. As such, the information presented is subject to change.

Colorado is now in its fourth year of modest economic growth and expansion. Building off the moderate growth in Colorado's economy, Gov. John Hickenlooper's initial FY 2014-2015 budget proposed some increases in funding for child health, K-12 education and early education programs that benefit Colorado's kids, including:

- Modest funding increases to improve quality in early childhood programs and promote early literacy, but no expansion of full-day kindergarten or the Colorado Preschool Program;
- Funding increases for Medicaid caseload growth, which is offset, in part, by funding decreases for CHP+ due to declining CHP+ caseload;
- Increases for the state share of school finance for enrollment growth and increased funding for special education programs for children with disabilities, English language proficiency programs, transportation, and the other categorical programs; and
- Increases for community behavioral health services for children and child welfare services.⁴

⁴November 1, 2013 Gov. Hickenlooper's State Budget Request for FY 2014-2015 to Sen. Pat Steadman, Chair, Joint Budget Committee Colorado General Assembly.

Despite the moderate growth in the economy, the state's General Fund will still be \$1.2 billion, or 13 percent, lower in in FY 2014-2015 than it was in FY 2007-2008 before the recession took its toll. Moreover, Colorado is subject to a series of fiscal constraints in the Constitution that limit the capacity of the revenue system to keep up with state commitments in the long term. While year-to-year budget decisions are important and have the potential to impact children's lives and opportunities, the capacity of the state to make significant improvements to many of the programs that serve kids is limited by significant structural barriers.

Also complicating the budget picture for Colorado kids are the federal budget cuts resulting from sequestration that went into effect March 1, 2013, after Congress and the President failed to reach an agreement to cut \$1.2 trillion in federal spending. Discretionary funding felt the brunt of the cuts. Most federal grant programs for children's services are classified as discretionary funding, which means they must compete annually for appropriations. Entitlement programs such as TANF (Temporary Aid to Needy Families), Medicaid and the State Children's Health Insurance Program (SCHIP), and the child nutrition (SNAP) programs were generally exempt from the first round of sequestration. However, sequestration reduced budgets for Head Start, the Child Care and Development Block Grant, the Maternal and Child Health Block Grant, Childhood Immunization Grants, School Improvement Grants, Improving Teacher Quality State Grants, IDEA Part C, 21st Century Community Schools and English Language Acquisition State Grants.⁵

As of late 2013, the federal sequester law remains in place through 2021. Cuts could become deeper depending on the decisions of Congress.⁶ The Joint Budget Committee analyzed the impacts of sequestration by program on the Colorado Department of Human Services (CDHS) budget, estimating cuts of \$16.7 million in federal FY 2013, followed by another \$15.5 million in federal FY 2014.⁷

In short, spending on children remains vulnerable to loss of federal funds, to changes in the trajectory of the state's economic recovery and to constitutional fiscal constraints.⁸

⁵ Two caps -- a "defense" cap and a "nondefense" cap -- apply for the coming fiscal year (2014) and for each year through 2021. The caps are quite restrictive; relative to the funding levels for fiscal year 2010, adjusted for inflation, they will force cuts of 6.3 percent in defense and 12.7 percent in nondefense funding in 2013, growing to 10 percent in defense and 16 percent in nondefense by 2021. See Kogan, R. (2012) President's Budget Would Eliminate Separate Funding Caps for Defense and Nondefense Discretionary Programs. (Washington D.C.: Center for Budget and Policy Priorities, <http://www.cbpp.org/files/2-17-12bud.pdf>; Under Threat Sequestration's Impact on Nondefense Jobs and Services, <http://harkin.senate.gov/documents/pdf/500ff3554f9ba.pdf>; Office of Management and Budget, September 2012). OMB Report Pursuant to the Sequestration Transparency Act of 2012,

⁶ *Ibid.*

⁷ Appendix: Budget Control Act - Projected Impacts On Colorado DHS Federal Grant Programs, http://www.state.co.us/gov_dir/leg_dir/jbc/2011-12/humfig3.pdf

⁸ *JBC Staff Budget Briefing - FY 2013-14, Staff Working Brief, p 84*; Mikelson, A. (2012). "Analysis of 2012 federal tax reform, part two: Sequestration and the Colorado budget." Colorado Center for Law and Policy, http://www.cclponline.org/uploads/files/Sequestration_Brief_2012_final_4.0_.pdf; Sequester cuts: Colorado *Washington Post*, February 2013, <http://apps.washingtonpost.com/g/documents/politics/sequester-cuts-colorado/301/>





Health Services and Programs for Children and Families

Policy Context: Impact on Child Well-Being

From conception through adolescence, a child's health influences his or her growth and development in myriad ways. Kids with positive health outcomes are more likely to grow into their full physical, emotional and academic potential, improving not only their individual prospects for successful futures but also the economic and civic strength of their communities. Health services that support positive health outcomes encompass the prevention, treatment and management of illness as well as the promotion of emotional, behavioral and physical well-being.

Access to health care is critical for good health. Whether covered through private insurance or a public program, children with health coverage are more likely than uninsured children to have a regular provider of health care and less likely to have unmet medical needs.⁹ Children without coverage are three times more likely to forego seeing a doctor, thereby missing important preventive care services including immunizations. Uninsured children are 70 percent less likely than insured children to receive medical care for common childhood conditions, such as a sore throat, or for emergencies like a ruptured appendix. When hospitalized, children without coverage are at greater risk of dying than children with insurance.¹⁰

The Current Landscape: Trends Related to Children's Health

Note: Information in this section was excerpted from the *2013 KIDS COUNT in Colorado!* report. Please refer to that report for additional context and detail.

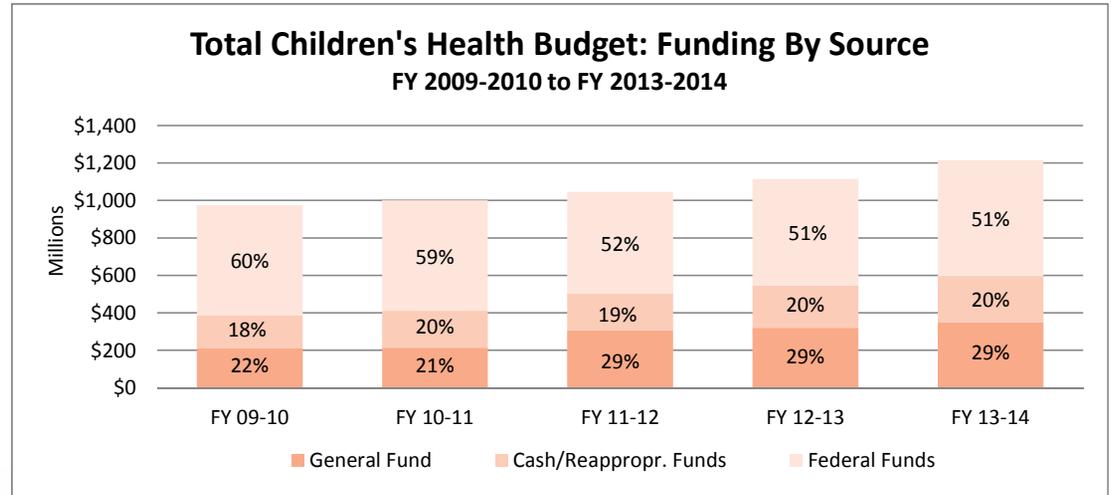
- Throughout most of the 2000s, Colorado's rate of uninsured children was consistently above the national average. However, according to the most recent three-year estimates from the U.S. Census Bureau's Current Population Survey, between 2004-2006 and 2010-2012, the number of uninsured children in Colorado declined by 39 percent. On average, between 2010 and 2012, approximately 8 percent of Colorado children under 18 were uninsured. Thoughtful efforts at the federal, state and community levels have supported this result.
- Thousands of Colorado children who are eligible for Medicaid or the Child Health Plan *Plus* (CHP+) are not enrolled for many reasons, including a lack of awareness of the programs, confusion over eligibility or difficulty navigating enrollment. Evidence suggests that expanding Medicaid enrollment for adults will increase the enrollment of their eligible children. This is a trend to watch in the future.
- On average, between 2010 and 2011, 28 percent of Colorado children ages 2 to 14 were overweight or obese; children in low-income households are more likely to be overweight or obese.

⁹ Bernstein, J, Chollet, D & Peterson, S. (2010). "How Does Insurance Coverage Improve Health Outcomes?" *Mathematica Policy Research, Inc. Issue Brief Reforming Health Care Issue Brief #1, April 2010*. last accessed, November 2011, http://www.mathematica-mpr.com/publications/PDFs/health/reformhealthcare_IB1.pdf

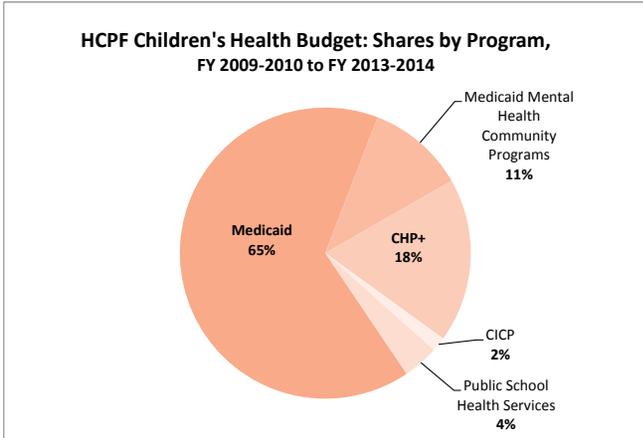
¹⁰ *Ibid.*

Funding Sources and Major Programs in Child Health

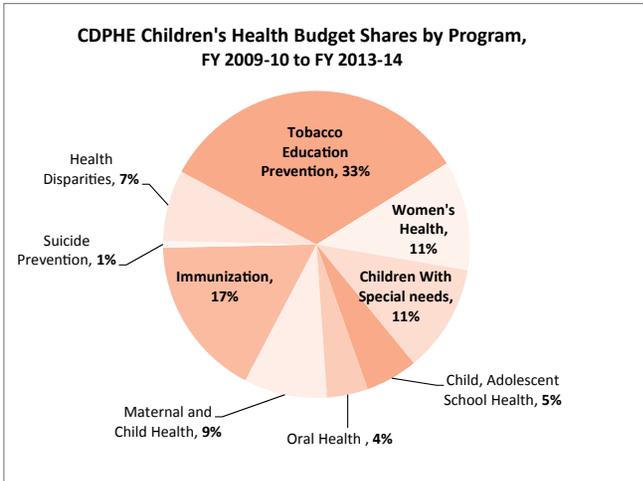
Both federal and state governments contribute to the financing of health coverage programs and public health services for children and pregnant women. Across all children's health programs, federal funds comprised a little more than half the total funding for health programs in most years in the reporting period. The American Recovery and Reinvestment Act of 2009 (ARRA) pushed the federal share to nearly 60 percent in both FY 2009-2010 and FY 2010-2011.



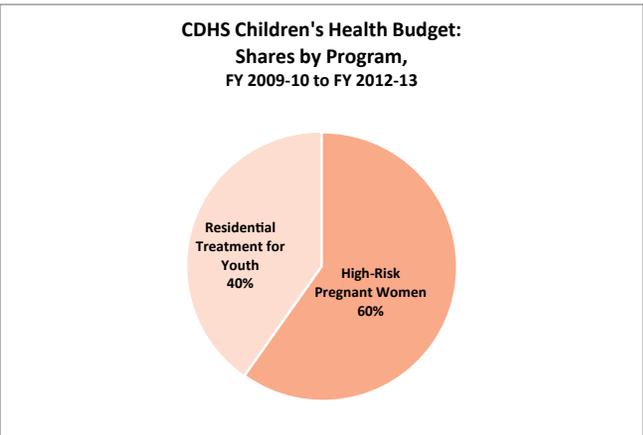
State investments in services that support the health of children and their mothers were made through three state departments:



- **Department of Health Care Policy and Financing (HCPF)** programs provided health coverage and payments for health care services delivered to children and pregnant mothers. FY 2013-2014 appropriations for these programs were \$1.2 billion. During the five-year reporting period, appropriations for these services accounted for **95.2 percent** of the actual and expected spending on children's health services. Shares of the total spending by program are shown in the graph.



- **Department of Public Health and Environment (CDPHE)** programs focus primarily on the prevention of health problems, but also support direct provision of some health care services to children and pregnant mothers. Appropriations for CDPHE children's services totaled \$62 million in FY 2013-2014. During the five-year reporting period, appropriations for these programs accounted for **4.5 percent** of the actual and expected spending on children's health services. Shares of the total spending by program are shown in the graph.

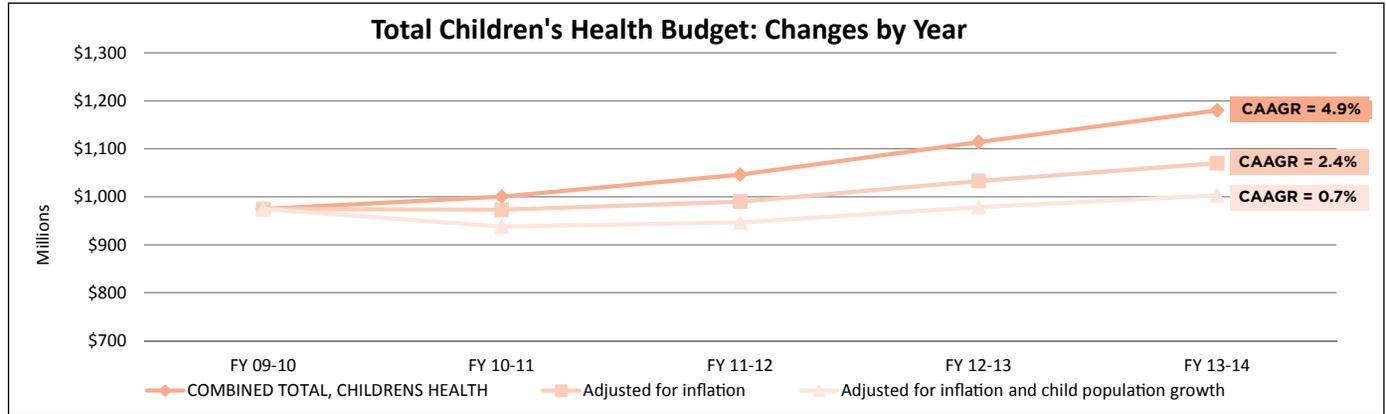


- **Department of Human Services (CDHS)** children's health programs included alcohol treatment for high-risk pregnant women and residential treatment for youth (mental health community program appropriations are part of the HCPF totals). Appropriations for these programs in FY 2013-2014 totaled \$2.4 million. During the five-year reporting period, appropriations for these services accounted for **0.23 percent** of the actual and expected spending on children's health programs. Shares of the total spending by program are shown in the graph.

How Have Colorado Kids Fared? Five-Year Budget Trends and Implications

During the past five years, child health was the only policy area included in the report for which funding levels kept pace with inflation and child population growth. During the five-year reporting period, state spending on children’s health increased from \$974.7 million in FY 2009-2010 to an estimated \$1.2 billion in FY 2013-2014. This increase translates to an average annual increase of 4.9 percent. After adjusting for inflation, however, the annual growth rate for investments in children’s health is somewhat lower: 2.4 percent. When taking into account child population growth plus inflation, cumulative funding for children’s health services grew at an average annual rate of 0.7 percent per year during the study period.

While actual and adjusted spending continued its upward trend in FY 2013-2014, the rate of growth has slowed during the five-year reporting period.



Department of Health Care Policy and Financing. During the five-year period, the compound average annual growth rate in spending by HCPF was 4.7 percent. Real spending (adjusted for inflation) increased an average of 2.2 percent per year. When adjusted for inflation and child population growth, appropriations increased at about one-half of one percent per year (0.57 percent).

The two large public insurance programs, Medicaid and the Child Health Plan *Plus* (CHP+), largely drove the growth in children’s health care spending. Medicaid and CHP+ are key sources of insurance coverage for Colorado’s children. Colorado law allows children to obtain health insurance coverage in one or the other services if their family incomes are equal to or lower than 250 percent of the Federal Poverty Level, or \$47,100 for a family of four.¹¹ (Other health services also draw on Medicaid funds to cover a portion of the cost of delivering services to children who are Medicaid-eligible. Funds are reappropriated to other programs, such as Public School Health Services, the Nurse Home Visitor Program, Child Welfare, Services for Children with Disabilities, Mental Health and Alcohol and Drug Abuse programs.)



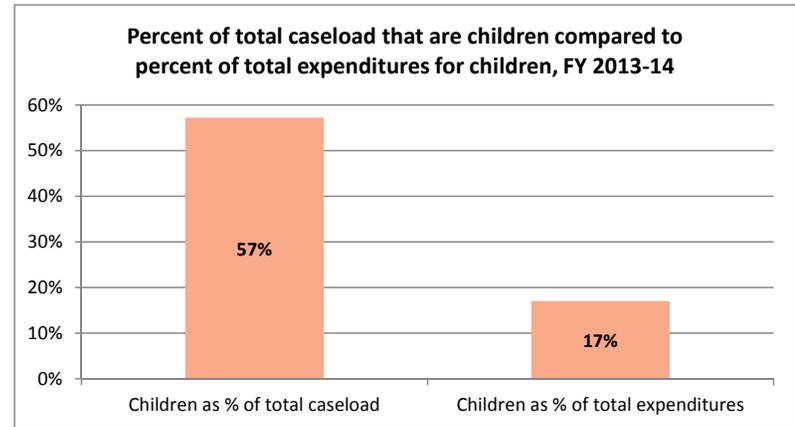
¹¹ 2013 FPL Poverty Guidelines, <http://aspe.hhs.gov/poverty/13poverty.cfm>

Spending levels for Medicaid and CHP+ are generally affected by:

- State policy choices regarding eligibility and covered services, including reforms made pursuant to the federal Patient Protection and Affordable Care Act (PPACA);¹²
- The number of people who qualify for coverage;¹³
- The number who successfully enroll in the services;
- Actual use of health care services; and,
- Cost inflation in the health care sector, which historically has exceeded general inflation.¹⁴

In Colorado, caseload growth was the most significant factor behind spending increases during the reporting period. Enrollment growth is due to a combination of economic factors and policy changes that have expanded eligibility and made enrollment easier. In other states, enrollment increases driven by the economy have begun to flatten out. Colorado’s rate of increase is continuing to grow, however, suggesting that policy changes, in addition to the slow economy, have impacted enrollment patterns.

Children account for about 60 percent of the people served by HCPF programs in FY 2012-2013, but only about 17 percent of the department’s spending. The cost per person covered or served tends to be lower for children than for other age groups.¹⁵



Department of Public Health and Environment (CDPHE). In addition to expanding access to health coverage, Colorado is making investments in public health programs that contribute to maintaining population health. Spending for CDPHE (public health) children’s programs decreased between FY 2009-2010 and FY 2010-2011 due to the General Assembly’s declaration of a fiscal emergency, which allowed the state to transfer a portion of Amendment 35 tobacco tax money and Hospital Provider Fee reserves to backfill shortfalls for Medicaid. Spending has grown since then, however. During the five-year period, funding for children’s health programs in CDPHE increased by 8.2 percent per year, on average. Real spending increased at an average annual rate of 5.6 percent and real spending per child increased at the rate of 3.9 percent per year. This overall trend line masks upward or downward trends in individual programs. Refer to Part II for details about individual program trends.

Department of Human Services (CDHS). Appropriations for health services funded by CDHS – alcohol abuse treatment for high-risk pregnant women and residential treatment for youth – increased in FY 2012-2013, then returned to the lower funding levels. During the five-year study period, spending decreased at an average annual rate of 0.75 percent. After taking inflation and the growth of the child population into account, spending on these CDHS health programs decreased each year by 4.7 percent, on average.

¹² Public Law 111-148, 124 STAT. 119, 111th Congress, 2010; Health Care Reform in Colorado, <http://www.colorado.gov/healthreform>; While key provisions of the ACA take effect January 1, 2014, implementation both nationally and in Colorado is evolving; budget impacts will be much clearer in FY 2014-15. All Kids Covered Colorado. (2012). *Crossing The Finish Line: Achieving meaningful health care coverage and access for all children in Colorado*, <http://www.allkidscoveredcolorado.org/report.pdf>

¹³ The Department of Health Care Policy and Financing notes that in recent years, caseload growth for children is growing at a slower rate, growth for pregnant women remains about the same, and the expansion of eligibility for foster children will not start until January 2014, so growth rate projections reflect only six months of projected increase. Also, federal and state reforms beginning in January 2014 include streamlining income eligibility (MAGI or Modified Adjusted Gross Income) for Medicaid and CHP+.

¹⁴ HCPF reports that recently overall per capita costs for Medicaid have decreased because caseload growth has been mostly children and their parents with lower costs rather than higher cost clients like elderly and disabled.

¹⁵ Calculations are based on FY2012-20 13 projections from the FY2012 Appropriations Report and include Medicaid Services Premiums, Capitated Mental Health, Children’s Health Plan Plus, and Colorado Indigent Care Program.



Early Childhood Learning and Development

Policy Context: Impact on Child Well-Being

Research is clear that the early years shape the trajectory of a child's opportunities and achievements—in school and in life. Early experiences shape the architecture of young brains. More than 700 new neural connections form in the brain every second during the first few years of life, supporting the development of skills such as working memory, language, social perceptions and self-control. Stimulating environments and nurturing caregivers who interact with children in positive ways promote optimal development.

High-quality early childhood learning and development programs benefit not only children, but whole communities. High-quality, affordable child care allows parents to work to support their families with the peace of mind that their children are safe and cared for. Investments in high-quality early learning programs also yield great returns to society in the form of improved school outcomes, fewer costs related to grade repetition and higher tax revenues when these children become productive members of the workforce as adults. Some studies estimate a \$7 to \$1 benefit-cost ratio. Colorado's changing demographics amplify the case for making these investments because the return on investment in early childhood populations is greatest for children from low-income families.

The Current Landscape: Trends in Early Childhood Learning and Development

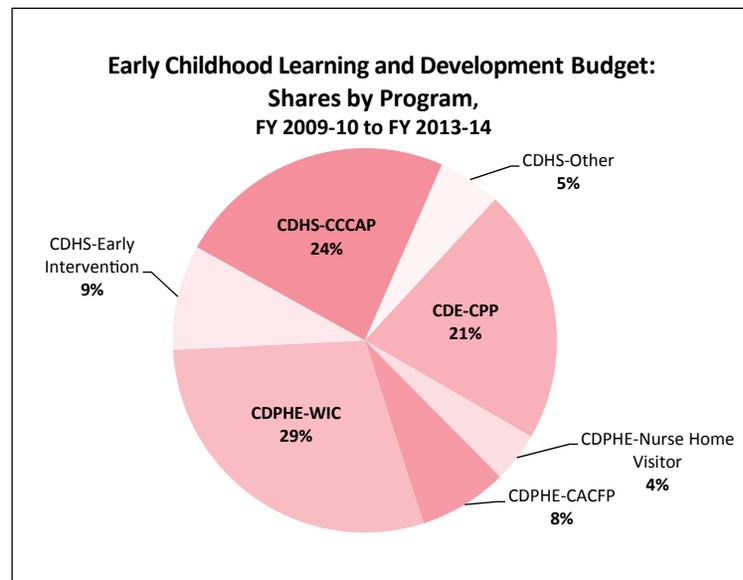
Note: Information in this section was excerpted from the *2013 KIDS COUNT in Colorado!* report. Please refer to that report for additional context and detail.

- In 2011, children under age 6 were the age group most likely to be living in poverty in Colorado. According to the most recent estimates, about one in five Colorado kids under age 6 lives in poverty. Experiencing poverty during the early childhood years can be particularly devastating for a child, given the rapid pace at which the brain is developing during this time period.
- In 2011, 251,000 Colorado children under the age of 6 (63 percent of all children in this age group) lived in families where all available parents worked. According to the most recent estimates available, however, Colorado's licensed child care centers, family care homes and preschools had capacity for approximately 109,000 children. That is only about 43 percent of the young children who need care at some time during the day.
- Colorado has a very high cost of child care relative to family income (and relative to other states), making high-quality child care difficult for many families to afford. The increasing number of Colorado children living in low-income families, coupled with limited public funding for child care assistance, means that many families across the state who qualify for child care subsidies do not receive them. In FY 2011-2012, the number of Colorado children receiving subsidies decreased by 11 percent from the previous year.

Funding Sources and Major Programs in Early Childhood Learning and Development

The programs included in this section are administered by three departments:

- The **Department of Public Health and Environment (CDPHE)** administers the Nurse Home Visitor Program;¹⁶ Child and Adult Care Food Program (CACFP); and the Women, Infants and Children Supplemental Food Grant (WIC) program. Investments in these programs totaled more than \$660 million in appropriations during the five-year tracking period (FY 2009-2010 to FY 2013-2014), or **41 percent** of the total spending in the early childhood area.
- The **Department of Human Services (CDHS)**, Office of Early Childhood, administers the Early Intervention Program, the Colorado Child Care Assistance Program (CCCAP), Child Care Licensing and Administration, Grants to Improve the Quality and Availability of Child Care, the School Readiness Quality Improvement Program and Early Childhood Mental Health. Investments in these programs totaled more than \$608 million in appropriations during the five-year tracking period, or **38 percent** of the total spending on early childhood.
- The **Department of Education (CDE)** administers the Colorado Preschool Program (CPP). During the five-year tracking period, appropriations for this program were approximately \$346 million or **21 percent** of the total investments in early childhood.¹⁷



Overall, early childhood programs rely heavily on federal funds. During the five-year study period, more than six out of every 10 dollars spent in this category were federal dollars.

The level of federal funding for early childhood varies by department and program:

- Federal funds account for more than 90 percent of CDPHE spending on early childhood learning and development, most notably for child nutrition programs (WIC and CACFP). Federal funds accounted for a little more than 71 percent of CDHS spending on early childhood learning and development in FY 2012-2013, most notably from the Child Care and Development Fund Block Grant (CCDBG). Colorado Joint Budget Committee staff estimate that one-third of the federal Child Care and Development Fund allocation will be subject to sequestration, resulting in decreased CCDBG revenue to the state of about \$2.3 million for FY 2013-14 and subsequent years.
- In contrast, CDE spending on the Colorado Preschool Program (CPP) relies on state spending. CPP per-pupil costs are calculated through the same funding mechanism as K-12 per-pupil funding.

¹⁶ This program will move to the Department of Human Services, effective October 1, 2013.

¹⁷ The Joint Budget Committee of the Colorado General Assembly does not track Colorado Preschool Program dollars separately. Appropriation data for FY13-14 are not available until November 2013. To estimate appropriations for FY13-14, the FY12-13 appropriation was increased by 1.9% (the 2012 Denver-Boulder Consumer Price Index) to reflect the inflationary increase mandated by Amendment 23.

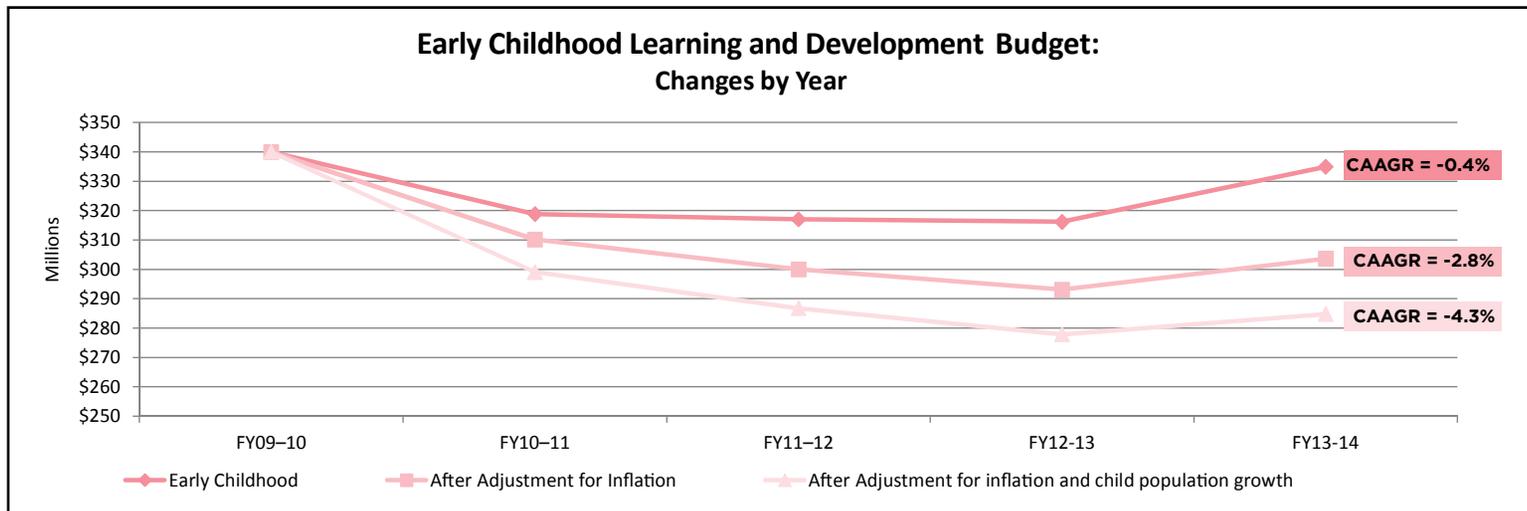
The state drew on the General Fund to support nearly 30 percent of total spending on early childhood. Cash funds, which provided the remainder, came from several sources (e.g., the Tobacco Master Settlement Agreement, private insurance plans, child care provider fees and fines).

Two programs that feature prominently in state plans to meet the needs of young children are not included in the Early Childhood Learning and Development portion of the Children's Budget:

- About \$293 million has been appropriated during the five-year study period for education programming for children with special needs. This mix of state and federal funds is included in the K-12 section of the Children's Budget in the discussion of special education for children with disabilities.
- In federal FY 2012, the most recent year for which data are available, the federal government provided more than \$82 million directly to local service providers in Colorado for Early Head Start and Head Start, benefitting an estimated 10,624 children. Since Head Start and Early Head Start are not a part of the state budget (e.g., the state does not allocate funds for these services), they are excluded from the total in this document.

How Have Colorado Kids Fared? Five-Year Budget Trends and Implications

State funding for early childhood declined during the five-year period. With help from ARRA, early childhood program funding peaked in FY 2009-2010 (\$340 million) and has since declined at an average annual rate of nearly one half of 1 percent (0.4 percent).¹⁸ Considering inflation, spending has declined at an average annual rate of 2.8 percent. Given the increase in the child population during the period, funding in constant dollars per child in the state decreased at an average annual rate of 4.3 percent.



¹⁸ NCSL. (2013). EC and ED State Budget Actions 2013, http://www.ncsl.org/documents/cyf/ECE_BudgetReport_FY13.pdf

Although the overall funding trend for early childhood was down during the five-year period, Colorado's investment in early childhood programs increased slightly in FY 2013-14 (to \$325.8 million) from the previous year, and as a result, several programs saw increased funding in FY 2013-14 from prior year levels:

House Bill 13-1291 created the Colorado Infant and Toddler Quality and Availability Grant Program in FY 2013-14 in the Department of Human Services, Office of Early Childhood. The \$3 million appropriation from the General Fund will allow for a tiered reimbursement pay structure, providing an increased rate of reimbursement for early childhood programs that receive funds through the Colorado Child Care Assistance Program (CCCAP).

SB 13-260 included funding for an additional 3,200 Colorado Preschool Program (CPP) half-day slots for the Early Childhood At-Risk Enhancement (ECARE) program within CPP. School districts may use slots flexibly, year-to-year for half-day preschool, full-day preschool or full-day kindergarten for eligible children. This program expansion recognizes the importance and return on investment offered by early childhood education; however, the eligible population still exceeds the slots available.

The FY 2013-2014 appropriation for Early Intervention increased by \$3.2 million or 9.1 percent (from FY 2012-13, after accounting for inflation and child population growth) for increased services and case management services resulting from a 6 percent projected caseload growth. From FY 2009-2010 to FY 2013-2014, funding for this program decreased by 5.3 percent annually when adjusted for population growth and inflation.

In FY 2013-2014, the Department of Human Services received an infusion of General Funds (\$1,534,134) to enhance prevention services for families at risk of entering the child welfare system, enabling CDHS and the Nurse-Family Partnership (NFP) to augment existing services and build a partnership with child welfare agencies and other child abuse prevention services.¹⁹

One major program suffered clear decreases in funding during the study period. The Colorado Child Care Assistance Program (CCCAP), which helps low-income families access child care, experienced an average annual budget decrease of 7.1 percent during the five-year study period (adjusted for population growth and inflation). Meanwhile, the number of Colorado children living in low-income families continued to increase.

In addition to CCCAP funding, counties use Temporary Assistance for Needy Families (TANF) program funds to pay for their child care subsidy services (refer to the Family and Community Support section of this report for more detailed discussion of TANF). In recent years, both county- and state-controlled TANF reserves have been spent down. The rise in families needing basic cash assistance combined with declining funds in reserve means counties had less money to allocate for child care. Combined with the decrease in appropriations reported here, many counties curtailed eligibility and provider reimbursement rates in their child care subsidy programs.²⁰

Early childhood funding in Colorado also got a boost from a \$29.2 million federal Race to the Top grant from the U.S. Departments of Education and Human Services in December 2012 and a \$15 million supplemental grant in February 2013. These funds will support key early childhood priorities: developing the statewide tiered Quality Rating and Improvement System (QRIS); integrating early childhood learning and development guidelines within all early learning systems; improving early identification and effective interventions and support for children with high needs; and creating a highly qualified early childhood workforce.²¹



¹⁹ Colorado's Nurse-Family Partnership, serves families in 52 of Colorado's 64 counties, and is operated by 19 individual agencies. These agencies consist of public health departments, community health centers, community nursing agencies and hospital systems. The project is managed by the Colorado Department of Public Health and Environment; National Center for Children, Families & Communities, College of Nursing, University of Colorado Denver; the NFP National Service Office; and Invest in Kids. http://www.nursefamilypartnership.org/assets/PDF/Communities/State-profiles/CO_State_Profile

²⁰ Baker, R, Buck, B & Cuciti, P. (2013). "Moving Families Forward: An Introduction to TANF in Colorado During the Recession." <http://www.coloradokids.org/data/publications/moving-families-forward.html>; CCCAP also benefitted from ARRA funding of \$11.1 million in FY 2008-2009 and \$10.4 million in FY 2009-2010, resulting in increasing spending over a three year period. In FY 2010-2011, however, there was a major cutback in spending, due primarily to the loss of ARRA funding.

²¹ <http://earlychildhoodcolorado.org/ResourceCenter/tabid/93/ID/259/Gov-Hickenlooper-and-Lt-Gov-Garcia-announce-Race-to-the-Top-Early-Learning-Challenge-Supplemental-Award.aspx>



Policy Context: Impact on Child Well-Being

Great schools don't just happen. They are intentionally built by people who believe we have a responsibility to ensure that all Colorado children—no matter who they are or where they live—graduate from high school ready to succeed in college and 21st century careers. Focusing on every student, every year is the smartest path to building healthier communities and a stronger economy for today and tomorrow.

The bar is rising for public education in Colorado. During the past several years, the Colorado General Assembly passed new reforms to the state's public education system bringing together teachers, administrators, parents and communities in working partnership to improve outcomes for all students. As a result, new curriculum, instruction, programs and professional development are being tested and refined in classrooms across Colorado. When linked together, these powerful legislative reforms underline the real-life impact of strong educators and rigorous standards in student success.

The Current Landscape: Trends in K-12 Education

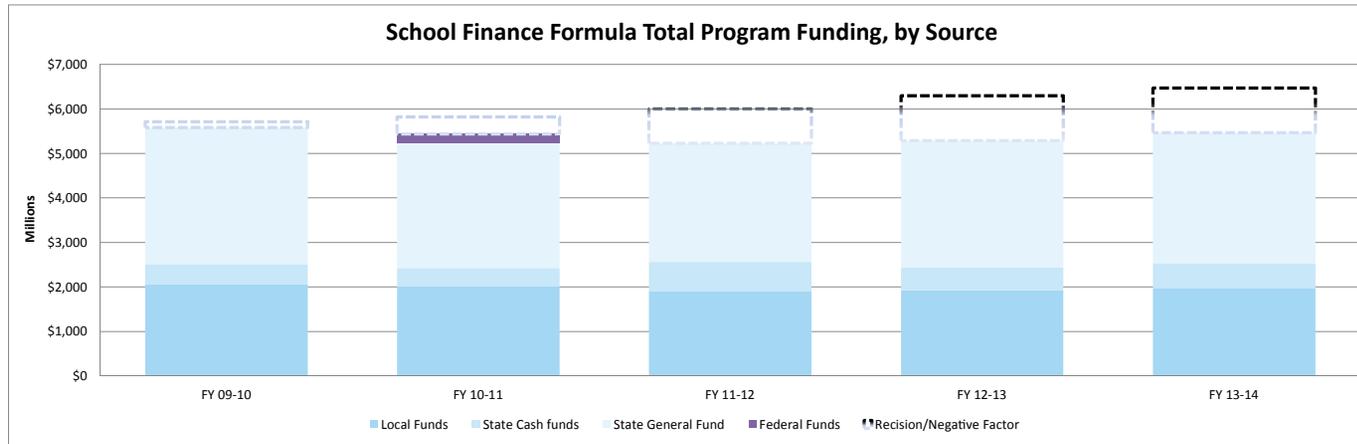
Note: Information in this section was excerpted from the *2013 KIDS COUNT in Colorado!* report. Please refer to that report for additional context and detail.

- Colorado's public school student population is growing faster than the child population as a whole. Between 2000 and 2011 (the most recent year for which population data are available), the number of children under 18 in Colorado grew by nearly 11 percent. Meanwhile, Colorado's PK-12 student population increased by 18 percent during the same time period.
- The demographic makeup of Colorado's students is changing. The student population has become increasingly diverse, both in terms of racial and ethnic makeup, socio-economic status and the home languages of its students. In the 2012-2013 school year (the most recent year of the reporting period for which school enrollment data are available), Colorado schools served 11,000 more English Language Learners (ELLs) than in 2009-2010, the first year of the reporting period. Additionally, the share of Colorado students who come from low-income families continues to rise. Between the 2009-2010 and 2012-2013 school years, Colorado schools identified an additional 39,000 children who qualified for free or reduced price lunch (FRL).
- Although reading proficiency among all Colorado students has improved slightly in recent years, Colorado has historically had wide gaps in achievement between low-income students and their peers. In 2013, 53 percent of all students who qualified for FRL scored proficient or above in reading on the statewide assessment (Transitional Colorado Assessment Program, or TCAP), compared to 82 percent of non-FRL students.
- On-time high school graduation rates have improved modestly, rising from 72 percent in 2010 to 75 percent in 2012. Simply graduating from high school, however, does not guarantee that students are equipped with the schools they need to be successful in postsecondary endeavors. Nearly 40 percent of all 2011 Colorado high school graduates who went on to attend a public college or university in the state required remediation in at least one subject.

Funding Sources and Major Programs in K-12 Education

Most of the state’s spending on K-12 education comes from the General Fund, with smaller amounts coming from the State Education Fund and State Public School Fund. During FY 2010-2011, the state received a one-time infusion of federal funds from the American Recovery and Reinvestment Act (ARRA), but those funds are no longer available.

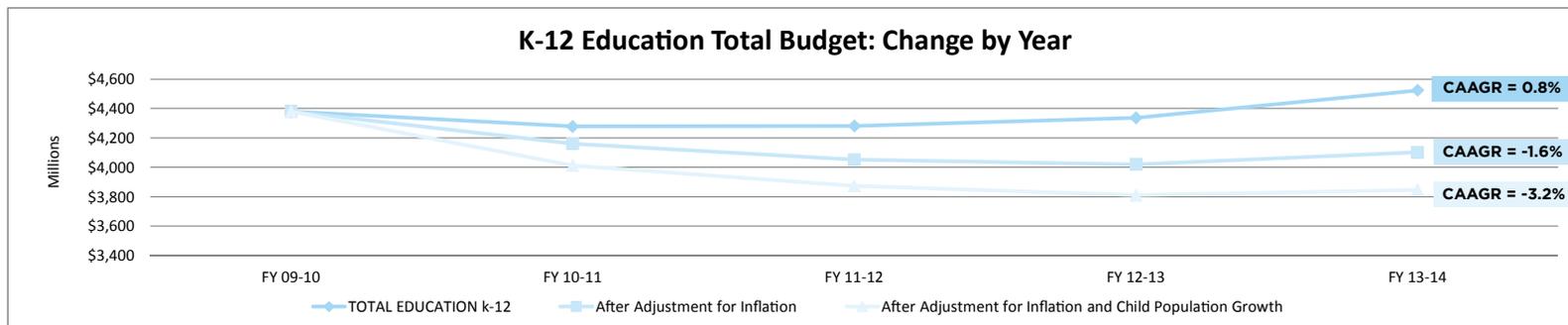
In 2011, the school finance bill included the “negative factor” (Senate Bill 11-230) in response to falling state revenue during the recession. The negative factor reduces the state’s total program funding to a targeted amount by reducing each school district’s funding by a fixed percentage. The adjustment has increased in size in each fiscal year since (through FY 2013-14), starting at a reduction of 6.35 percent in FY 2010-2011, and increasing to a reduction of 15.5 percent in FY 2013-2014.



Source: See table, Public School Finance Total Program Funding, Appropriations Report, 2013-2014, p. 41

How Have Colorado Kids Fared? Five-Year Budget Trends and Implications

As noted previously, Colorado schools have experienced growth in enrollment and changes in student demographics during the five-year reporting period. With this growth and the accompanying demographic changes come additional challenges for school districts. Despite these challenges, **state investments in education increased only slightly during the five-year reporting period.** In FY 2013-2014, the total amount appropriated (excluding local funds) was \$4.524 billion. That is a 3 percent increase from the amount in FY 2009-10. This change in funding levels translates to an average annual increase of less than 1 percent (0.81 percent) during the five-year tracking period. When taking into account the effects of inflation and child population growth, K-12 education spending declined at an average rate of 3.2 percent per year.



The K-12 education section of the Children’s Budget includes per-pupil funding under the School Finance Act, categorical funding for services such as Public School Transportation and Special Education and other services not tracked separately in this report. Colorado school districts are financed through a combination of state and local sources of revenue.

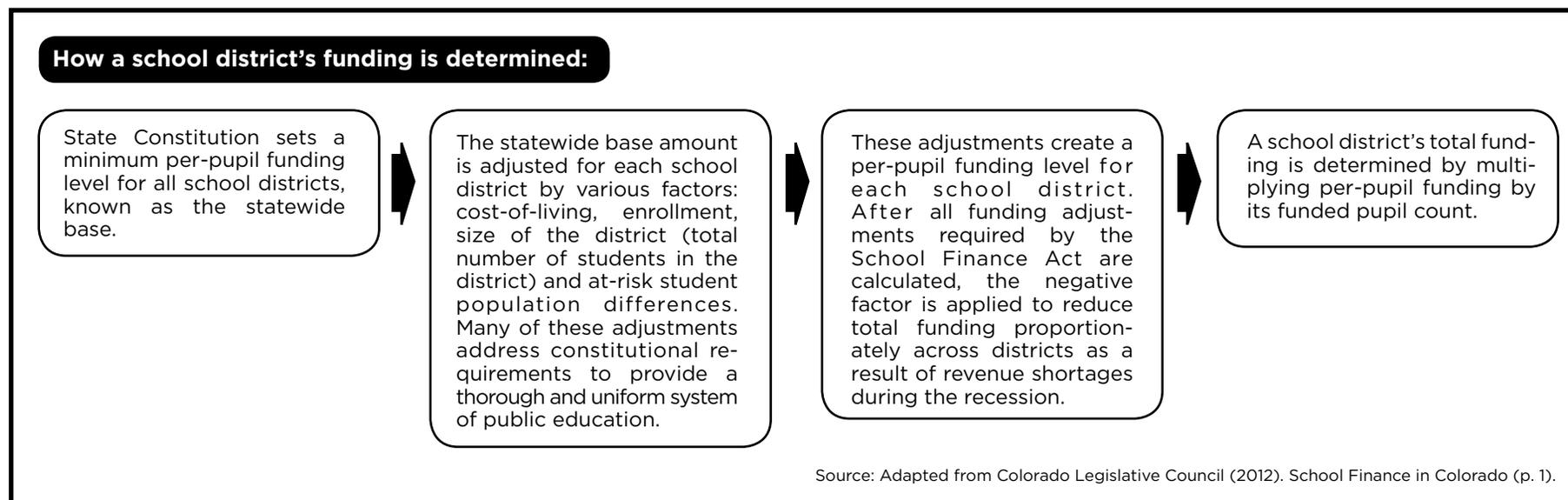
School Finance Act

Under the Public School Finance Act, a minimum per-pupil funding level, or statewide base, is calculated each year. Both the state and districts contribute funds that add to the base. Together the investment is called the Total Program costs of K-12 education. Usually, the state’s contribution is the difference between a district’s total funding amount and the amount a district is able to contribute from local taxes. Districts that have less property wealth and produce less in property taxes receive a greater proportion of state aid, while districts with greater property wealth receive a smaller proportion of state aid. This process is called “equalization.”

The state share of funding required by the Public School Finance Act Formula comes primarily from the state General Fund (GF), State Education Fund (SEF), and the State Public School Fund (SPSF). The local share of funding comes primarily from local property taxes, with some support from local vehicle registration taxes. Local governments have the option to raise additional support for education through mill levy overrides or bond issues, but the analysis in this document does not include these sources of funds.

Each year, the General Assembly sets a minimum level of per-pupil funding known as the statewide base. Amendment 23 of the state constitution requires that the base funding increase by at least the annual rate of inflation, which was 1.9 percent in FY 2013-14.

In 2013, Senate Bill 13-260 increased average per-pupil funding by 2.7 percent, as well as increased total program funding by about \$210 million. The bill provided funding for an additional 3,200 Colorado Preschool Program slots, as well as a facilities cost reimbursement fund for charter schools of \$7 million dollars. It provided funds to recruit high-quality teachers to rural parts of the state, and about \$20 million in additional funding for special education. The bill also required that 75 percent of any General Fund surplus at the end of 2013-14 be transferred to the State Education Fund. In FY 2013-14, each district is guaranteed Total Program funding (local funding plus state funding) equal to \$7,458 per traditional student. After adjusting for the negative factor (which cuts the budget to account for limited revenue), funding equals \$6,311 per traditional student. The Total Program funding amount is \$5.51 billion (\$3.49 billion in state aid and \$2.02 billion from local sources.) in FY 2013-14.²²



²² School Finance in Colorado (2012). Prepared by the Colorado Legislative Council Staff. Colorado Legislative Council Services. Denver, Colorado <http://1.usa.gov/schfinbook2012>; Local governments are constrained in the amount they can raise to support education by the interaction of two constitutional amendments, the Gallagher Amendment (added to the state’s Constitution in 1982) and the Taxpayer Bill of Rights or (TABOR), added in 1992. In combination, these constitutional amendments have led to a gradual decline in local share, shifting education costs to the state and increasing the state’s share of educational costs from 43 percent in 1988 to 64 percent in 2007. Senate Bill 07-199, with the goal of moderating this trend, stopped the automatic decline of school district property tax rates in most districts.

Categorical Programs

The second component of the K-12 education budget consists of eight categorical programs: Special Education for Disabled Students, Special Education for Gifted and Talented Students, Public School Transportation, Vocational Education, English Language Proficiency, Small Attendance Centers (school districts with fewer than 200 pupils *and* at least 20 miles from a similar school in same district)²³ Expelled and At-Risk Student Services Grant Program, and Comprehensive Health Education.

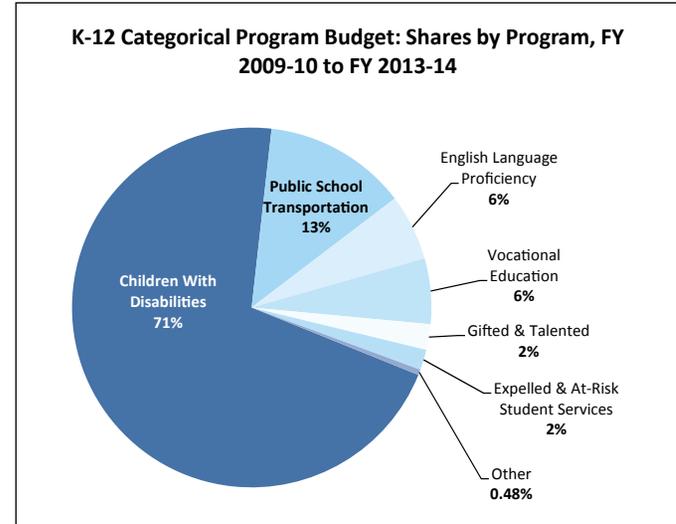
The largest of the categorical programs is Special Education for Children with Disabilities, which accounts for 71 percent of the combined budget for all categorical programs. Public School Transportation is the second-largest and accounts for 13 percent of total funding for categorical programs during the five-year tracking period.

Amendment 23 in the Colorado Constitution specifies that, in combination, state funding for categorical programs must increase at the same rate as per-pupil base funding. Despite the Amendment 23 prescription, total spending did not necessarily increase from year to year, due in part to fluctuations in the federal contribution. Two of the eight categorical programs—Special Education and English Language Acquisition—rely to a significant extent on federal funding; the other six receive no federal funds.

Overall, appropriations to categorical programs increased during the five-year tracking period from \$383.7 million in FY 2009-10 to \$415.7 million in FY 2013-14, for an average annual growth rate of 2 percent during the past five years. Real purchasing power decreased, however, after taking into account inflation (a decline of 0.4 percent per year, on average) and inflation and child population growth (a decline of 2 percent per year, on average). During the study period, Special Education for Children with Disabilities (average annual growth rate of 2 percent) and English Language Proficiency Programs (average annual growth rate

Grants and Other Programs

Other programs²⁴ accounted for the remainder (13 percent) of the total K-12 budget. This category includes two federal programs: Title I of the Elementary and Secondary Education Act (ESEA)²⁵ and school breakfast, lunch and nutrition services, as well as several state programs, including the School Counselor Corps Grant Program and the Colorado School for the Deaf and Blind.²⁶ During the study period, spending in this category increased by 6.5 percent per year overall, 3.9 percent per year when adjusted for inflation, and 2.3 percent per year when adjusted for inflation and child population growth.



²³ "Small Attendance Center" is not identical to the term "size factor" used in the Public School Finance Formula. In the school finance formula, the size factor provides all smaller districts with increased per pupil funding. In contrast, to qualify for categorical funding under the Small Attendance Center program, districts must have fewer than 200 enrolled students and be located 20 or more miles from any similar school within the same school district.

²⁴ Other Public School Finance programs encompass hold-harmless full-day kindergarten funding, health and nutrition programs such as state match for school lunch program and the school breakfast program, appropriated sponsored programs, school counselor corps grant program, professional development and instructional support, reading and literacy grants, other assistance such as school award programs, regional services cooperatives and first-responder mapping, facility schools, student assessments and data analyses, State Charter School Institute management, and School for the Deaf and Blind.

²⁵ Title I provides funding to improve education for children at-risk of school failure, including those who live in low income communities, migrant children, and those who are neglected and delinquent.

²⁶ House Bill 13-1006, enacted in the 2013 legislative session, requires every school with 80 percent or more of students eligible for free or reduced lunch to offer a free breakfast to each student enrolled in the school in FY 2014-2015. The legislation expands the program in FY 2015-2016 and thereafter so that every school with 70 percent or more of students eligible for free or reduced lunch is required to offer a free breakfast to each student enrolled in the school.

Family and Community Support

Policy Context: Impact on Child Well-Being

Investments in services that help get families back on their feet are critically important, especially as the number of Colorado children living in low-income families continues to grow. Many programs in Colorado are designed to help families overcome barriers and create a safe, stable and nurturing home environment—one in which their children can grow and thrive. Vital services include those that provide basic cash assistance to families experiencing economic hardship and promote success in the labor force, improve life skills and personal and family functioning and help prevent problems before they become a crisis. In a recovering economy, families continue to rely on these support services, thus underlining their importance.

The Current Landscape: Trends in Economic Security and Family Well-Being

Note: Information in this section was excerpted from the *2013 KIDS COUNT in Colorado!* report. Please refer to that report for additional context and detail.

- Despite signs that Colorado's economy is in recovery, thousands of children and families across the state are still struggling to make ends meet in the wake of the Great Recession. Among all children 17 and younger, 18 percent were living in poverty in 2012—a higher share than in 2009 when the state was in the midst of the recession.
- Poverty rates for households headed by single mothers are especially high. In 2012, 34 percent of households with children under 18 headed by a single mother lived in poverty. For single mothers with very young children, poverty rates were even worse, with 43 percent of all households headed by a single mother with children under 5 in poverty in 2012.
- As financial burdens increase and inflict high levels of stress on thousands of Colorado families, instances of issues such as child abuse and neglect also tend to rise. In 2011, 8 out of every 1,000 Colorado children were confirmed victims of abuse or neglect, up from 7 out of every 1,000 kids in 2003.

Funding Sources and Major Programs

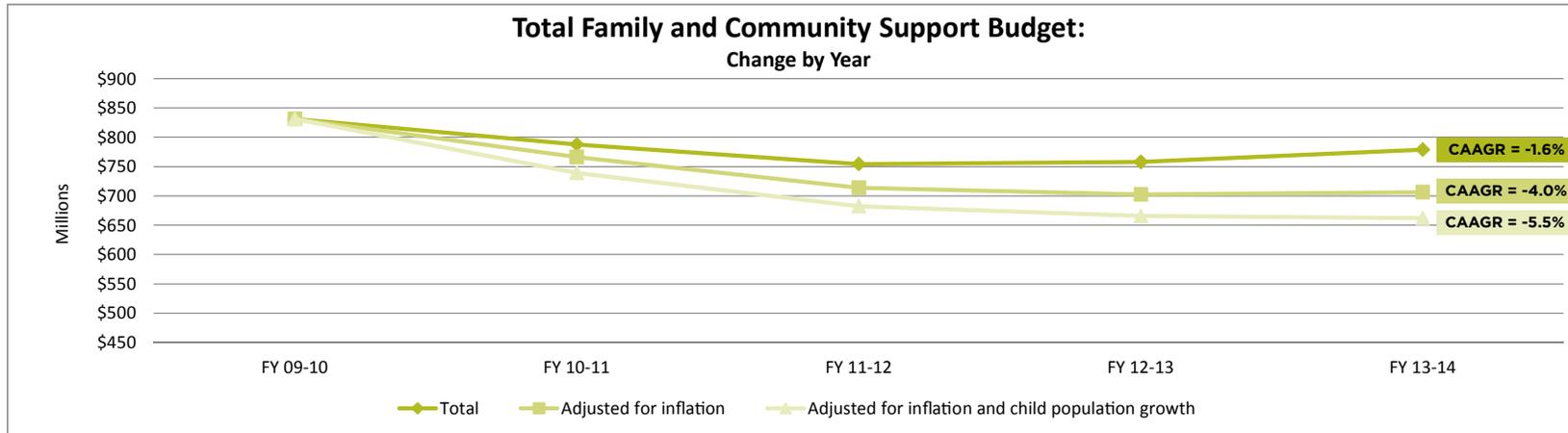
This section of the Children's Budget encompasses two categories of programs. The first category includes those supporting families' economic security that are administered by the Colorado Department of Human Services (CDHS) (about 30 percent of total appropriations in Family and Community Support). This includes Temporary Assistance to Needy Families (TANF), the Low-Income Energy Assistance Program (LEAP) and Child Support Enforcement. The second category includes investments in child and youth services (about 70 percent of total appropriations in this section). This includes child welfare; youth corrections and developmental disabilities; and prevention programs for children within the Colorado Department of Public Health.²⁷ These two categories (and their titles) were created as a tool for organizing the information in this section of the Children's Budget; they are not used in program administration or in other documents.

²⁷ These categories were created for purposes of organizing and presenting information within this *Children's Budget* document and are not used by the administering agencies or the Joint Budget Committee.



How Have Colorado Kids Fared? Five-Year Budget Trends and Implications

As need continues to increase in Colorado, financing for services critical to helping families get back on their feet has declined steeply. As shown in the figure below, the budget for family and community support decreased during the five-year period from \$831.3 million in FY 2009-2010 to \$778.7 million in FY 2013-2014. That is an average annual decrease of 1.6 percent. After taking inflation into account, the average annual decrease was 4 percent. Adding in the effects of child population growth, the decrease is even steeper: 5.5 percent per year.



Family Economic Security

The Office of Economic Security²⁸ within the Department of Human Services (CDHS) is responsible for providing short-term safety net services to enable families to achieve self-sufficiency. CDHS supervises or administers three programs:

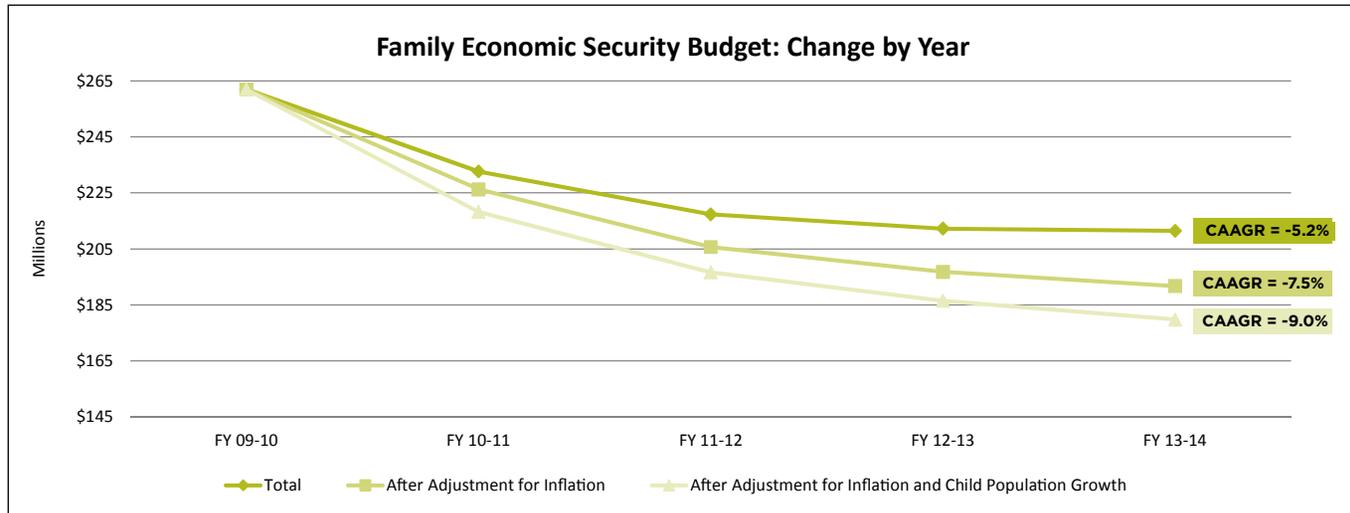
- Colorado Works, the state’s version of the federal Temporary Assistance to Needy Families (TANF) program. This program provides financial aid, employment services and other support services for families who have little or no income.²⁹
- Child Support Enforcement, which provides operational oversight, training, policy development and monitoring to county child support units.
- The Colorado Low-Income Energy Assistance Program (LEAP), which provides heating assistance, furnace repair and replacement and weatherization assistance to eligible households.



²⁸ The Department of Human Services is undergoing reorganization. The unit previously responsible for these programs was the Office of Self-Sufficiency.

²⁹ Affordable child care is critical for family self-sufficiency; to the extent that counties use their Colorado Works allocation for that purpose, those funds are included in this section of the *Children’s Budget*. However, the Colorado Child Care Assistance Program (CCCAP) is included in the Early Childhood section of this report.

CDHS is also responsible for administering SNAP, the Supplemental Nutritional Assistance Program (i.e., food stamps), which helps struggling families access adequate food. However, because the federal government fully pays for these benefits, the SNAP program is not included in this document.



Colorado Works is a state-supervised, county-administered system and many important program decisions are made at the county level. Spending is recorded in the state budget when funds are provided to counties. The counties, however, may spend a portion of their federal TANF funds to support related services that assist low-income families, including child welfare and child care subsidy programs. In addition, counties may retain a substantial amount of unspent TANF funds (county-controlled TANF reserves) for future needs.

Beginning in FY 2008-2009, counties began to spend down their TANF reserves and the state began spending down its TANF reserves. Between FY 2009-2010 and FY 2011-2012, temporary federal American Recovery and Reinvestment Act (ARRA) dollars helped reduce some of the fiscal pressure of the recession. Since FY 2011-2012, however, Colorado TANF funding has decreased by \$13.6 million annually due to Congress' failure to reauthorize the TANF Supplemental Grant Program.

Colorado's efforts to promote economic security for families rely to a great extent on federal funds. Federal grants account for 86 percent to 90 percent of the budget total, depending on the year. The remainder is mostly financed by cash funds (between 9 percent and 13 percent), including required county contributions. State General Fund contributions account for less than 2 percent of the funding for programs included in the family economic security category. While TANF and Child Support were protected from sequestration in the first round of cuts ordered by the federal Budget Control Act of 2011, federal financial support for the TANF program still decreased because of Congressional inaction on supplemental funding.



Child and Youth Services

Department of Human Services (CDHS) programs accounted for 98 percent of total spending in this category:

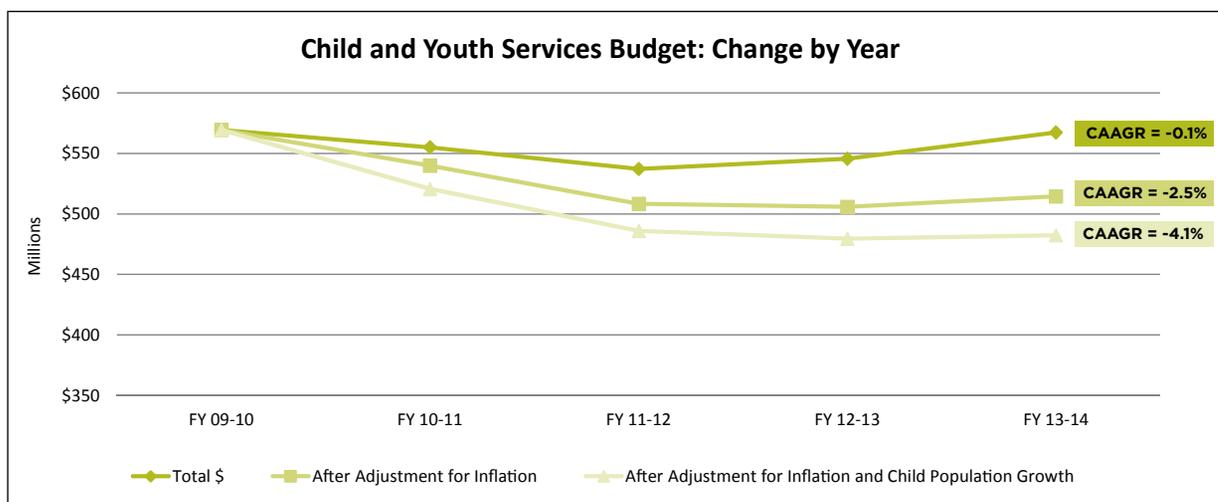
- Child Welfare Services includes Family and Children’s Programs, Foster and Adoptive Parent Recruitment, Promoting Safe and Stable Families and other child welfare services. Together, they account for 75 percent of funding in the child and youth services category. In 2013, both the executive and legislative branches of state government focused on improving the state’s child welfare system. This resulted in policy changes and new appropriations in FY 2013-2014 to focus on oversight and to support innovative practices.
- Youth Corrections programs for delinquent and adjudicated juveniles account for 21 percent of total spending in this category.
- Programs for children with developmental disabilities, such as family support services and children’s extensive support services, account for less than 2 percent of funding in the child and youth services category.

Colorado Department of Public Health and Environment programs in this category include: Interagency Prevention Program Coordination; the Colorado Children’s Trust Fund, which provides grants to prevent child abuse and neglect; and the Tony Grampas Youth Services grants, which provide funding for community-based services that aim to reduce incidents of youth crime and violence and to prevent child abuse and neglect. They account for 1 percent of appropriations in this subcategory.

The Office of the Child’s Representative (OCR, administered by the Judicial Branch) also accounted for 1 percent of total spending in this category. OCR contracts with private attorneys to represent children involved in the court system due to abuse or neglect, delinquency, truancy or other matters.

During the five-year study period, the state provided more than half of the funding for services in the child and youth services category through the General Fund and cash funds; the rest were federal funds.

The legislature appropriated \$567.3 million in FY 2013-2014 for programs in this category, a decline of 0.1 percent from FY 2009-2010. On average, funding declined by 0.1 percent per year during the five-year period. Accounting for inflation, real purchasing power decreased at the rate of 2.5 percent per year. When considering inflation and child population growth, the average annual decrease was 4.1 percent.



Part II: THE DETAILS

Children’s Health Programs Administered by the Colorado Department of Health Care Policy and Financing

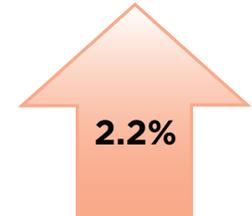
Medicaid Appropriations for Children, Foster Children and Pregnant Women

Program: Medicaid, a federal entitlement program, provides health coverage to several low-income population groups. HB 09-1293 expanded eligibility for Medicaid, with impacts starting in FY 2010-2011, but most of those changes did not affect the portions of the program included here. Senate Bill 13-200 expanded Medicaid eligibility for parents with income from 101 percent through 133 percent of the federal poverty level (FPL) and created new eligibility for other adults in the same income range.

Department: Health Care Policy and Financing

Financing: Medicaid is financed through a partnership between the federal government and the states. The federal government agrees to cover a percentage of state costs to provide covered medical services to eligible populations enrolled in the program. The federal match rate varies by state based on personal income, and is 50 percent for Colorado. The state uses a combination of state General Funds and cash funds to meet its share of expenses. Pursuant to Senate Bill 13-200, the FY 2013-14 increase over the adjusted FY 2012-13 appropriation is due primarily to a 9.6 percent growth in overall caseload; the caseload increase was 10.7 percent for eligible children. The federal Affordable Care Act provides a 100 percent match for expansion populations identified in the law from 2014 to 2015; the match gradually reduces to 90 percent by 2020 (see Notes).

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level (Total, all Medicaid Premiums)	\$2,929,236,159	\$3,395,627,672	\$3,642,032,762	\$3,985,613,386	\$4,438,829,600	
Funding Level (Children, Foster Children, Pregnant Women)	\$602,268,213	\$640,359,830	\$657,116,645	\$680,841,319	\$725,437,167	
% Change From Previous Year	7.6%	6.3%	2.6%	3.6%	6.6%	4.8%
% Change (Inflation Adjusted)	6.9%	3.4%	-0.2%	1.5%	4.2%	2.2%
% Change (Inflation & Child Population Adjusted)	3.1%	-0.3%	-1.0%	0.6%	3.1%	0.6%



Sources: JBC Staff Briefing Documents, Department of Health Care Policy & Financing, FY 2012-2013 and FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-089 (HCPF Supplemental); Colorado Department of Health Care Policy and Financing, FY 2013-14 Budget Request, submitted Nov. 1, 2012; Vol. IE: Exhibit B Medicaid Caseload, Final Request: Official Medicaid Caseload Actuals and Projections without Retroactivity from REX01/COLD(MARS) 474701 Report and Exhibit C, History and Projections of Per Capita Costs, Cash Based (last accessed July 31, 2013); HCPF Medicaid Caseload FY 2013-14 Budget Request February 15, 2013.

Notes: Expenditure totals are calculated as caseload multiplied by per person cost as documented in the Department of Health Care Policy and Financing FY 2013-14 budget request. Federal funds will cover 100 percent of costs for newly eligible Medicaid individuals through 2016. In 2017, the federal match rates begin to taper down until 2020, when Colorado will be responsible for 10 percent of these costs going forward.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Medicaid Mental Health Community Programs for Children, Foster Children & Pregnant Women

Program: Medicaid, a federal entitlement program, provides health insurance coverage, including mental health services, to several low-income population groups. This table includes services purchased from five regional Behavioral Health Organizations (BHOs), which manage service delivery for eligible Medicaid recipients using a capitated (payment per person rather than per service), risk-based model. The table also includes funding for those Medicaid mental health fee-for-service services not covered by the capitation contracts and rates.

Department: Health Care Policy and Financing

Financing: Medicaid is financed through a partnership between the federal government and the states. The federal government agrees to cover a percentage of state costs to provide covered medical services to eligible populations who have enrolled in the program. The federal match rate varies by state based on personal income, and is 50 percent for Colorado. The American Recovery and Reinvestment Act (ARRA), which increased the federal match rate, allowed a temporary replacement of a portion of state funds with federal funds in fiscal years 2009, 2010, and 2011 only. The state share of program costs is mainly General Fund, with some support from Amendment 35 tobacco tax funds appropriated annually to the Health Care Expansion Fund. HCPF estimates that in FY 2013-14, 38 percent of appropriations for the Expanded Medicaid Mental Health Community Program will be spent on the Baby Care Program for Adults, children, and foster care children. This population represents 60 percent of caseload).

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation/ Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$225,955,715	\$253,223,259	\$277,270,653	\$316,728,340	\$352,220,637	
Estimated Amounts for Children, Foster Children and Pregnant Women	\$102,663,769	\$101,024,557	\$106,905,240	\$115,228,681	\$125,756,327	
% Change From Previous Year	0.6%	-1.6%	5.8%	7.8%	9.1%	5.2%
% Change (Inflation Adjusted)	0.0%	-4.3%	2.9%	5.6%	6.7%	2.7%
% Change (Inflation & Child Population Adjusted)	-3.6%	-7.7%	2.0%	4.7%	5.6%	1.0%



Sources: JBC Staff Briefing Documents, Department of Health Care Policy & Financing, FY 2012-2013 and FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee Appropriations Report FY 2013-14; Senate Bill 13-089 (HCPF Supplemental); Colorado Department of Health Care Policy and Financing, FY 2013-14 Budget Request, submitted Nov. 1, 2012, Vol. IE: Exhibit B Medicaid Caseload, Final Request: Official Medicaid Caseload Actuals and Projections without Retroactivity from REX01/COLD(MARS) 474701 Report and Exhibit C: History and Projections of Per Capita Costs, Cash Based (last accessed July 31, 2013).

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.



CHP+ Appropriations for Medical Premiums for Children and Pregnant Women and Children's Dental Premiums

Program: The Colorado Children's Health Insurance Program (CHP+) is a state and federal partnership that provides coverage for uninsured children and pregnant women in families with incomes too high to qualify for Medicaid, but too low to reasonably afford private health insurance coverage. The program provides low-cost health insurance that covers checkups, immunizations and other medical needs as well as dental exams and cleanings. Private contractors administer the program.

Department: Health Care Policy and Financing

Financing: Like Medicaid, CHP+ is financed through a partnership between the federal government and the states. The federal government covers 65 percent of program costs. Colorado relies primarily on cash funds (including tobacco taxes, Master Settlement Agreement funds, the Colorado Immunization Fund and re-appropriated funds from the Children's Basic Health Trust Fund) for its share of program costs. The Children's Basic Health Trust Fund receives Master Settlement Agreement funds, enrollment fees charged to clients, interest earnings and, if needed to maintain an appropriate balance, General Funds. Beginning in May 2010, Hospital Provider Fee revenue also supports CHP+ eligibility up to 250 percent of FPL.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$178,495,021	\$177,283,900	\$182,454,122	\$191,563,763	\$194,274,465	
% Change From Previous Year	36.6%	-0.7%	2.9%	5.0%	1.4%	2.1%
% Change (Inflation Adjusted)	35.8%	-3.4%	0.1%	2.9%	-0.8%	-0.3%
% Change (Inflation & Child Population Adjusted)	30.9%	-6.8%	-0.8%	2.0%	-1.9%	-1.9%



Sources: JBC Staff Briefing Documents, *Department of Health Care Policy & Financing*, FY 2012-2013 and FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee Appropriations Report FY 2013-14; Senate Bill 13-089 (HCPF Supplemental); Colorado Department of Health Care Policy and Financing, FY 2013-14 Budget Request, submitted Nov. 1, 2012, Vol. IE: Exhibit B Medicaid Caseload, Final Request: Official Medicaid Caseload Actuals and Projections without Retroactivity from REX01/COLD(MARS) 474701 Report and Exhibit C, History and Projections of Per Capita Costs, Cash Based (ast accessed July 31, 2013) Projections; Exhibit C7 - Prenatal Caseload History and Projections.

Notes: Expenditure totals are calculated as caseload multiplied by per person cost as in the Department of Health Care Policy and Financing FY 2013-14 Budget Request.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

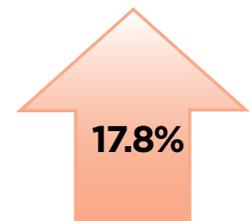
Public School Health Services

Program: School districts participating in this program receive a federal match for certified public expenditures on health care services provided to Medicaid-enrolled students as called for in a student's Individualized Education Plan or Individualized Family Service Plan. The wide range of services includes physician services, speech-language services, nursing services, audiology services, personal care services, occupational therapy, physical therapy, specialized transportation, mobility and vision services, targeted case management, and psychology and counseling services.

Department: Health Care Policy and Financing

Financing: HCPF transfers federal Medicaid funds to the Colorado Department of Education (CDE) to reimburse school districts participating in the program. The FY 2013-14 appropriation included an increase of \$3.2 million to more accurately reflect expected expenditures by school districts and the matching federal funds.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$25,597,360	\$24,659,097	\$44,781,920	\$51,300,118	\$54,353,956	
% Change From Previous Year	35.3%	-3.7%	81.6%	14.6%	6.0%	20.7%
% Change (Inflation Adjusted)	34.5%	-6.3%	76.6%	12.2%	3.6%	17.8%
% Change (Inflation & Child Population Adjusted)	29.7%	-9.6%	75.1%	11.3%	2.5%	15.9%



Sources: JBC Staff Briefing Documents, *Department of Health Care Policy & Financing*, FY 2012-2013 and FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee Appropriations Report FY 2013-14; Senate Bill 13-089 (HCPF Supplemental); Colorado Department of Health Care Policy and Financing, FY 2013-14 Budget Request, submitted Nov. 1, 2012.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Select CICIP Programs: Children’s Hospital Clinic Based Indigent Care & Pediatric Specialty Hospital

Program: The Colorado Indigent Care Program (CICP) provides funds to hospitals and clinics with uncompensated costs from treating underinsured or low-income uninsured Coloradans whose household income and resources combined are at or below 250 percent of FPL. The CICP provides health care reimbursement for approximately 10,200 children.* CICP is neither an insurance program nor an entitlement program, but rather a tool that enables providers to recoup some of the costs of providing medical services to the medically indigent. The program contracts directly with hospitals and community health clinics to provide specific services to eligible individuals. Almost all clients are required to pay a minimal annual co-payment; co-payments cannot exceed 10 percent of the family’s total income. Clients can have third-party insurance, but this resource must be exhausted prior to the providers receiving any reimbursement through the program.

Department: Health Care Policy and Financing

Financing: As of FY 2011-2012, there were four budget line items in the program: Safety-Net Provider payments, The Children’s Hospital Clinic Based Indigent Care, Health Care Services Fund Programs and Pediatric Specialty Hospital. Funding sources for these programs include the state General Fund, cash funds (including funds certified at public hospitals and the Primary Care Program Fund) and federal funds.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation/ Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level (all CICP clients)	\$319,289,689	\$340,399,906	\$330,063,145	\$304,975,230	\$329,215,884	
Funding Level (children only)	\$17,880,223	\$18,721,995	\$14,753,823	\$14,333,836	\$15,473,147	
% Change From Previous Year	-12.4%	4.7%	-21.2%	-2.8%	7.9%	-3.6%
% Change (Inflation Adjusted)	-12.9%	1.9%	-23.3%	-4.8%	5.6%	-5.9%
% Change (Inflation & Child Population Adjusted)	-16.0%	-1.8%	-24.0%	-5.6%	4.5%	-7.4%



Sources: JBC Staff Briefing Documents, Department of Health Care Policy & Financing, FY 2012-2013 and FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-089 (HCPF Supplemental) Colorado Department of Health Care Policy and Financing, FY 2013-14 Budget Request, submitted Nov. 1, 2012. Vol. IE: Exhibit B Medicaid Caseload, Final Request: Official Medicaid Caseload Actuals and Projections without Retroactivity from REX01/COLD(MARS) 474701 Report and Exhibit C, History and Projections of Per Capita Costs, Cash Based (last accessed July 31, 2013).

Notes: Line 1 in the table shows total funding for all CICP line items for all CICP clients. Line 2 shows the total funding for CICP children only. This figure is based on the percent of unduplicated children making up the total unique population receiving CICP services. The latest CICP Annual Report available indicates that 4.7 percent of children qualified for CICP services in FY 2011-12. This percentage was applied to calculate CICP expenditures for children in FY 2012-13 and FY 2013-14. According to the report, between FY 2010-11 and FY 2011-12, the total unduplicated count of children who received services under CICP decreased by 14.5 percent. The decline was largely due to the transition of children to other programs such as Medicaid and CHP+ (p.10).

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Children’s Health Programs Administered by the Colorado Department of Public Health and Environment

Maternal and Child Health

Program: The Maternal and Child Health Program seeks to improve the health care of pregnant women, mothers and children. The program addresses access to health care; alcohol, tobacco and substance use by pregnant women; babies with low birthweight; immunizations; access to care for children with special needs; and access to mental health services.

Department: Colorado Department of Public Health and Environment

Financing: The program is funded by the federal Maternal and Child Health Block Grant, which requires a state match of \$3 for every \$4 in federal funding received. All of the funds shown in this table are federal funds. The state’s required match is met through other CDPHE programs, such as School-Based Health Centers and Children with Special Health Care Needs.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation/ Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$3,513,154	\$3,703,586	\$4,659,370	\$3,706,749	\$4,659,400	
% Change From Previous Year	4.8%	5.4%	25.8%	-20.4%	25.7%	7.3%
% Change (Inflation Adjusted)	4.1%	2.6%	22.4%	-22.1%	22.9%	4.7%
% Change (Inflation & Child Population Adjusted)	0.4%	-1.1%	21.3%	-22.7%	21.6%	3.1%



Sources: JBC Staff Briefing Documents, *Department of Public Health and Environment*, FY 2012-2013 and FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-100 (CDPHE Supplemental).

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.



Population-based Programs

Program: Population-based programs enhance community health by preventing disease, injury, disability and premature death. These programs have an education, prevention and/or intervention focus; they do not include clinical services to individual patients. Some programs target a particular population group; others target the population at large. While children are not the sole focus of any of the programs described below, all the programs contribute to healthy outcomes for children.

Suicide Prevention: The Office of Suicide Prevention (CDPHE Family and Community Health Division), leads statewide suicide prevention and intervention efforts in Colorado. Efforts focus largely on protecting youth and young adults, as suicide was the second leading cause of death among Coloradans ages 10 to 34. This program is funded by the General Fund, federal dollars from various sources (e.g., Maternal and Child Block Grant, SAMHSA Substance Abuse and Mental Health Services Administration) and private dollars.

Poison Control: CDPHE (Disease Control and Environmental Epidemiology Division) contracts with Rocky Mountain Poison and Drug Center to provide a 24-hour toll-free hotline for poison and drug information as well as training to the public and public health professionals regarding the proper treatment for poisoning and drug overdoses. The Center also monitors patterns in illness to detect possible biological or chemical terrorism threats. This program is funded by the General Funds.

The Immunization Program: CDPHE (Disease Control and Environmental Epidemiology Division) decreases preventable illness through best practices using vaccines. Program services include public education about vaccines and their use; Vaccines for Children (VFC) provider enrollment; childhood, adolescent and adult immunization schedules; school immunization requirements; and vaccine administration, storage and handling. This program is funded by federal funds, cash funds and the General Fund.

The Health Disparities Grant Program: CDPHE (Administration and Support Division) provides financial support for statewide initiatives that address prevention, early detection and treatment of cancer; cardiovascular disease, including diabetes and other precursors; and pulmonary diseases in underrepresented populations. Appropriations for this program derive primarily from the Amendment 35 tobacco tax funds, supplemented by the General Fund.

Department: Health Care Policy and Financing

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation/ Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE* % Change (Inflation & Child Population Adjusted) <i>program only</i>	AVERAGE ANNUAL CHANGE* <small>Total for all popula- tion based shown</small>
Suicide Prevention	\$285,063	\$283,034	\$281,614	\$384,348	\$384,348	3.5%	
Poison Control	\$1,421,442	\$1,421,442	\$1,414,876	\$1,414,876	\$1,414,876	-4.1%	
Immunizations	\$8,527,844	\$7,395,598	\$7,722,102	\$7,591,534	\$7,798,474	-6.1%	
Health Disparities	\$4,506,941	\$1,121,186	\$4,001,718	\$3,590,011	\$4,036,297	-6.6%	
Total Funding Level	\$14,741,290	\$10,221,260	\$13,420,310	\$12,980,769	\$13,633,995		
% Change From Previous Year	14.2%	-30.7%	31.3%	-3.3%	5.0%		-1.9%
% Change (Inflation Adjusted)	13.5%	-32.5%	27.7%	-5.2%	2.7%		-4.3%
% Change (Inflation & Child Population Adjusted)	9.4%	-35.0%	26.6%	-6.0%	1.6%		-5.8%



Sources: JBC Staff Briefing Documents, *Department of Public Health and Environment* FY 2012-2013 and FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-100 (CDPHE Supplemental).

Notes: The Health Disparities program is coordinated within CDPHE with other programs that receive funds from the tobacco tax (Cancer, Cardiovascular Disease and Pulmonary Disease Program, Women's Wellness Connection, and State Tobacco Education and Prevention Partnership).

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Health Care Programs for Children with Special Needs

Program: The Health Care Program for Children with Special Needs (HCP) seeks to ensure statewide access to integrated, family-centered, culturally competent and community-based programs and services for families with children and youth with special needs. HCP works closely with community residents, providers, agencies and leaders in regional offices located throughout Colorado. Health care needs may be physical, emotional or behavioral; conditions may last a lifetime, or end with treatment. Children with conditions including asthma, autism, cancer, cerebral palsy, cleft palate, cystic fibrosis, developmental disabilities, diabetes, kidney disease, loss of hearing or vision, sickle cell anemia and traumatic brain injury (TBI), among others, are eligible. HCP programs and activities include training, consultation and capacity-building with community partners; community-based screenings, evaluations and clinics; service referrals and care coordination for local families and providers; local medical home/primary care network development; local family-to-family support; and data and information to support policy and resource development.

Department: Colorado Department of Public Health and Environment, Prevention Services Division/Family and Community Health

Financing: The state General Fund and federal funds provide most of the funding for HCP. CDPHE allocates formula funding to all 64 counties and provides funding to 55 local public health agencies.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation/ Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$4,850,225	\$4,607,782	\$5,660,546	\$6,248,786	\$4,791,540	
% Change From Previous Year	-0.4%	-5.0%	22.8%	10.4%	-23.3%	-0.3%
% Change (Inflation Adjusted)	-1.0%	-7.6%	19.5%	8.2%	-25.0%	-2.7%
% Change (Inflation & Child Population Adjusted)	-4.6%	-10.9%	18.5%	7.2%	-25.8%	-4.3%



Sources: JBC Staff Briefing Documents, *Department of Public Health and Environment*, FY 2012-2013 and FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-100 (CDPHE Supplemental); Colorado Department of Public Health and Environment, *Children With Special Needs Unit*, <http://www.colorado.gov/cs/Satellite/CDPHE-PSD/CBON/1251617590646>

Note: The HCP and the Maternal and Child Health Service (MCH) priorities overlap. MCH is funded by Title V Federal Block Grant monies. Funding for both HCP and MCH are allocated to local public health departments, specialty clinic, and other specified providers.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Oral Health Community Programs

Program: The Oral Health Program became Oral Health Community Programs in FY 2013-14. Through community grant awards, this program funds cost-effective preventive programs for reducing dental decay. These programs include community-wide efforts such as community water fluoridation and tobacco cessation programs as well as promoting direct dental services and oral hygiene, brushing and flossing, and other healthy lifestyle behaviors.

Department: Public Health and Environment, Prevention Services Division, Chronic Disease Prevention Programs

Financing: Appropriations for this program derive from federal funds, cash funds, and the General Fund.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$1,245,377	\$1,569,290	\$1,257,994	\$1,553,788	\$4,283,041	
% Change From Previous Year	13.8%	26.0%	-19.8%	23.5%	175.7%	36.2%
% Change (Inflation Adjusted)	13.1%	22.6%	-22.0%	21.0%	169.6%	32.9%
% Change (Inflation & Child Population Adjusted)	9.1%	18.2%	-22.7%	20.0%	166.7%	30.8%



Sources: JBC Staff Briefing Documents, *Department of Public Health and Environment*, FY 2012-2013 and FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-100 (CDPHE Supplemental); Senate Bill 13-261, Fiscal Note 4/17/13

Note: Senate Bill 13-261 restructured CDPHE's oral health programs by replacing existing dental assistance and water fluoridation programs with one consolidated grants program. Grants will be awarded to improve school-based and school-linked programs to prevent tooth decay, targeting children who are eligible for free and reduced-priced lunches or who attend school in a school district with a median household income at or below 235 percent of the FPL; water supply systems to implement or monitor fluoridation practices, and other evidence-based programs that promote oral health.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Family and Community Health: Child, Adolescent and School Health

Program: CDPHE’s Prevention Services Division leads efforts to improve the health and well-being of all Coloradans through health promotion, public health prevention programs, and access to health care. The Division’s Child, Adolescent and School Health Unit provides technical support to school districts and school health personnel, public health units, and child care and health providers on a range of issues affecting the health of children, including nutrition, physical and mental health, and injury prevention. School-Based Health Centers (SBHCs) provide a range of primary medical care and mental health services to enrolled students during the school day, offering services that are distinct from the school nurses office. Services can be preventive as well as treatment-oriented, depending on the needs of the student. School districts (public and charter schools) operate the SBHCs in cooperation with other health service providers such as hospitals, medical providers and community health centers. In the 2012-13 school year, there were 55 SBHCs operating in 23 Colorado school districts.

Department: Colorado Department of Public Health and Environment, Prevention Services Division/Family and Community Health

Financing: School-Based Health Centers are funded by a mix of federal, state and local funds, as well as private grants and donations, patient revenue and in-kind support. Most SBHCs are funded with three or more sources of funds; more than half are funded with at least five sources of funds. Centers receive General Fund dollars via a grant program in CDPHE that was established in 2006. In FY 2013-14, the General Assembly approved an increase of \$4.2 million from the General Fund to enable CDPHE to provide grants not only for ongoing expenses, but also for expansion projects, improvements to existing SBHCs, and to enable CDPHE support for the planning and development of new SBHCs.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation/ Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
School-Based Health Centers	\$998,542	\$998,204	\$998,204	\$994,316	\$994,316	
Other Federal Grants	\$1,217,844	\$1,703,108	\$1,108,651	\$2,553,351	\$1,108,700	
Total Funding Level	\$2,216,386	\$2,701,312	\$2,106,855	\$3,547,667	\$2,103,016	
% Change From Previous Year	73.7%	21.9%	-22.0%	68.4%	-40.7%	-1.3%
% Change (Inflation Adjusted)	72.6%	18.6%	-24.1%	65.0%	-42.0%	-3.7%
% Change (Inflation & Child Population Adjusted)	66.4%	14.3%	-24.8%	63.6%	-42.6%	-5.2%



Sources: JBC Staff Briefing Documents, *Department of Public Health and Environment*, FY 2012-2013 and FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-100 (CDPHE Supplemental) ;CDPHE, 2012 Family Planning Program; Maternal and Child Health Services Title V Block Grant State Narrative for Colorado Application for 2013/Annual Report for 2011.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

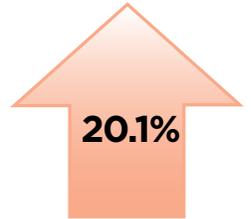
Prevention Services: Tobacco Education, Prevention and Cessation

Program: CDPHE's Prevention Services Division leads efforts to improve the health and well-being of all Coloradans through health promotion, public health prevention programs, and access to health care. Tobacco is the leading cause of preventable death in Colorado. The state's Tobacco Education, Prevention and Cessation Program mobilizes organizations and individuals to work together to support tobacco-free lifestyles and environments and combat this deadly public health issue.

Department: Colorado Department of Public Health and Environment, Prevention Services Division

Financing: CDPHE's Prevention Services Division is funded by a mix of federal, state and local funds. Some of the federal dollars are allocated through the Preventive Health and Health Services Block Grant. State dollars come primarily from Amendment 35 tobacco tax funds. During FY 2010-11 and FY 2011-12, the General Assembly passed legislation that transferred Amendment 35 funds to the Department of Health Care Policy and Financing to offset General Fund shortfalls in those fiscal years (\$25.6 million in FY 2010-11 and \$33.0 million in FY 2011-12). In FY 2012-13, Amendment 35 funds were not transferred to HCPF, resulting in the large increase from FY 2011-12 expenditures to the FY 2012-13 appropriation.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$11,900,215	\$7,670,502	\$5,519,914	\$24,167,314	\$27,279,739	
% Change From Previous Year	-57.2%	-35.5%	-28.0%	337.8%	12.9%	23.0%
% Change (Inflation Adjusted)	-57.4%	-37.3%	-30.0%	329.0%	10.4%	20.1%
% Change (Inflation & Child Population Adjusted)	-59.0%	-39.5%	-30.6%	325.3%	9.2%	18.2%



Sources: JBC Staff Briefing Documents, *Department of Public Health and Environment*, FY 2012-2013 and FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-100 (CDPHE Supplemental)

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Prevention Services: Women's Health Unit/Family Planning

Program: The Family Planning Program seeks to reduce unintended pregnancies by ensuring all Coloradans have access to affordable, quality contraceptive and reproductive health services.

Department: Colorado Department of Public Health and Environment, Prevention Services Division

Financing: CDPHE's Prevention Services Division is funded by a mix of federal, state and local funds. Some of the federal funds come from the Maternal and Child Health (MCH) Services Block Grant. The MCH Services Block Grant is the primary source of federal funding for Colorado's Maternal and Child Health Program that aims to optimize the health and well-being of all of Colorado's mothers, children, adolescents and families. CDPHE distributes about \$4.7 million in federal Title X Family Planning funds to 29 local public health and non-profit agencies across the state to provide family planning services to about 62,000 men and women.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation/ Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Total Funding Level	\$6,422,157	\$5,148,905	\$4,931,718	\$5,138,214	\$4,932,026	
% Change From Previous Year	0.3%	-19.8%	-4.2%	4.2%	-4.0%	-6.4%
% Change (Inflation Adjusted)	-0.3%	-22.0%	-6.8%	2.1%	-6.1%	-8.7%
% Change (Inflation & Child Population Adjusted)	-3.9%	-24.8%	-7.6%	1.2%	-7.1%	-10.1%



Sources: JBC Staff Briefing Documents, *Department of Public Health and Environment* FY 2012--2013 and FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-100 (CDPHE Supplemental); CDPHE, 2012 Family Planning Program; Maternal and Child Health Services Title V Block Grant State Narrative for Colorado Application for 2013/Annual Report for 2011; Colorado Women in Need, 2013 (CDPHE)

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Children's Health Programs Administered by the Colorado Department of Human Services

Treatment Services for High-Risk Pregnant Women

Program: This Medicaid-funded entitlement program serves pregnant women who need substance use disorder treatment. Low-income pregnant women, regardless of Medicaid eligibility, may receive services from 13 designated treatment providers located throughout the state. Services include an in-depth assessment, individual and group counseling, case management, health education, and urinalysis screening and monitoring. Treatment services are also funded for women whose families are involved with the child welfare system.

Department: Colorado Department of Human Services, Alcohol and Drug Abuse Division

Financing: The state funds this program with re-appropriated funds from Medicaid and the federal Substance Abuse Prevention and Treatment Block Grant. Several state departments, including the Department of Human Services (DHS), contract with community providers to provide services to eligible clients. An annual inflationary increase or cost-of-living adjustment for contracting providers was historically appropriated; however, state revenue shortfalls in recent years have led to reductions in provider reimbursements.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Total Funding Level	\$1,474,989	\$1,191,166	\$1,126,309	\$1,999,146	\$1,429,133	
% Change From Previous Year	1.0%	-19.2%	-5.4%	77.5%	-28.5%	-0.8%
% Change (Inflation Adjusted)	0.4%	-21.4%	-8.0%	73.9%	-30.1%	-3.2%
% Change (Inflation & Child Population Adjusted)	-3.2%	-24.2%	-8.8%	72.4%	-30.8%	-4.7%



Sources: JBC Staff Briefing Documents, *Department of Human Services* (Child Welfare, Child Care, Self-Sufficiency, Division of Youth Corrections, Services for People with Disabilities, Mental Health and Drug Abuse Services); FY 2012-2013 and FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-091 (CHDS Supplemental)

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Residential Treatment for Youth

Program: The Child Mental Health Treatment Act (HB 99-1116) provides parents with a range of residential mental health treatment services for children without requiring a dependency and neglect action (i.e., without going through local county departments of human services or the court system). The Residential Treatment for Youth Program provides funding to assist families in placing a child in a therapeutic residential child care facility when the child is not eligible for Medicaid. Funding helps to cover the initial costs of treatment and room and board for a child who will subsequently be Medicaid-eligible based on a disability and temporary placement in the residential treatment center. The Department covers sliding scale parent fees and expenses that are not paid by private insurance, Medicaid and Supplemental Security Income (SSI). Several state departments, including DHS, contract with community providers to provide services to eligible clients.

Department: Colorado Department of Human Services

Financing: This program is funded by a combination of federal, state and local funds. Cash fund sources include tobacco settlement funds (HB 04-1421) and local funds from treatment providers. Re-appropriated funds are primarily Medicaid funds transferred from the Department of Health Care Policy and Financing. The majority of the federal funds are from the Mental Health Services Block Grant. An annual inflationary increase or cost-of-living adjustment for contracting providers was historically appropriated; however, in recent years state revenue shortfalls have led to reductions in provider reimbursements.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation/ Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Total Funding Level	\$1,011,487	\$862,519	\$1,018,778	\$976,994	\$987,149	
% Change From Previous Year	18.0%	-14.7%	18.1%	-4.1%	1.0%	-0.6%
% Change (Inflation Adjusted)	17.3%	-17.0%	14.9%	-6.0%	-1.2%	-3.0%
% Change (Inflation & Child Population Adjusted)	13.1%	-20.0%	13.9%	-6.9%	-2.2%	-4.6%



Sources: JBC Staff Briefing Documents, *Department of Human Services* (Child Welfare, Child Care, Self-Sufficiency, Division of Youth Corrections, Services for People with Disabilities, Mental Health and Drug Abuse Services), FY 2012-2013 and FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-091 (CHDS Supplemental).

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.



Programs Administered by the Colorado Department of Public Health and Environment

Child and Adult Care Food Program (CACFP)

Program: CACFP offers reimbursement to providers for nutritious meals and snacks served to eligible children in qualifying child care centers, family child care homes, after school programs, homeless shelters and adult care centers. In order to participate, institutions must be certified or licensed by a federal, state or local authority. Infants and children through age 12 and children of migrant workers through age 15 who are enrolled in child care centers, family day care homes, or other early education facilities are eligible.

Department: Colorado Department of Public Health and Environment

Financing: This program is federally funded. The state allocation is determined based on the claims for reimbursement submitted by participating organizations for meals/snacks served.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$23,278,564	\$24,232,067	\$24,534,865	\$24,229,230	\$24,534,900	
% Change From Previous Year	3.0%	4.1%	1.2%	-1.2%	1.3%	1.3%
% Change (Inflation Adjusted)	2.4%	1.3%	-1.5%	-3.2%	-1.0%	-1.1%
% Change (Inflation & Child Population Adjusted)	-1.3%	-2.3%	-2.4%	-4.1%	-2.0%	-2.7%



Sources: JBC Staff Briefing Documents, *Department of Public Health and Environment*, Administrative and Health Divisions, FY 2009-2010, FY 2010-2011, FY 2011-2012; FY 2012-2013; House Bill 12-1335 (Long Bill); House Bill 12-1194 (CDPHE Supplemental); State of Colorado Joint Budget Committee *Appropriations Report* FY 2012-13; Colorado Department of Public Health and Environment, *Colorado Child and Adult Food Program*, <http://www.cdph.state.co.us/ps/cacfp/index.html>; U.S. Department of Agriculture, Food and Nutrition Services, *Child & Adult Care Programs*, <http://www.fns.usda.gov/cnd/care/default.htm>

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Women, Infants and Children Supplemental Food Grant (WIC)

Program: This program provides supplemental food, health care referrals and nutrition education for low-income pregnant, breastfeeding and postpartum women, as well as to children up to age 5. To receive benefits, households must apply and meet eligibility requirements: incomes at or below 185 percent of the federal poverty level (\$39,185 per year for a family of four in 2012), state residency requirements, and nutritional risk determination by a health professional.

Department: Colorado Department of Public Health and Environment, Nutrition Services

Financing: This program is federally funded. Congress determines funding levels annually and then allocates the total among states based on a formula.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$91,938,849	\$93,710,533	\$95,869,953	\$93,670,878	\$95,870,000	
% Change From Previous Year	0.2%	1.9%	2.3%	-2.3%	2.3%	1.1%
% Change (Inflation Adjusted)	-0.4%	-0.8%	-0.5%	-4.3%	0.1%	-1.4%
% Change (Inflation & Child Population Adjusted)	-4.0%	-4.4%	-1.3%	-5.1%	-1.0%	-3.0%



Sources: JBC Staff Briefing Documents, *Department of Public Health and Environment*, Administrative and Health Divisions, FY 2010-2011, FY 2011-2012, FY 2012-2013 FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013--14; U.S. Department of Agriculture, Food & Nutrition Services, *Women, Infants, and Children*.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Nurse Home Visitor Program (NHVP)

Program: The Nurse Home Visitor Program (NHVP) provides services to first-time pregnant women whose incomes are under 200 percent of the federal poverty level (\$47,100 annually for a family of four in 2013) and who elect to participate in the program. Specially trained nurse home visitors address a mother’s personal health; provide advice on prenatal, newborn and children’s health care, child development, and home safety; and facilitate access to educational, social and employment resources.

Department: Colorado Department of Public Health and Environment; beginning Oct. 1, 2013, the Nurse Home Visitor Program resides in the Department of Human Services, Office of Early Childhood

Financing: The Nurse Home Visitor Program is funded primarily through Tobacco Master Settlement Agreement (MSA) Tier 1 dollars and supplemented by federal Medicaid funds for targeted case management reimbursement. The federal funding provided by the Maternal, Infant, and Early Childhood Home Visiting program (MIECHV), established in the federal Patient Protection and Affordable Care Act of 2010, is not reflected in the funding levels shown below.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$12,737,350	\$13,154,160	\$12,623,268	\$16,324,606	\$13,729,550	
% Change From Previous Year	3.0%	3.3%	-4.0%	29.3%	-15.9%	1.9%
% Change (Inflation Adjusted)	2.4%	0.5%	-6.7%	26.7%	-17.7%	-0.6%
% Change (Inflation & Child Population Adjusted)	-1.3%	-3.1%	-7.5%	25.6%	-18.6%	-2.2%



Sources: JBC Staff Briefing Documents, *Department of Public Health and Environment*, Administrative and Health Divisions, FY 2010--2011, FY 2011-2012, FY 2012-2013, FY 2013-2014; Senate Bill 13-230 (Long Bill); House Bill 12-1194 (CDPHE Supplemental); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Colorado Department of Public Health and Environment, *Nurse Home Visitor Program Annual Report*, July 2011-June 2012 (CDPHE, November 2012); Colorado Children’s Campaign. (2013). “Go: Quality Early Care and Learning”; Nurse Family Partnership in Colorado; personal communication with Melinda Cox, CDHS, Office of Child & Family Services, Division of Child Welfare.

Note: Distinct from the NHVP, the Nurse-Family Partnership is a free-standing nonprofit organization that serves families in 52 of Colorado’s 64 counties through 19 individual agencies. These agencies consist of public health departments, community health centers, community nursing agencies and hospital systems. Four organizations manage the project: the Colorado Department of Public Health and Environment; National Center for Children, Families & Communities, College of Nursing, University of Colorado Denver; the NFP National Service Office; and Invest in Kids.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.



Programs Administered by the Colorado Department of Human Services

Early Intervention Services

Program: Through this program, the state coordinates a comprehensive interagency system of services for infants and toddlers with disabilities from birth through age 2. Services for both the child and his/her family are designed and delivered through an Individualized Family Service Plan (IFSP). The program also supports Child Find, a local-level referral system that identifies children with developmental issues at as young an age as possible and refers them to appropriate services.

Department: Colorado Department of Human Services, Office of Early Childhood

Financing: Sources of funding for this program are the General Fund, federal funds under Parts B and C of the Individuals with Disabilities Education Act (IDEA), other federal funds, cash funds, mill levies and private funds. As a condition of receiving federal funds, the state is required to provide Early Intervention (EI) services to all eligible infants and toddlers. Part C addresses Early Intervention Services for children birth through two years of age who have developmental delays or disabilities. Part B addresses Preschool Special Education Services for children transitioning from services under Part C. The Colorado Department of Education is the lead agency for Part B of IDEA. See the PK-12 Section of this report for details. Payment for actual services to children is derived from a tiered system of private and federal sources. The payers of last resort are the State General Fund and Federal Part C of IDEA Funds, respectively. In FY 2013-14, additional funds were appropriated for increased early intervention services and case management services resulting from a 5.97 percent projected caseload growth.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Early Intervention	\$11,098,328	\$12,440,977	\$13,161,802	\$14,960,930	\$17,177,707	
Custodial Funds for Early Intervention	\$7,565,363	\$6,053,908	\$10,895,854	\$3,421,443	\$3,421,443	
Federal Special Ed Grant for Infants, Toddlers and their Families (Part C)	\$11,661,848	\$8,065,742	\$7,988,552	\$7,030,214	\$8,041,400	
Total	\$30,325,539	\$26,560,627	\$32,046,208	\$25,412,587	\$28,640,550	
% Change From Previous Year	24.8%	-12.4%	20.7%	-20.7%	12.7%	-1.4%
% Change (Inflation Adjusted)	24.0%	-14.8%	17.4%	-22.3%	10.2%	-3.8%
% Change (Inflation & Child Population Adjusted)	19.6%	-17.8%	16.3%	-23.0%	9.1%	-5.3%



Sources: JBC Staff Briefing Documents, *Department of Human Services*, FY 2010-2011, FY 2011-2012, FY 2012-2013, FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-091 (CHDS Supplemental); Early Intervention Colorado State Plan under Part C of the Individuals with Disabilities Education Act (July 2013); FY 2011-2012 Annual Report of Early Intervention Services, Submitted to Joint Budget Committee, Senate Health and Human Services Committee, House Health and Human Services Committee, Senate Education Committee, and House Education Committee, CDHS, November 2102.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Colorado Child Care Assistance Program (CCCAP)

Program: CCCAP is a state-supervised, county-administered program that provides subsidies to child care providers serving children in low-income families whose parents are working, searching for employment or training for employment, as well as families that are enrolled in the *Colorado Works Program* and need child care services to support their efforts toward self-sufficiency. Families receiving or at risk of receiving income support from the Temporary Assistance for Needy Families (TANF) program receive priority. Based on county subsidy allocations, counties determine the need for establishing wait lists with priority for child care assistance to children with special needs, or in families with very low incomes. Teen parents and families with incomes below 130 percent of the federal poverty level (including TANF families) who are placed on a wait list have first priority as openings are available. Counties also determine provider reimbursement rates and income eligibility requirements, within guidelines established in federal law. However, counties must serve families that have incomes of 130 percent or less of the federal poverty guideline and may not serve families that have incomes of over 85 percent of the state median income. Counties have the option to pay differential rates for: non-traditional hours; children with special needs (disabilities; tiered reimbursement; and for infants, toddlers and school-age programs. Many counties have lowered reimbursement rates, restricted eligibility and established waiting lists in recent years in response to funds availability. Upon application, families are accepted on a “funds available” basis. CDHS has converted to a new data system that prevents direct comparisons of recent caseload numbers with years prior to FY 2010-2011. In FY 2010-2011, the program served an estimated 36,599 children; in FY 2011-2012, it served an estimated 29,557 children, an 11 percent decrease from the previous year. As of January 2013, 75 children across the state were on wait lists for CCCAP.

Department: Colorado Department of Human Services, Office of Early Childhood, Division of Early Care and Learning, Child Care Quality Initiatives Unit

Financing: Funding for CCCAP comes from a combination of federal Child Care and Development Block Grant (CCDBG) funds, state and county dollars, as well as parent fees (set by state rulemaking). About 70 percent of the funding for CCCAP comes from the federal government, with a portion of those funds requiring a state match. Temporary federal American Recovery and Reinvestment Act (ARRA) funds were appropriated to CCCAP in FY 2009-2010 (\$10.4 million). By FY 2010-2011, these funds had been spent. Counties may choose to use a portion of their TANF funds for CCCAP, but those funds are not shown in this table. Funding for CCCAP fluctuates, because child care spending has an inverse relationship to TANF. When TANF spending is up, child care spending goes down. When TANF spending is down, child care spending goes up. Accordingly, unstable expenditure patterns in child care do not reflect changing demand for subsidized child care, but rather the counties’ assessments of the availability of their TANF funds.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$86,023,422	\$74,802,572	\$69,554,629	\$73,976,592	\$75,456,123	
% Change From Previous Year	0.0%	-13.0%	-7.0%	6.4%	2.0%	-3.2%
% Change (Inflation Adjusted)	-0.6%	-15.4%	-9.6%	4.2%	-0.2%	-5.6%
% Change (Inflation & Child Population Adjusted)	-4.2%	-18.4%	-10.3%	3.3%	-1.3%	-7.1%



Sources: JBC Staff Briefing Documents, *Department of Public Health and Environment*, Administrative and Health Divisions, FY 2010-2011, FY 2011-2012, FY 2012-2013, FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-091 (CHDS Supplemental); personal correspondence with CDHS; 2013 KIDS COUNT in Colorado.

Notes: Under the welfare reform that occurred in 1996, the Child Care Development Fund (CCDF) combined the Transitional Child Care, JOBS, and at-risk child care programs formerly funded under Title VI-A into one title. House Bill 13-1117 eliminated the Division of Child Care and transferred the functions, personnel and resources of the Division into a new Office of Early Childhood within the Colorado Department of Human Resources, effective July 1, 2013.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Child Care Licensing and Administration

Program: This appropriation provides support to the Division of Child Care for licensing and monitoring of more than 9,000 child care facilities across the state, including child care homes and centers, preschool and school-age child care programs, summer camps, residential child care facilities and child placement agencies.

Department: Colorado Department of Human Services, Office of Early Childhood, Division of Early Care and Learning, Child Care Quality Initiatives Unit

Financing: The appropriation derives from a combination of federal funds (Child Care and Development Block Grant and Title IV-E grants), state General Fund and cash funds. In FY 2012-2013, just over half of the appropriation came from federal funds, 34 percent from the state's General Fund and 11 percent from licensing fees and fines.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$6,215,878	\$6,434,191	\$6,423,269	\$6,547,233	\$6,583,810	
% Change From Previous Year	-1.0%	3.5%	-0.2%	1.9%	0.6%	1.4%
% Change (Inflation Adjusted)	-1.6%	0.7%	-2.9%	-0.1%	-1.7%	-1.0%
% Change (Inflation & Child Population Adjusted)	-5.2%	-2.9%	-3.7%	-1.0%	-2.7%	-2.6%



Sources: JBC Staff Briefing Documents, *Department of Human Services* (Child Welfare, Child Care, Self-Sufficiency, Division of Youth Corrections, Services for People with Disabilities, Mental Health and Drug Abuse Services), FY 2010-2011, FY 2011-2012, FY 2012-2013, FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-091 (CHDS Supplemental).

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Grants to Improve the Quality and Availability of Child Care

Program: The federal government requires that states use 4 percent of total Child Care and Development Fund grant (CCDF) expenditures to improve service quality. Federal law also requires the targeting or earmarking of specific dollar amounts of discretionary grant funding for 1) programs that serve infants and/or toddlers; 2) school-age and resource and referral programs; and 3) quality expansion activities such as professional development and facility equipment. Grants to Improve the Quality and Availability of Child Care are made to child care providers to assist them in meeting federal requirements and state and local standards, along with the line items for Early Childhood Councils and School Readiness. The Division of Child Care contracts with local entities to increase the availability and affordability of quality early care and education and school-age programs for low-income families. Local grantees work in partnership with other entities such as local child care resource and referral services, Head Start programs and the Colorado Pre-school Program. CDHS uses CCDF grant funds to contract with the Colorado Department of Education to house programs dedicated to expanding child care quality for infants and toddlers, as well as an Office of Professional Development for early childhood teachers and professionals.

Department: Colorado Department of Human Services, Office of Early Childhood, Division of Early Care and Learning, Child Care Quality Initiatives Unit

Financing: The 4 percent calculation is based on total CCDF expenditures including state match expenditures and county transfers of TANF funds to CCDF. This program benefitted from a temporary infusion of ARRA funds in FY2009-2010.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$9,819,423	\$3,473,633	\$3,473,633	\$3,473,633	\$3,473,633	
% Change From Previous Year	182.7%	-64.6%	0.0%	0.0%	0.0%	-22.9%
% Change (Inflation Adjusted)	181.0%	-65.6%	-2.7%	-2.0%	-2.2%	-24.7%
% Change (Inflation & Child Population Adjusted)	170.9%	-66.8%	-3.6%	-2.9%	-3.2%	-25.9%



Sources: JBC Staff Briefing Documents, *Department of Human Services* (Child Welfare, Child Care, Self-Sufficiency, Division of Youth Corrections, Services for People with Disabilities, Mental Health and Drug Abuse Services), FY 2010-2011, FY 2011-2012, FY 2012-2013, FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-091 (CHDS Supplemental).

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Colorado Infant and Toddler Quality and Availability Grant Program

Program: House Bill 13-1291 created the Infant and Toddler Quality and Availability Grant Program, declaring that “the first three years of life are a period of dynamic and unparalleled brain development in which children acquire the ability to think, speak, learn, and reason” and that it was “in the best interests of the children and people of the state of Colorado to provide state funding to expand and enhance high-quality early childhood programs and services to meet the needs of more of our low-income infants and toddlers.” The goal of the grant program is to improve quality in infant and toddler care, provide tiered reimbursement to high-quality early childhood programs, and increase the number of low-income infants and toddlers served through high-quality early childhood programs, as well as promote voluntary parental involvement.

Department: Colorado Department of Human Services, Office of Early Childhood, Division of Early Care and Learning, Child Care Quality Initiatives Unit

Financing: This program is financed by state general funds to the extent they are available.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level					\$ 3,000,000	
% Change From Previous Year	N/A	N/A	N/A	N/A	N/A	N/A
% Change (Inflation Adjusted)	N/A	N/A	N/A	N/A	N/A	N/A
% Change (Inflation & Child Population Adjusted)	N/A	N/A	N/A	N/A	N/A	N/A

N/A

Sources: JSenate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14.

Note: The Colorado Infant and Toddler Quality and Availability Grant Program is not a line-item reflected in the FY 2013-2014 Long Bill. Reference to the \$3 million appropriation in FY 2013-2014 may be found in the Colorado Joint Budget Committee *Appropriations Report: Fiscal Year 2013-14; page 339*.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.



School Readiness Quality Improvement Program

Program: The School Readiness Quality Improvement Program (SRQIP) is designed to improve school readiness of children, 5 years old or younger, by enhancing the quality of child care programs where 50 percent or more of the children are from low-income families. These programs must be located in neighborhoods with elementary schools that are required to implement an improvement/turnaround plan due to poor performance on four indicators identified by the state: academic achievement, academic longitudinal growth, academic gaps and postsecondary and workforce readiness. As of FY 2013-2014, this program operates through 14 Early Childhood Councils to impact 126 programs and more than 7,600 children.

Department: Colorado Department of Human Services, Office of Early Childhood, Division of Early Care and Learning, Child Care Quality Initiatives Unit

Financing: This program is financed by federal funds from the Child Care Development Fund (CCDF).

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$ 2,235,113	\$ 2,229,305	\$ 2,234,489	\$ 2,228,586	\$ 2,228,586	
% Change From Previous Year	0.4%	-0.3%	0.2%	-0.3%	0.0%	-0.1%
% Change (Inflation Adjusted)	-0.2%	-3.0%	-2.5%	-2.3%	-2.2%	-2.5%
% Change (Inflation & Child Population Adjusted)	-3.8%	-6.4%	-3.3%	-3.1%	-3.2%	-4.0%



Sources: JBC Staff Briefing Documents, *Department of Human Services* (Child Welfare, Child Care, Self-Sufficiency, Division of Youth Corrections, Services for People with Disabilities, Mental Health and Drug Abuse Services), FY 2010-2011, FY 2011-2012, FY 2012-2013, FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-091 (CHDS Supplemental); *The School Readiness Quality Improvement Program* (SRQIP), C.R.S. 26-6.5-106 Colorado CCDF FFY2014-15 Plan, Draft CDHS, February 2013.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Early Childhood Councils

Program: Early Childhood Councils play a significant role in building comprehensive, quality early childhood systems at the community level that meets the needs of Colorado families. Early Childhood Councils work collaboratively in their local communities to connect Colorado families with the resources they need for child care, health, parent and family supports and mental health services. Currently, over 98 percent of the state's youngest children live in an area served by one of 31 Early Childhood Councils. Councils are comprised of family members and representatives from early learning programs, Head Start, health, mental health, business, local government, faith organizations and other interests.

Department: Colorado Department of Human Services, Office of Early Childhood, Division of Early Care and Learning, Child Care Quality Initiatives Unit

Financing: : Early Childhood Councils receive most of their funding from the federal Child Care and Development Block Grant dedicated to quality enhancement. In FY 2010-2011, state funds were also appropriated. Councils also receive foundation and local government support (not shown here).

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$2,985,201	\$2,479,040	\$1,983,960	\$1,978,317	\$1,978,317	
% Change From Previous Year	0.2%	-17.0%	-20.0%	-0.3%	0.0%	-9.8%
% Change (Inflation Adjusted)	-0.4%	-19.2%	-22.2%	-2.3%	-2.2%	-12.0%
% Change (Inflation & Child Population Adjusted)	-4.0%	-22.1%	-22.8%	-3.1%	-3.2%	-13.4%



Sources: : JBC Staff Briefing Documents, *Department of Human Services* (Child Welfare, Child Care, Self-Sufficiency, Division of Youth Corrections, Services for People with Disabilities, Mental Health and Drug Abuse Services), FY 2010-2011, FY 2011-2012, FY 2012-2013, FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-091 (CHDS Supplemental).

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Early Childhood Mental Health Services

Program: This program provides support for early childhood mental health specialists in each of the 17 publicly funded community mental health centers, as well as psychiatric services for children with serious emotional disturbances. Several state departments, including DHS, contract with community providers to provide services to eligible clients. The primary focus of direct services is non-Medicaid children and families.

Department: Colorado Department of Human Services

Financing: Colorado is required to provide Early Intervention services to all eligible infants and toddlers who seek services as a condition of receiving federal funds. State funding is subject to appropriation decisions of the General Assembly. Each year, the legislature has regularly adjusted provider rates to account for inflationary changes. Rate changes are determined each year by the Joint Budget Committee as a statewide common policy decision. Funding for FY 2013-14 consists of 46 percent General Fund, 25 percent cash funds from local funds and the Early Intervention Services Trust Fund, 11 percent Medicaid-reappropriated funds, and 19 percent federal funds.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$ 1,109,363	\$ 1,135,359	\$ 1,143,107	\$ 1,146,676	\$ 2,355,399	
% Change From Previous Year	-0.3%	2.3%	0.7%	0.3%	105.4%	20.7%
% Change (Inflation Adjusted)	-0.9%	-0.4%	-2.1%	-1.7%	100.9%	17.8%
% Change (Inflation & Child Population Adjusted)	-4.4%	-4.0%	-2.9%	-2.6%	98.8%	15.9%



Sources: Sources: JBC Staff Briefing Documents, *Department of Human Services* (Child Welfare, Child Care, Self-Sufficiency, Division of Youth Corrections, Services for People with Disabilities, Mental Health and Drug Abuse Services), FY 2010-2011, FY 2011-2012, FY 2012-2013, FY 2013-2014; Senate Bill 13-230 (Long Bill); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; Senate Bill 13-091 (CHDS Supplemental); FY 2013-14 Staff Figure Setting Department of Human Services (Services for People with Disabilities, Developmental Disability Council, and Colorado Commission for the Deaf and Hard of Hearing - FY 2013-14).

Note: Colorado is required to provide services to all eligible infants and toddlers who seek services. As the population of zero to 2-year-olds grows, so does the population eligible for early childhood mental health services. General Fund and cash/reappropriated appropriations increased in FY 2013-2014 due to projected increases in the number of infants and toddlers under the age of 3 who are eligible for early intervention services and case management.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.



Programs Administered by the Colorado Department of Education

Colorado Preschool Program (CPP)

Program: The Colorado Preschool Program (CPP) provides preschool programming and family support services to at-risk 3- and 4-year-old children to boost kindergarten readiness and prevent achievement gaps, based on a variety of risk factors identified by statute. District advisory councils are responsible for allocating slots, monitoring quality and prioritizing children who are most at risk. School districts may deliver the programs directly or contract with a Head Start or other community-based child care program. In the 2012-13 school year, 170 of Colorado's 178 school districts participated in CPP.

Department: Colorado Department of Education

Financing: CPP is financed through the school finance formula, which means that financing is shared between the state and local districts, with the state share derived from the General Fund and cash funds. The local share varies slightly by year, ranging in the past five years from 36 to 39 percent. CPP providers may blend funding from other sources (such as CCCAP, Head Start or local foundation support, etc.) to support programming, but those amounts are not included in the table below, since they are not a part of the CPP appropriation.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$ 73,270,335	\$70,589,126	\$ 67,106,863	\$67,236,788	\$80,051,582	
% Change From Previous Year	11.0%	-3.7%	-4.9%	0.2%	19.1%	2.2%
% Change (Inflation Adjusted)	10.4%	-6.3%	-7.5%	-1.8%	16.4%	-0.2%
% Change (Inflation & Child Population Adjusted)	6.4%	-9.6%	-8.3%	-2.7%	15.2%	-1.8%



Sources: Colorado Department of Education, *Colorado Preschool Program Public Finance Unit*, FY 2011-2012; Colorado Department of Education. *CPP 2013 Legislative Report*. Colorado Department of Education; Vendegna, N. (Oct 3, 2013, e-mail correspondence). Colorado Preschool Program, Colorado Department of Education.

Note: The Joint Budget Committee does not track Colorado Preschool Program dollars separately. Appropriation data for FY 13-14 are not available until November 2013. To estimate appropriations for FY 13-14, the FY 12-13 appropriation was increased by 1.9% (2012 Denver-Boulder CPI) to reflect the inflationary increase mandated by Amendment 23. SB 13-260 included funding for an additional 3,200 CPP half-day slots (1,600 FTE) for the new CPP program, Early Childhood At-Risk Enhancement (ECARE) program. Slots may be used flexibly, year-to-year, by school districts for half-day preschool, combined for full-day preschool or for full-day kindergarten for eligible children.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.



K-12 Education

Public School Finance *Total Program Funding*

Program: The School Finance Act of Colorado is a formula used to determine state and local funding amounts for the state's 178 school districts and the Charter School Institute (CSI). Total Program is a term used to describe the total amount of money each school district receives under the School Finance Act.

Department: Colorado Department of Education

Financing: Funding to school districts is based on the number of students in attendance at school on the official count date. (Colorado operates on a single count date system, meaning the number of students calculated in a district on the school day closest to October 1 determines the number of pupils the district will count toward their formula for the year.) The School Finance Act applies a per-pupil formula to calculate *Total Program* appropriations that considers differences in school districts. For each pupil funded, the formula provides a base per-pupil amount of money, plus additional money to recognize district-by-district variances in cost of living, personnel costs and district size. The *Total Program* amount also includes additional funding for at-risk pupils. Beginning in FY 2010-2011, SB 11-230 introduced a new factor in the school finance formula—the “negative factor,” which reduces the amount of funding districts otherwise would have received by a specified total amount. For FY 2013-2014, the negative factor is estimated to be -15.5 percent, resulting in a \$1 billion reduction in PK-12 total program funding. Categorical programs identified in the state constitution are funded separately and then added to the total. SB 13-260, passed in May 2013, increased “total program funding” over the prior year by about \$210 million, thus increasing the per pupil share by about 2.7 percent. The bill provided additional funding for the Colorado Preschool Program and for special education. It also required that half of any state surplus at the end of the 2013-2014 budget year (estimated at \$137 million) be transferred to the State Education Fund (SEF), a special account used to supplement state PK-12 funding. Before the infusion of that additional cash, the balance of the SEF is estimated to be between \$615 million and \$775 million as of the end of FY 2013-2014.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Total Program Funding Level	\$5,587,765,303	\$5,441,412,219	\$5,232,445,847	\$5,297,963,176	\$5,508,386,124	
% Change From Previous Year	4.5%	-2.6%	-3.8%	1.3%	4.0%	-0.4%
% Change (Inflation Adjusted)	3.8%	-5.3%	-6.5%	-0.8%	1.7%	-2.8%
% Change (Inflation & Child Population Adjusted)	0.1%	-8.6%	-7.3%	-1.7%	0.6%	-4.3%
State Share of Total Program	\$3,518,869,631	\$3,206,198,052	\$3,331,922,155	\$3,317,902,921	\$3,493,242,847	
% Change From Previous Year	3.7%	-8.9%	3.9%	-0.4%	5.3%	-0.2%
% Change (Inflation Adjusted)	3.1%	-11.4%	1.1%	-2.4%	3.0%	-2.6%
% Change (Inflation & Child Population Adjusted)	-0.6%	-14.5%	0.2%	-3.3%	1.9%	-4.1%



Sources: JBC Staff Briefing Documents, *Department of Education*, FY 2012-2013, FY 2013-2014; Senate Bill 13-230 (Long Bill); Senate Bill 13-087 (CDE Supplemental); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; CDE. (2012). *Understanding Colorado School Finance and Categorical Program Funding*, <http://www.cde.state.co.us/cdefinance/download/pdf/FY2012-13Brochure.pdf>; Colorado Legislative Council Staff Fiscal Note, SB 13-260, State and Local Revised Fiscal Impact (replaces fiscal note dated April 12, 2013; Colorado Legislative Council Staff Fiscal Note, SB 13-213, State and Local Revised Fiscal Impact April 25, 2013; Senate Bill 13-213 Public School Finance Act, CRS, 22-54.5, et seq., as amended.

Notes: HB 08-1388 amended the “Public School Finance Act of 1994” and other statutory provisions to provide funding for school districts for FY 2008-09 forward. Under this bill districts no longer have the option to combine one-half day of preschool funding with one half-day kindergarten funding to create one full-day kindergarten slot. Instead, the legislature provided “hold harmless” funding for districts to continue existing full-day kindergarten programs discussed later in this section. The legislature also provided supplemental kindergarten enrollment funding to districts (i.e., kindergarten pupils are counted as .5 FTE, but funded at .58 FTE) to expand full-day kindergarten. Colorado Preschool Program (CPP) and supplemental kindergarten enrollment funding are part of the Public School Finance Act *Total Program* funding included here. This represents double-counting since CPP also is included in the Early Childhood section of this report. Senate Bill 13-213, the “Future School Finance Act,” would modernize school financing in Colorado. Provisions include providing additional funding to at-risk students and English language learners and replacing the single student count day with an average daily student count throughout the year. Implementation is contingent on passage of Amendment 66, a statewide ballot measure increasing state revenue for K-12 education by about \$950 million annually.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Special Education: Children With Disabilities

Program: The Exceptional Children's Educational Act requires the provision of appropriate educational services to students between the ages of 3 and 21 with disabilities and recognizes the benefit of providing a continuum of services in the least restrictive environment. Eligible children are those unable to receive reasonable benefit from general education due to one or more of the following conditions: long-term physical impairment or illness, significant limited intellectual capacity, significant identifiable emotional disorder, specific learning disability or speech or language impairment. While the percentage of Colorado's public school population that receives special education services has remained fairly stable over the reporting period (about 10 percent of the state's pupils), the number of special education students increased by 5 percent during the reporting period.

Department: Colorado Department of Education, Office of Special Education

Financing: Special education is supported with a combination of federal and state funds. Funding is driven by the number of children requiring special education services, characteristics of the children eligible for such services and the cost of such services. Federal funding is subject to annual appropriation and is distributed to states by formula. Over the study period, the federal share has been about 53 percent and the state share about 47 percent of the total. The funds contributed by the federal government are estimated to cover only about 16 percent of the estimated excess cost of educating Colorado's children with disabilities.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$269,814,937	\$272,304,048	\$289,562,892	\$293,472,248	\$292,419,984	
% Change From Previous Year	-5.1%	0.9%	6.3%	1.4%	-0.4%	2.0%
% Change (Inflation Adjusted)	-5.6%	-1.8%	3.4%	-0.7%	-2.5%	-0.4%
% Change (Inflation & Child Population Adjusted)	-9.0%	-5.3%	2.5%	-1.6%	-3.6%	-2.0%



Sources: JBC Staff Briefing Documents, *Department of Education*, FY 2012-2013, FY 2013-2014; *Staff Working Document* (December 2012); Senate Bill 13-230 (Long Bill); Senate Bill 13-087 (CDE Supplemental); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; CDE. (2012). *Understanding Colorado School Finance and Categorical Program Funding*; CDE, 2010 Pupil Membership; CDE. (2012).
Notes: In the federal Individuals with Disabilities Education Act (IDEA), Congress set a maximum target for the federal contribution to special education spending at 40 percent of the estimated excess cost of educating children with disabilities. However, IDEA is not fully funded. In 2012, IDEA federal funding covered only 16 percent of the estimated excess cost of educating children with disabilities. States and local districts have assumed the shortfall.

Although the U.S. Department of Education indicated that sequestration would not affect education funding in FY 2012-13, the Colorado Department of Education estimates that sequestration could reduce available funding by \$39 million in FY 2013-14, including potential reductions of \$12.8 million in special education funding and \$12.4 million in Title I funding. The potential reductions would impact state-level operations at CDE as well as the department's distributions to schools and districts.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Public School Transportation

Program: The Public School Transportation Fund provides state funds annually to school districts to help defray student transportation expenses. State funds cover operating expenses such as driver salaries, fuel and repairs. They are generally not available to cover capital costs such as school bus purchases.

Department: Colorado Department of Education, Transportation Unit

Financing: Funding comes primarily from the General Fund and the State Education Fund. Payments to districts from the Public School Transportation Fund are provided on a reimbursement basis for the 12-month period ending each June 30.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$50,106,914	\$50,777,960	\$52,052,250	\$52,417,107	\$53,261,338	
% Change From Previous Year	9.3%	1.3%	2.5%	0.7%	1.6%	1.5%
% Change (Inflation Adjusted)	8.7%	-1.4%	-0.3%	-1.3%	-0.6%	-0.9%
% Change (Inflation & Child Population Adjusted)	4.8%	-4.9%	-1.2%	-2.2%	-1.7%	-2.5%



Sources: JBC Staff Briefing Documents, Department of Education FY 2012-2013, FY 2013-2014 Staff Working Document (December 2012); Senate Bill 13-230 (Long Bill); Senate Bill 13-087 (CDE Supplemental); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; CDE. (2012). *Understanding Colorado School Finance and Categorical Program Funding*.

Notes: In FY 2013-2014, state funding is expected to cover 62 percent of districts' total reimbursement claims. School districts use local sources of revenue to make up shortfalls. To date, eight districts have received voter approval to increase property tax revenues to help fund total transportation. Several districts have begun to collect separate user fees for transportation.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

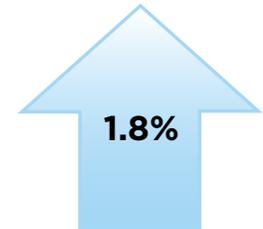
English Language Proficiency Program

Program: The English Language Proficiency Act (ELPA) provides funding to support school district programs for students who have limited English proficiency. Funding is provided for each eligible student in each district for a maximum of two years. In budget year FY 2013-2014, it is estimated that ELPA funding will cover about 20 to 25 percent of districts' total costs to address the English language proficiency needs of their students. While the percentage of students who are considered English language learners has remained fairly stable over the reporting period (about 14 percent of Colorado's public school population), the number of English language learners has increased 10 percent over the study period, from 113,526 students in FY 2009-2010 to 124,701 students in FY 2012-2013.

Department: Colorado Department of Education, Federal Programs Unit

Financing: The program is supported with a combination of federal and state funds. State funding is driven by the number of eligible students and statewide average per-pupil operating revenue. Federal funds are allocated through Title III of the Elementary and Secondary Education Act (ESEA), which authorizes the U.S. Education Department to use either Census or state data to identify the number of English language learners and immigrant students in each state. Federal Title III funds are distributed to states by a federally calculated formula. In FY 2013-2014, state funds made up 58 percent of total appropriations to this program.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$22,328,316	\$21,739,150	\$23,048,344	\$25,751,974	\$26,476,847	
% Change From Previous Year	21.2%	-2.6%	6.0%	11.7%	2.8%	4.4%
% Change (Inflation Adjusted)	20.4%	-5.3%	3.1%	9.5%	0.6%	1.8%
% Change (Inflation & Child Population Adjusted)	16.1%	-8.7%	2.2%	8.5%	-0.5%	0.2%



Sources: JBC Staff Briefing Documents, Department of Education, FY 2012-2013, FY 2013-2014; Staff Working Document (December 2012); Senate Bill 13-230 (Long Bill); Senate Bill 13-087 (CDE Supplemental); State of Colorado Joint Budget Committee Appropriations Report FY 2013-14; CDE. (2013). *Understanding Colorado School Finance and Categorical Program Funding*; Colorado School Finance Project, Winter 2013, Colorado's Students Learning English.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

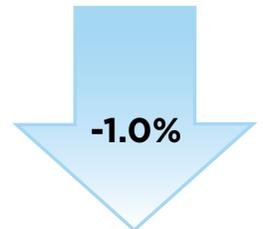
Career and Technical Education

Program: Career and technical educational programs are designed to provide students with occupational skills and related knowledge to meet identified needs of business and industry. Funding is provided to districts on a per-pupil basis to cover the cost of instructional personnel, supplies, equipment and instructional services provided by cooperating agencies or institutions. The State Board for Community Colleges and Occupational Education administers state funding for these programs as well as program approvals and monitoring, research and professional development.

Department: Colorado Department of Education; administration of state funding provided through the Colorado Community College System, State Board for Community Colleges and Occupational Education.

Financing: For programs approved by the State Board for Community Colleges and Occupational Education, funding is available to school districts if program costs exceed 70 percent of per-pupil funding otherwise available to them through the Public School Finance Act. The state will cover up to 80 percent of the first \$1,250 of these "excess" costs and 50 percent of any excess costs over \$1,250. Funding for this program comes primarily from the General Fund, with some support from the State Education Fund. No federal funding is reported.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$23,189,191	\$23,296,124	\$22,764,221	\$24,218,018	\$24,528,307	
% Change From Previous Year	7.0%	0.5%	-2.3%	6.4%	1.3%	1.4%
% Change (Inflation Adjusted)	6.4%	-2.3%	-5.0%	4.2%	-0.9%	-1.0%
% Change (Inflation & Child Population Adjusted)	2.5%	-5.8%	-5.8%	3.3%	-2.0%	-2.6%



Sources: JBC Staff Briefing Documents, *Department of Education*, FY 2012-2013, FY 2013-2014; Staff Working Document (December 2012); Senate Bill 13-230 (Long Bill); Senate Bill 13-087 (CDE Supplemental); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; CDE. (2012). *Understanding Colorado School Finance and Categorical Program Funding*; C.R.S.23-8-101.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Special Education: Gifted & Talented Children

Program: The Exceptional Children's Educational Act (ECEA) allows school districts and administrative units to develop and implement Gifted Education Program Plans that provide for the unique needs of the gifted population. Programming includes differentiated instruction, affective guidance and counseling, and a variety of multi-tiered curriculum and instructional options. Funds may be used for salaries of licensed, endorsed teachers; staff development and training; and activities, materials and equipment associated with student need.

Department: Colorado Department of Education (CDE), Office of Gifted Education

Financing: Funding is available to administrative units that file a four-year program plan. Each administrative unit determines the local contribution toward the program plan and submits budget proposals annually to CDE. State funding derives from the General Fund and State Education Fund. No federal funds are used to support Gifted and Talented programming.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$8,988,280	\$9,057,765	\$9,201,106	\$9,473,606	\$9,600,000	
% Change From Previous Year	7.1%	0.8%	1.6%	3.0%	1.3%	1.7%
% Change (Inflation Adjusted)	6.4%	-2.0%	-1.2%	0.9%	-0.9%	-0.8%
% Change (Inflation & Child Population Adjusted)	2.6%	-5.5%	-2.0%	0.0%	-1.9%	-2.4%



Sources: JBC Staff Briefing Documents, *Department of Education*, FY 2010-2011, FY 2011-2012, FY 2012-2013, FY 2013-2014; *JBC Staff Supplemental Recommendations*: FY 2012-13, *Staff Working Document* (December 2012); Senate Bill 13-230 (Long Bill); Senate Bill 13-087 (CDE Supplemental); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; CDE. (2012). *Understanding Colorado School Finance and Categorical Program Funding*.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Expelled & At-Risk Student Services Grant Program

Program: The Expelled and At-Risk Student Services Grant Program (EARSS) assists in providing services to expelled students and students at-risk of expulsion. State law provides that "at-risk" is to be defined at the district level, and may include students who are habitually truant and/or habitually disruptive. Services for at-risk students may include educational and/or counseling services, drug or alcohol-addiction treatment programs, and family preservation. EARSS grants are competitive; eligible applicants include school districts, charter schools, alternative schools, eligible facilities, non-public, non-parochial schools and boards of cooperative education services (BOCES).

Department: Colorado Department of Education, Dropout Prevention & Student Engagement Office

Financing: EARSS is a categorical program under Amendment 23. This program is funded by the state (General Fund and State Education Fund). Grants are awarded on a competitive basis for a four-year award period.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$7,325,776	\$7,108,239	\$7,439,965	\$7,493,560	\$7,493,560	
% Change From Previous Year	15.5%	-3.0%	4.7%	0.7%	0.0%	0.6%
% Change (Inflation Adjusted)	14.8%	-5.6%	1.8%	-1.3%	-2.2%	-1.9%
% Change (Inflation & Child Population Adjusted)	10.7%	-9.0%	0.9%	-2.2%	-3.2%	-3.4%



Sources: JBC Staff Briefing Documents, *Department of Education*, FY 2012-2013, FY 2013-2014; Senate Bill 13-230 (Long Bill); Senate Bill 13-087 (CDE Supplemental); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; CDE. (2013). *Understanding Colorado School Finance and Categorical Program Funding*; CDE, Expelled and At-Risk Student Services (EARSS) 2012-2013; Funded Grantees and Program Descriptions.

Notes: For the 2012-13 school year, fifteen grants were awarded to new grantees and forty continuation awards (years 2-4) were made to current grantees for a total of 55 grantee sites. These sites are located in 31 school districts, seven charter schools, three BOCES and 13 facility schools.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Comprehensive Health Education

Program: The Colorado Comprehensive Health Education Act of 1990 encourages school districts to foster healthy behaviors in children and communities by adopting a PK-12 planned, sequential health education program. The intent of the funding is to foster healthy behaviors through increased knowledge and the modification of risk behaviors. School districts or BOCES may apply for funds through a competitive grant process to support related activities, including professional development, staffing and educational materials for students.

Department: Colorado Department of Education, Office of Health and Wellness

Financing: Comprehensive Health Education is a state grant for which districts or BOCES may apply to develop local health education programs. Distribution of funds for planning grants is directly tied to the new Colorado Standards in Health. The program is one of several categorical programs that receive appropriations under the public School Finance Act.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$988,246	\$955,578	\$970,107	\$1,005,396	\$1,005,396	
% Change From Previous Year	43.6%	-3.3%	1.5%	3.6%	0.0%	0.4%
% Change (Inflation Adjusted)	42.7%	-5.9%	-1.3%	1.5%	-2.2%	-2.0%
% Change (Inflation & Child Population Adjusted)	37.6%	-9.3%	-2.1%	0.7%	-3.2%	-3.6%



Sources: JBC Staff Briefing Documents, *Department of Education*, FY 2012-2013, FY 2013-2014; Senate Bill 13-230 (Long Bill); Senate Bill 13-087 (CDE Supplemental); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; CDE. (2012). *Comprehensive Health Education*” (C.R.S. 22-25-101, *et seq.*; CDE State Funded Comprehensive Health Education website.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Small Attendance Centers

Program: This categorical program provides funding to offset costs to districts operating small attendance centers, i.e., schools with less than 200 pupils and located 20 or more miles from a similar school within the same school district. In FY 2012-2013, an estimated 914 students in Colorado attended school in small attendance center districts. Funding for FY 2012-2013 is projected to be available to 11 school districts operating a total of 13 remote schools.

Department: Colorado Department of Education

Financing: State funding comes primarily from the General Fund. No federal funds support this program. Allocation of funds is determined by a formula that incorporates the respective district’s total pupil population and the relative burden added by the presence of small attendance center pupils. The available state funding covers about 33 percent of this total amount; districts provide the remaining 67 percent from other available funds.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$959,379	\$959,379	\$959,379	\$959,379	\$959,379	
% Change From Previous Year	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%
% Change (Inflation Adjusted)	1.1%	-2.7%	-2.7%	-2.0%	-2.2%	-2.4%
% Change (Inflation & Child Population Adjusted)	-2.5%	-6.2%	-3.6%	-2.9%	-3.2%	-4.0%



Sources: JBC Staff Briefing Documents, *Department of Education* FY 2012-2013, FY 2013-2014; Senate Bill 13-230 (Long Bill); Senate Bill 13-087 (CDE Supplemental); State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; CDE. (2013). *Understanding Colorado School Finance and Categorical Program Funding*.

Note: “Small Attendance Center” categorical funding is distinct from the “size factor” used in the public school finance formula. In the school finance formula, the size factor provides all smaller districts with increased per pupil funding. In contrast, to qualify for categorical funding under the Small Attendance Center program, districts must enroll fewer than 200 students and be located 20 or more miles from any similar school within the same school district.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

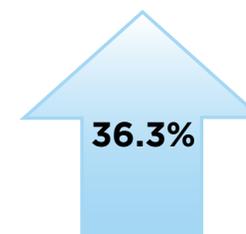
Capital Construction

Program: The primary vehicle for funding Capital Construction for K-12 education is the Building Excellent Schools Today (BEST) program. Established by HB 08-1335, BEST provides support to districts, charter schools, BOCES and the Colorado School for the Deaf and Blind to rebuild, repair or replace the state's K-12 facilities in worst repair. Support may be provided through cash grants, or through long-term borrowing, in the form of lease purchase agreements called certificates of participation (COP), or Qualified School Construction bonds. The latter enables the state to take advantage of a federal program that allows public entities to borrow funds at zero percent interest. BEST requires local recipients to make a contribution, with the matching amount varying based on local capacity and past effort. Including the projects approved in FY 2012-13, BEST has provided or approved a total of \$979.2 million (including \$686 million in state funds and \$293.3 million in local matching funds) in public school capital construction projects from FY 2008–09 through FY 2012–13. That total represents about 7 percent of the need identified in the program's statewide priority assessment for the period from 2010 through 2013. The Public School Capital Construction Assistance Board is responsible for assessing public school capital construction needs statewide and making recommendations concerning the prioritization and allocation of state financial assistance for school construction projects.

Department: Colorado Department of Education

Financing: BEST is supported by the royalty and rental income earned on state trust lands with some additional revenues from lottery proceeds and interest earned on the Public School Capital Construction Assistance Fund. The General Assembly makes annual appropriations. Appropriations include local matching funds for certificates of participation (COP); however, BEST limits the annual lease payment (similar to debt service payment) to \$40 million annually. In FY 2013-2014, the BEST program hit its annual limitation on funding, excluding future use of the COP financing tool in FY 2013-2014

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$16,781,470	\$17,549,124	\$40,958,731	\$50,924,831	\$63,924,831	
% Change From Previous Year	67.0%	0.0%	133.4%	24.3%	25.5%	39.7%
% Change (Inflation Adjusted)	66.0%	1.7%	127.0%	21.8%	22.8%	36.3%
% Change (Inflation & Child Population Adjusted)	60.1%	-1.9%	125.1%	20.8%	21.5%	34.2%



Sources: JBC Staff Briefing Documents, *Department of Education*, FY 2012-2013, FY 2013-2014; Senate Bill 13-230 (Long Bill); Senate Bill 13-087 (CDE Supplemental); Senate Bill 13-214; State of Colorado Joint Budget Committee *Appropriations Report* FY 2013-14; CDE. (2012). *Understanding Colorado School Finance and Categorical Program Funding*; Donaldson, K. (2012). *Building Excellent Schools Today (BEST) Act*. Colorado Legislative Council Publication Number 12-02 A. Denver, CO; Hughes, T & Wickersham, M. (2012). *BEST: Current Status and Potential Future Awards*. Division of Public School Capital Construction Assistance. Colorado Department of Education. Denver, CO.

Note: The structure of the BEST program commits the state to long-term obligations (COP payments). Funding for BEST is based on a volatile source (state land revenues). The statute requires that 50 percent of state land trust revenues go toward annual COP payments. The other 50 percent of land trust revenues is deposited into the Public School Permanent Fund. In the event that school trust revenues fall below the amount of the state share of COP payments, deposits to the Permanent Fund would be reduced.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.



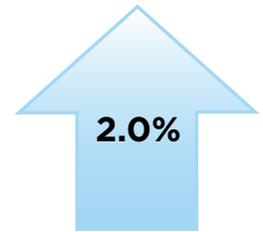
Other K-12 Grants and Programs

Program: The School Finance Act of Colorado is a formula used to determine state and local funding amounts for the state's 178 school districts and the Charter School Institute (CSI). Total Program is a term used to describe the total amount of money each school district receives under the School Finance Act.

Department: Colorado Department of Education

Financing: Funding to school districts is based on the number of students in attendance at school on the official count date. (Colorado operates on a single count date system, meaning the number of students calculated in a district on the school day closest to October 1 determines the number of pupils the district will count toward their formula for the year.) The School Finance Act applies a per-pupil formula to calculate *Total Program* appropriations that considers differences in school districts. For each pupil funded, the formula provides a base per-pupil amount of money, plus additional money to recognize district-by-district variances in cost of living, personnel costs and district size. The *Total Program* amount also includes additional funding for at-risk pupils. Beginning in FY 2010-2011, SB 11-230 introduced a new factor in the school finance formula—the “negative factor,” which reduces the amount of funding districts otherwise would have received by a specified total amount. For FY 2013-2014, the negative factor is estimated to be -15.5 percent, resulting in a \$1 billion reduction in PK-12 total program funding. Categorical programs identified in the state constitution are funded separately and then added to the total. SB 13-260, passed in May 2013, increased “total program funding” over the prior year by about \$210 million, thus increasing the per pupil share by about 2.7 percent. The bill provided additional funding for the Colorado Preschool Program and for special education. It also required that half of any state surplus at the end of the 2013-2014 budget year (estimated at \$137 million) be transferred to the State Education Fund (SEF), a special account used to supplement state PK-12 funding.. Before the infusion of that additional cash, the balance of the SEF is estimated to be between \$615 million and \$775 million as of the end of FY 2013-2014.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Appropriated Sponsored Programs, mostly Title I of ESEA	\$225,238,648	\$230,030,904	\$234,162,767	\$282,390,000	\$281,168,404	5.7%
Health and Nutrition	\$143,275,508	\$151,746,361	\$162,316,936	\$160,797,467	\$160,698,104	2.9%
Other Public School Finance	\$11,544,812	\$209,131,359	\$24,340,947	\$6,944,486	\$7,082,924	-11.5%
Total Assessments and Data Analyses	\$4,993,650	\$4,988,422	\$4,991,186	\$4,520,000	\$5,000,000	0.03%
State Charter School Institute	\$1,985,338	\$4,631,769	\$1,802,832	\$1,804,061	\$1,803,015	-2.4%
Reading & Literacy	\$2,287,189	\$2,396,804	\$3,410,402	\$3,441,808	\$3,141,808	8.3%
Professional Development & Instructional Support	\$8,400,233	\$6,867,133	\$4,338,262	\$5,242,516	\$5,150,000	-11.5%
School Counselor Corps Grant Program	\$16,177,836	\$14,378,020	\$14,411,922	\$14,613,575	\$14,742,339	-2.3%
Other Assistance	\$12,850,822	\$12,445,316	\$12,221,963	\$14,407,929	\$14,238,850	2.6%
Facility Schools	\$24,556,511	\$24,224,118	\$32,344,347	\$47,636,123	\$45,613,289	16.7%
School for the Deaf and Blind	\$9,542,692	\$6,904,148	\$9,095,440	\$10,475,286	\$12,489,736	7.0%
Total Program Funding Level	\$460,853,239	\$667,744,354	\$503,437,004	\$552,273,251	\$551,128,469	4.6%
% Change From Previous Year	-16.8%	44.9%	-24.6%	9.7%	-0.2%	4.6%
% Change (Inflation Adjusted)	-17.3%	41.0%	-26.7%	7.5%	-2.4%	2.0%
% Change (Inflation & Child Population Adjusted)	-20.2%	35.9%	-27.3%	6.6%	-3.4%	0.4%



Sources: JBC Staff Briefing Documents, Department of Education, FY 2012-2013, FY 2013-2014; Senate Bill 13-230 (Long Bill); Senate Bill 13-087 (CDE Supplemental); Senate Bill 13-214; State of Colorado Joint Budget Committee Appropriations Report FY 2013-14.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Family and Community Support

Colorado Works - Temporary Assistance to Needy Families (TANF)

Program: *Colorado Works* is the state's version of the federal TANF program, created in 1996 to replace the Aid to Families with Dependent Children (AFDC) program. It provides families who have little or no income with basic cash assistance and work supports, such as job training and child care assistance. The federal government requires the state to impose time limits on cash assistance and to require work participation for many recipients. States are allowed to transfer a portion of TANF funds to the Social Services Block Grant or the Child Care and Development Fund. In Colorado, most TANF money is appropriated to the Colorado Works program and devolved (sub-granted) to counties. Counties decide how much of their grant to spend each year and on what, subject to state guidelines regarding eligibility and payment amounts for the basic cash assistance part of the program. Funds not spent on basic cash assistance can be applied to a range of services, including child care, or be placed in reserve.

Department: Department of Human Services, Office of Economic Security

Financing: TANF is a federal block grant to states. States are subject to maintenance of effort requirements, meaning they have to spend their own funds in addition to the grant. Colorado meets its obligation through a combination of state and county funds. Colorado receives a basic allocation of \$136.1 million, based on the size of the grant it was receiving under the predecessor AFDC program—an amount unchanged since 1996. The numbers shown below reflect the appropriation of funds by the state to counties each year, *not* the actual spending by counties. Since FY 2011-12, Colorado has experienced a reduction in federal funding for this program, due to Congressional failure to reauthorize the federal TANF Supplemental Grant and to continue contingency funds designed to help states cope with economic downturns. In addition, ARRA funds, which provided an infusion of federal emergency funds early in the study period, were temporary.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
County Block Grants	\$151,536,168	\$151,786,044	\$150,572,983	\$150,548,087	\$150,548,087	-0.2%
Other [†]	\$20,358,049	\$10,983,387	\$6,778,090	\$2,307,175	\$2,307,175	-42.0%
TOTAL Funding Level	\$171,894,217	\$162,769,431	\$157,351,073	\$152,855,262	\$152,855,262	-2.9%
% Change From Previous Year	31.8%	-3.3%	-3.3%	-2.9%	0.0%	-2.9%
% Change (Inflation Adjusted)	31.0%	-7.9%	-6.0%	-4.8%	-2.2%	-5.2%
% Change (Inflation & Child Population Adjusted)	26.3%	-11.2%	-6.8%	-5.6%	-3.2%	-6.8%
Spending from County Reserves	\$57,393,455	\$55,618,851	\$40,082,449	\$40,028,449	N/A	N/A



Sources: JBC Staff Briefing Documents, *Department of Human Services (Executive Director's Office, Office of Operations, County Administration, Self Sufficiency, Adult Assistance), FY 2012-13; FY 2013-14; State of Colorado Joint Budget Committee Appropriations Report, Fiscal Year FY 2013-14; Senate Bill 13-230 (Long Bill); Senate Bill 13-091 (CDHS Supplemental); Lower-Basch, E. (2013), Goals for TANF Reauthorization. CLASP; Baker, R, Buck, B & Cuciti, P. (2013). *Moving Families Forward: An Introduction to TANF in Colorado During the Recession*, Colorado Children's Campaign.*

Notes: "Other" includes training, TANF supported subsidized employment, homeless prevention, domestic abuse, promoting responsible fatherhood and the state strategic uses fund.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.



Low-Income Energy Assistance Program (LEAP)

Program: LEAP provides assistance to cover the costs of home heating, furnace repair and replacement, and weatherization assistance to households at or below 150 percent of FPL. In 2012, LEAP provided assistance to 100,795 Colorado households out of an estimated 514,000 eligible households.

Department: Department of Human Services, Office of Economic Security

Financing: The federal Low-Income Home Energy Assistance Program (LIHEAP) block grant, which allocates funds among states according to a complex formula, supports most of the spending. After an increase in federal funding in FY 2009-2010 to address rising home energy costs, the federal appropriation for the program was cut during the last four years, from \$5.1 billion in FFY 2010 to \$3.3 billion in FFY 2013. The LEAP program has also received funding from sources such as the Severance Tax Trust Fund and Energy Outreach Colorado.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$77,409,173	\$58,940,618	\$49,979,195	\$48,093,420	\$46,501,066	
% Change From Previous Year	5.7%	-23.9%	-15.2%	-3.8%	-3.3%	-12.0%
% Change (Inflation Adjusted)	5.1%	-25.9%	-17.5%	-5.7%	-5.4%	-14.1%
% Change (Inflation & Child Population Adjusted)	1.3%	-28.6%	-18.2%	-6.5%	-6.4%	-15.5%



Sources: JBC Staff Briefing Documents, *Department of Human Services (Executive Director's Office, Office of Operations, County Administration, Self Sufficiency, Adult Assistance)*, FY 2012-13; FY 2013-14; State of Colorado Joint Budget Committee *Appropriations Report*, Fiscal Year FY 2013-14; Senate Bill 13-230 (Long Bill); Senate Bill 13-091 (CDHS Supplemental); Federal House Appropriations Committee (December 15, 2011); Summary Fiscal Year 2012 Final Consolidated Appropriations Bill; Campaign for Home Energy Assistance, Colorado LIHEAP Facts: 2013.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Child Support Enforcement

Program: Congress enacted the Child Support Enforcement and Establishment Program in 1975 to reduce public expenditures on welfare programs by obtaining support for children from non-custodial parents. Colorado's Division of Child Support operates a child support enforcement program under federal guidelines, providing support to both TANF and non-TANF families. The program provides help in establishing paternity, locating nonresident parents, obtaining child, spousal, and medical support awards and collecting child support payments. The state provides operational oversight, training, policy development and monitoring to the 64 county child support units. Appropriations to this line item also cover costs for the operation, maintenance and ongoing development of the Automated Child Support Enforcement System.

Department: Department of Human Services, Office of Economic Security and Division of Child Support and Judicial Branch, Centrally Administered Programs

Financing: Funding for this program comes from the state (General Fund) and the federal level. The federal government provides funding to states through an open-ended matching based formula, which covers 66 percent of state administrative costs. The federal government also provides incentive payments based on state performance via a formula set in statute. ARRA temporarily allowed states to use federal incentive payments as their share of state expenditures eligible for federal match. ARRA funds are no longer available.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$12,715,935	\$10,912,877	\$9,995,215	\$11,296,924	\$12,088,683	
% Change From Previous Year	7.0%	-14.2%	-8.4%	13.0%	7.0%	-1.3%
% Change (Inflation Adjusted)	6.3%	-16.5%	-10.9%	10.7%	4.7%	-3.6%
% Change (Inflation & Child Population Adjusted)	2.5%	-19.5%	-11.7%	9.8%	3.6%	-5.2%



Sources: JBC Staff Briefing Documents, *Department of Human Services (Executive Director's Office, Office of Operations, County Administration, Self Sufficiency, Adult Assistance)*, FY 2012-13, FY 2013-14; State of Colorado Joint Budget Committee *Appropriations Report*; JBC Staff Briefing Documents, *Judicial Branch*, FY 2012-13, FY 2013-14; Senate Bill 13-230 (Long Bill); Senate Bill 13-091 (CDHS Supplemental); Senate Bill 13-902 (Judicial Supplemental).

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Child Welfare Services and Programs

Program: The Division of Child Welfare is responsible for protecting children from harm and assisting families in caring for and protecting their children. It does so through a state-supervised, county-administered system. *Family and Children's Programs* serve children who are neglected or abused, delinquent, or in conflict with their families or communities. Children who are at imminent risk of out-of-home placement are provided a range of services, including transportation, child care, homemaker services, diagnostic mental health and health care services, drug and alcohol treatment, financial services and family preservation services designed to keep the child safe within the family context. *Other Programs* support out-of-home placement on a temporary or permanent basis, or are designed to prevent abuse from occurring.

Department: Department of Human Services, Office of Children, Youth & Families

Financing: Child welfare services are primarily a state financial responsibility, covered through the General Fund and cash funds, e.g., parental fees collected to offset the costs of out-of-home placement and reappropriated Medicaid funds from the Department of Health Care Policy and Financing. Federal funding comes largely through Titles IV-B, IV-E, and XX of the Social Security Act and the Child Abuse Prevention and Treatment Act. Under Title IV-B, states receive formula-based grants to promote safe and stable families. Under Title IV-E, states receive grants for foster care, adoption assistance and kinship guardianship, on an open-ended matching basis using the same matching rate as for Medicaid. For this reason, the match rate temporarily increased under ARRA. Most of the federal funding supports out-of-home placements, even though serving children in the family home is receiving increased emphasis at both the state and federal levels. The state makes 97 percent of the funds appropriated for child welfare available to county departments as "block allocations" for the provision of child welfare services. Counties are required to cover 20 percent of most child welfare costs. If counties spend *more* than the capped allocations, they are responsible for covering shortfalls with other funds, which may include federal TANF block grant funds or county tax revenue.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Child Welfare Services (Allotment to counties)	\$336,157,346	\$331,169,644	\$324,267,006	\$334,343,137	\$338,029,998	0.1%
Family and Children's Programs	\$48,030,915	\$46,143,068	\$46,118,134	\$44,776,053	\$51,805,244	0.9%
Other Programs*	\$20,093,005	\$21,293,436	\$20,633,468	\$22,407,827	\$28,647,013	9.3%
TOTAL Funding Level	\$404,281,266	\$398,606,148	\$391,018,608	\$401,527,017	\$418,482,255	0.0%
% Change From Previous Year	-2.9%	-1.4%	-1.9%	2.7%	4.2%	0.9%
% Change (Inflation Adjusted)	-3.5%	-4.1%	-4.6%	0.6%	1.9%	-1.6%
% Change (Inflation & Child Population Adjusted)	-7.0%	-7.5%	-5.4%	-0.3%	0.9%	-3.1%



Sources: JBC Staff Briefing Documents, *Department of Human Services (Executive Director's Office, Divisions of Child Welfare, Child Care, and Youth Correction)*, FY 2012-13, FY 2013-14; State of Colorado Joint Budget Committee *Appropriations Report, Fiscal Year FY 2013-14*; Senate Bill 13-230 (Long Bill); Senate Bill 13-091 (CDHS Supplemental); Senate Bill 13-230; Senate Bill 13-255; House Bill 13-1271.

Notes: Other Programs includes training, Foster and Adoptive Parent Recruitment, Training and Support, Independent Living, Promoting Safe and Stable Families Program and the Federal Child Abuse and Treatment Grant.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Division of Youth Corrections (DYC)

Program: The Division of Youth Corrections is responsible for the housing, treatment and education of juveniles in detention and commitment, and for supervising juvenile offenders who are placed on parole. This table also includes the range of community services crafted at the local level under Senate Bill 91-094. SB 91-904 established a state-funded, locally administered program that provides pre-adjudication services to youth at-risk of detention, as well as a continuum of residential and non-residential services and mandated functions for juveniles in detention, commitment and parole. The size of the commitment population has fallen steadily since FY 2004-2005.

Department: Department of Human Services, Office of Children, Youth & Families

Financing: Guided by SB 91-094, most funding for DYC is from state General Fund appropriations. Federal funds, which make up a very small part of the total, are transferred from the Colorado Department of Education (Carl D. Perkins Vocational Education Act, Title I of the Elementary and Secondary Education Act for disadvantaged youth, and the Individuals with Disabilities Education Act (IDEA) for special education) and the Colorado Department of Human Services (alcohol and drug abuse funding). The table omits these reappropriated funds to the extent that they could be separately identified. Beginning in mid-FY 2010-2011 and continuing in FY 2011-2012, appropriations were reduced in response to sharp declines in the population of committed and detained youth, as well as in response to statewide revenue constraints.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Institutional Programs	\$62,379,253	\$61,013,958	\$56,875,641	\$54,393,805	\$54,393,805	-3.4%
Community Programs	\$65,268,702	\$61,422,893	\$57,329,956	\$55,571,186	\$54,331,309	-4.5%
Division of Youth Corrections Total	\$127,647,955	\$122,436,851	\$114,205,597	\$109,964,991	\$108,725,114	-3.9%
% Change From Previous Year	-3.4%	-4.1%	-6.7%	-3.7%	-1.1%	-3.9%
% Change (Inflation Adjusted)	-3.9%	-6.7%	-9.3%	-5.7%	-3.3%	-6.3%
% Change (Inflation & Child Population Adjusted)	-7.4%	-10.0%	-10.1%	-6.5%	-4.3%	-7.7%



Sources: JBC Staff Briefing Documents, *Department of Human Services (Executive Director's Office, Divisions of Child Welfare, Child Care, and Youth Correction), FY 2013-14*; State of Colorado Joint Budget Committee *Appropriations Report, Fiscal Year FY 2013-14*; Senate Bill 13-230 (Long Bill); Senate Bill 13-091 (CDHS Supplemental).

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.



Services for People with Disabilities

Program: This program provides funding for the 20 Community Center Boards (CCBs) and contracting services agencies for the provision of three types of services: Family Support Services, Children’s Extensive Support Services (for children with developmental disabilities and delays) and CCBs’ case management and state administration and oversight. . Eligible individuals with developmental disabilities are evaluated and assigned a Supports Intensity Scale score, which determines the maximum dollar amount for allowable services. An extensive waiting list for children and family support services currently exists.

Department: Department of Human Services, Community Services for People with Developmental Disabilities

Financing: Medicaid reappropriated funds are the primary source of funding. Programs operate under a Community and Home-Based Waiver using a fee for service model.* In FY 2013-14, the General Assembly appropriated funds to enable Community Center Boards to serve an additional 811 individuals, including 582 children on the children’s waiting list.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE**
Family Support Services	\$6,416,610	\$2,173,002	\$2,173,002	\$2,169,079	\$3,255,842	-15.6%
Children’s Extensive Support Services	\$7,158,025	\$7,956,073	\$7,335,731	\$7,530,361	\$7,530,361	1.3%
Total, Family Support and Children’s Extensive Support	\$13,574,635	\$10,129,075	\$9,508,733	\$9,699,440	\$10,786,203	-5.6%
% Change From Previous Year	42.2%	-25.4%	-6.1%	2.0%	11.2%	-5.6%
% Change (Inflation Adjusted)	41.4%	-27.4%	-8.7%	-0.1%	8.8%	-7.9%
% Change (Inflation & Child Population Adjusted)	36.3%	-30.0%	-9.5%	-0.9%	7.6%	-9.3%



Sources: JBC Staff Briefing Documents, *Department of Human Services (Executive Director’s Office, Services for People with Disabilities, Developmental Disabilities Council, and the Colorado Commission for the Deaf and Hard of Hearing), FY 2012-13; FY 2013-14; State of Colorado Joint Budget Committee Appropriations Report, Fiscal Year FY 2013-14; Senate Bill 13-230 (Long Bill); Senate Bill 13-091 (CDHS Supplemental).*

***Note:** The budget for this program is understated to the extent that case management services are omitted because that line item encompasses services to adults as well as children. In FY 2012-2013, about \$5.6 million was spent on case management for the families of children with developmental disabilities. The Community and Home-based Waiver is part of Colorado’s larger Medicaid Waiver, administered by the Department of Health Care Policy and Financing. Colorado has eleven Medicaid waiver programs, four of which concern individuals with intellectual and/or developmental disabilities. [Http://Medicaidwaiver.Org/State/Colorado.Html](http://Medicaidwaiver.Org/State/Colorado.Html)

**This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Prevention Partnerships

Program: CDPHE’s Prevention Partnership includes three programs that provide prevention services to families and/or children. The *Inter-Agency Prevention Systems Program* provides support and coordination of prevention, intervention and treatment services for children and youth. The *Tony Grampsas Youth Services (TGYS) Program* is a statutory program that provides funding to local organizations that serve youth and their families with programs designed to reduce youth crime and violence and prevent child abuse and neglect.** The *Colorado Children’s Trust Fund* provides grants to local prevention and education programs that address child abuse and neglect.

Department: Department of Public Health and Environment, Prevention Services Division; Department of Human Services, Office of Early Childhood/Community and Family Support

Financing: The three Prevention Partnership programs identified for the Children’s Budget are funded primarily with annual General Fund and cash fund appropriations. The *Tony Grampsas Youth Services Program* and the *Colorado Children’s Trust Fund* also receive federal funds. The Tony Grampsas Youth Services Program distributes money to communities through a competitive grant process. The *Colorado Children’s Trust Fund* Board of Directors oversees the Trust Fund and the distribution of funds through a competitive grant process.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Inter-Agency Prevention Systems Program	\$169,841	\$131,190	\$129,939	\$133,284	\$133,284	-5.9%
Tony Grampsas Youth Services Program	\$3,986,075	\$3,765,294	\$3,555,968	\$3,575,764	\$5,060,499	6.2%
Colorado Children’s Trust Fund	\$833,389	\$975,274	\$924,015	\$1,176,119	\$1,176,119	9.0%
Total: Prevention Partnerships	\$4,989,305	\$4,871,758	\$4,609,922	\$4,885,167	\$6,369,902	6.3%
% Change From Previous Year	-28.3%	-2.4%	-5.4%	6.0%	30.4%	6.3%
% Change (Inflation Adjusted)	-28.8%	-5.0%	-8.0%	3.8%	27.5%	3.7%
% Change (Inflation & Child Population Adjusted)	-31.3%	-8.4%	-8.8%	2.9%	26.2%	2.1%



Sources: JBC Staff Briefing Documents, *Department of Public Health & Environment*, FY 2012-13, FY 2013-14; State of Colorado Joint Budget Committee *Appropriations Report*, Fiscal Year 2011-12, FY 2012-13, and FY 2013-14; Senate Bill 13-230 (Long Bill); Senate Bill 13-100 (CDPHE Supplemental).

****Note:** House Bill 13-1117 (Alignment of Child Development Programs) consolidated several child development programs within the Department of Human Services -- the Early Childhood Leadership Council in the Governor’s Office and the following programs formerly in the Department of Public Health and Environment: Nurse Home Visitor Program; Tony Grampsas Youth Services Program, Colorado Student Dropout Prevention and Intervention Program (part of TGYS), Colorado Before-and-After School Project (part of TGYS); Colorado Children’s Trust Fund, and Family Resource Center Program. House Bill 13-1239 (Creation of Statewide Youth Development Plan) required the Tony Grampsas Youth Services Program Board to create a statewide youth development plan that identifies key issues and aligns strategic efforts to achieve positive outcomes for all youth.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.

Office of the Child’s Representative

Program: The Judicial Department has four independent agencies, including the *Office of the Child’s Representative* (OCR), which oversees the provision of legal services to children entitled to legal representation at state expense, and is responsible for ensuring quality representation. The OCR contracts with more than 250 private attorneys to provide legal representation for children involved in the court system due to abuse or neglect, delinquency, truancy, high-conflict divorce, alcohol or drug abuse, mental health issues and probate matters. The OCR’s expenditures are primarily driven by the number of cases involving abuse or neglect.

Department: Colorado Judicial Department

Financing: The program is funded with state General Fund dollars.

	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Appropriation / Supplemental	FY 13-14 Long Bill Appropriation	AVERAGE ANNUAL CHANGE*
Funding Level	\$18,829,824	\$18,981,131	\$17,812,506	\$19,546,722	\$19,705,113	
% Change From Previous Year	1.1%	0.8%	-6.2%	9.7%	0.8%	1.1%
% Change (Inflation Adjusted)	0.5%	-1.9%	-8.7%	7.5%	-1.4%	-1.3%
% Change (Inflation & Child Population Adjusted)	-3.1%	-5.4%	-9.5%	6.6%	-2.4%	-2.9%



Sources: JBC Staff Briefing Documents, Judicial Branch FY 2013-14; State of Colorado Joint Budget Committee *Appropriations Report*, Fiscal Year 2013-14; Senate Bill 13-230 (Long Bill); Senate Bill 13-092 (DOJ Supplemental); House Bill 13-1117; House Bill 13-1239.

Note: The FY 2013-2014 appropriation included an increase of \$500,000 General Fund to support court-appointed special advocate (CASA) programs.

*This column represents the compound average annual growth rate (CAAGR), or average year-to-year change, over the past five state fiscal years.



Methodology

Defining, Identifying and Categorizing Programs Benefitting Children

The *Colorado Children's Budget 2013* attempts to report the portion of the Colorado state budget that benefits children. For purposes of this document, children are defined as persons from birth to age 18. Included programs met one of the following criteria:

- The program or service directly benefits children. For example, preschool, elementary and secondary education, child nutrition and child health care.
- The program or service benefits an entire household but children are necessary for a family to qualify for benefits. For example, *Colorado Works/Temporary Assistance to Needy Families (TANF)*.
- The program or service is designed to prevent or alleviate a serious problem that affects the well-being of children, even though the service may be directed to another family member or the community. For example, Low-Income Energy Assistance, Tobacco Education, or the Nurse Home Visitor Program.

In cases where a program benefits adults as well as children, we tried to apportion the budget to separately identify the share of the total benefitting children. If the children's portion of spending could be identified, both the total and the children's portion are reported. Unfortunately the data required to apportion program totals were often not available. In those cases, the *Children's Budget* overstates the funding benefitting children.

The *Children's Budget* encompasses only those programs that received a state budget appropriation. Accordingly, the document does not include:

- Federal funds that go directly to state departments and can be spent without action by the legislature.
- Other federal funds that go directly to local governments, school districts or non-profit organizations, even though they are a critical component of state-level plans for improving the delivery of services to children.
- Tax credits or deductions that result in foregone revenue and are often referred to as "tax expenditures." Several tax expenditures, including the Child Care Tax Credit and the Earned Income Tax Credit (EITC) are very important to the well-being of children.

All programs were placed within one of four areas identified by the Colorado Children's Campaign as essential to creating opportunity for every child in Colorado:

- Early Childhood Learning and Development
- Educating Children: K-12
- Health Services and Programs for Children and Families
- Family and Community Supports



Data Protocol and Sources

This document tracks the budget over a five-year period. It identifies appropriation amounts for the current fiscal year – FY 2013-2014, which started in June 2013. For the prior fiscal year, FY 2012-2013, it identifies appropriations as adjusted by supplemental appropriations. Actual expenditures are reported for the three prior years. Most budget numbers reported in this document are taken from the Long Bill (Senate Bill 13-230) or the Colorado Appropriations Report for the current fiscal year and from the Joint Budget Committee (JBC) staff budget briefing documents for all other years. Executive branch budget documents are sometimes referenced for further information.

Appropriations reflect the priorities assigned to programs in a given budget cycle. These numbers represent the maximum allowable expenditure and/or the estimate of what will be required to finance entitlement programs. All appropriations are subject to revision by later legislative action during the course of the fiscal year and even sometimes retrospectively, particularly those for entitlement programs. As a result, numbers recorded for FY 2012-2013 and FY 2011-2012 in this budget may well differ from those reported for the same program in last year's budget.

To prepare the *Children's Budget*, funding for each department, division and program are collected and entered into an Excel spreadsheet by funding source. There are four categories of funding sources:

- Federal funds, received directly from the federal government to pay for entitlement programs such as Medicaid, TANF or child nutrition and for other purposes designated by federal regulations.
- General Fund revenues, derived from state income (individual and corporate), sales and excise taxes.
- Cash funds, established by statute or constitutional provision designating a specific programmatic purpose and funding source such as fees, fines, dedicated tax or non-governmental payments.
- Re-appropriated funds, generally involving non-direct federal fund transfers between departments. When money is transferred between funds, departments or line items, it can be difficult to follow. Although an effort was made to exclude re-appropriated funds in cases where they were clearly identified and were known to be carried elsewhere in the Children's Budget, some double-counting of these funds may occur.

Every attempt is made to accurately track and account for total program expenditures. As a general rule:

- Departmental management and administrative expenditures are omitted. Funding for the staff directly engaged in the delivery of programs is covered at the program level and was generally included. Costs associated with computer systems critical to the administration of programs such as Medicaid were excluded.
- The treatment of local contributions varies. In some cases, local contributions are used to meet matching requirements for federal funding. They may be embedded in the cash funding line and are included in all totals. Other local contributions, most notably the local contribution required as part of the School Finance Formula (discussed in the K-12 education section), are not included in the budget totals.
- Individual program table notes provide source documents and more specific and detailed methodology for each program.



Comparing Budget Levels Over Time

Budget changes over time are tracked three ways:

- Actual appropriations and expended amounts as reported in state budget documents. These are sometimes referred to as “nominal” dollars.
- “Real” spending, i.e., adjusted for inflation. Over time, the value of a dollar tends to decrease as prices for goods and services increase. This phenomenon is referred to as inflation and is important for long-term economic comparisons. Inflation is tracked using the Denver-Boulder-Greeley consumer price index, published by the Bureau of Labor Statistics. To adjust for inflation, budgeted amounts for FY 2010-2011 through FY 2013-2014 are deflated by the consumer price index for that fiscal year. The index is calibrated so its value in FY 2009-2010 is set to 1. According to the CPI, prices went up 10.3 percent over the five years tracked in this document. Therefore, appropriations would have had to increase by this percentage to buy the same overall amount of services as were provided in FY 2009-2010. By adjusting for inflation, it is possible to isolate the change in “real purchasing power.”
- Real spending adjusted for population growth. If inflation-adjusted spending remains constant but the population to be served increases, then there is less available to spend on services provided to each client or beneficiary. Child population is based on data and projections reported by the state demographer. Between FY 2009-2010 and FY 2013-2014, the child population was estimated to have increased 6.6 percent. Using this measure, if “real” spending increased by less than the rate of child population growth, a decrease in the size of the budget would be reported.

It would have been desirable to also standardize budget numbers using measures specific to each program, since it is likely that the numbers of children eligible for a service, such as Medicaid or the Child Health Plan Plus (CHP+), actually increased at a faster rate than the overall child population. *KIDS COUNT in Colorado!* has documented that the number of children living in poverty in Colorado has more than doubled since 2000, which means that the number of poor children has grown at a faster rate than the number of all children. However, because reliable measures specific to each program were not generally available, they were not included in this report. The sole exception is the K-12 pupil count, which is taken into consideration when evaluating funding levels for school finance.

For all programs, the tables in Part II identify the administering department and describe program purpose, financing mechanisms and considerations affecting the budget. The tables show actual expenditures or appropriations for each year of the five-year study period. They also show levels of change using several measures.

- **Year-to-year percent changes** are shown for nominal funding levels, “real” inflation-adjusted funding levels and for funding levels adjusted for both inflation and child population growth.
- **Compound average annual growth rates (CAAGR, referred to in the tables as average annual change)** are also shown. These rates smooth out year-to-year fluctuations in growth over the five-year study period.

An arrow to the right of each table depicts the direction of change in program spending adjusted for inflation. If the average annual change associated with “real” spending is +/- .5 percent, the arrow is horizontal, indicating a stable pattern of funding. Up or down arrows indicate larger increases or decreases.

Terms used in the Children's Budget³⁰

Compound Average Annual Growth Rate (CAAGR) - The growth rate, which if applied in each year of the period to the prior year's total, would bring the FY 2009-2010 appropriation to the FY 2013-2014 level.

Appropriated Funds - Funds allocated by the state legislature for a specific use such as funding education services.

General Fund (GF) - A fund into which general tax revenues, such as state sales and income taxes, are deposited. The General Fund is used to pay, in whole or in part, for state programs which benefit the majority of state citizens, such as education. General Fund revenues are subject to constitutional spending limits as defined under the Taxpayer Bill of Rights (TABOR). *TABOR is defined in the Colorado Budget Policies section of this glossary, found on the following page.*

Cash funds (CF) - Separate funds created to receive earmarked revenues, such as fees and fines, which typically pay for the programs from which the revenues are collected. Cash funds are subject to the TABOR spending limit.

Reappropriated funds (RF) - Any amounts that are appropriated a second or more times subsequent to an initial appropriation in the same fiscal year. Reappropriated funds are exempt from the TABOR spending limit.

Federal Funds (FF) - Funds received from the federal government. Federal funds come in a variety of forms and are distributed to states and communities in a number of ways. Funds are usually designated for particular purposes and each comes with specified set of rules and requirements. Federal funds are used for a number of public needs such as health care, special education, child nutrition programs, child care assistance, and school improvement needs. Federal funds are exempt from the fiscal year spending limit imposed by TABOR. Terms frequently used in relation to federal funds include:

- **Discretionary Spending** - Expenditures within the U.S. budget that are within the 12 appropriations bills, and that are negotiated between the Branches of Congress and the President's Office each year.
- **Mandatory Spending** - Includes programs, mostly *entitlement* programs such as Medicaid and the Supplemental Nutrition Assistance Program (SNAP), funded by eligibility rules or payment rules.
- **American Reinvestment and Recovery Act of 2009 (ARRA)** - An economic stimulus bill created to help the United States economy recover from an economic downturn that began in late 2007.
- **Matching Requirement** - A condition that an amount of money or services-in-kind originate from the beneficiaries of financial amounts. Medicaid is an example of a program that depends partially on federal matching funds.
- **Block Grant** - A specific amount of money awarded with relatively few restrictions or requirements to enable states to address their own unique needs and challenges in innovative and locally-defined ways. Federal requirements vary but may include specific goals, minimum levels of eligibility, allowable costs, a defined time period to expend funds, minimum state spending requirements or maintenance of effort levels, and reporting requirements. Colorado often devolves responsibility for these funds to counties.

³⁰ Source: State of Colorado Joint Budget Committee (2012). APPROPRIATIONS REPORT: Fiscal Year 2012-13. Colorado General Assembly.

Total Funds (TF) - Total funds received from all sources (General Fund, Cash Funds, Reappropriated Funds, Federal Funds).

Federal Poverty Guidelines (FPL) - Issued by the U.S. Department of Health and Human Services each year in the *Federal Register*. These guidelines determine financial eligibility for many federal, state and local programs for low-income people. Examples of these programs include: Head Start, the National School Lunch Program, the Food Stamp Program, Child Care Assistance Program, Temporary Assistance for Needy Families, and health programs such as Medicaid or the State Children's Health Insurance Plans.³¹

Persons in Family or Household	100 Percent of Poverty	130 Percent of Poverty	150 Percent of Poverty	185 Percent of Poverty	200 Percent of Poverty	250 Percent of Poverty	300 Percent of Poverty
1	\$11,490	\$14,937	\$17,235	\$21,257	\$22,980	\$28,725	\$34,470
2	\$15,510	\$20,163	\$23,265	\$28,694	\$31,020	\$38,775	\$46,530
3	\$19,530	\$25,389	\$29,295	\$36,131	\$39,060	\$48,825	\$58,590
4	\$23,550	\$30,615	\$35,325	\$43,568	\$47,100	\$58,875	\$70,650
5	\$27,570	\$35,841	\$41,355	\$51,005	\$55,140	\$68,925	\$82,710
6	\$31,590	\$41,067	\$47,385	\$58,442	\$63,180	\$78,975	\$94,770
7	\$35,610	\$46,293	\$53,415	\$65,879	\$71,220	\$89,025	\$106,830
8	\$39,630	\$51,519	\$59,445	\$73,316	\$79,260	\$99,075	\$118,890

³¹ Source: Office of the Federal Register (January 2013). *Federal Register*. National Archives and Records Administration.



Colorado Fiscal Policies Impacting Children’s Programs and Services³²

Amendment 23 - A voter-approved constitutional provision governing General Fund appropriations for K-12 education. Amendment 23 requires the state to provide minimum increases in funding for elementary and secondary education by diverting a portion of income tax revenues to the State Education Fund.

Amendment 35 - A voter-approved constitutional provision that increases taxes on tobacco products to fund expansions of health programs, services and education. Amendment 35 revenues are allocated to five cash funds: the Health Expansion Fund (46 percent), the Primary Care Fund (19 percent), Tobacco Education, Prevention, and Cessation Fund (16 percent), Prevention, Early Detection, and Treatment Fund (16 percent) and other health related services (3 percent).

Building Excellent Schools Today (BEST) - Provides matching grants to school districts and charter schools to repair, replace, or renovate schools with substantial health and safety problems. Through revenue from School Trust Lands and the State Lottery, BEST has resulted in projects in more than 100 districts and charter schools.

Colorado Health Care Affordability Act (HB 09-1293) - Authorized the Department of Health Care Policy and Financing to assess a provider fee on hospitals, in order to maximize federal Medicaid funds. The resulting revenue is deposited in the Hospital Provider Fee Cash Fund and used for payments to hospitals and CHP+ and Medicaid expansions.

Gallagher Amendment - A constitutional change that caps increases in the property tax base for local governments, including school districts, by limiting the taxable value of residential property.

Master Settlement Agreement (MSA) - A multi-state agreement between the Attorneys General of 46 states, including Colorado, and the four largest tobacco companies to settle Medicaid lawsuits, restrict certain tobacco marketing practices and reimburse states for tobacco-related health costs. These funds are used to support health-related programs and services and projects that benefit children with disabilities.

Mill Levy Stabilization - Legislation that struck a section of the Public School Finance Act (Senate Bill 07-199) that codified the property tax revenue limits imposed in 1992 by TABOR. It requires a school district to annually lower its mill levy if its revenue growth exceeds inflation plus growth in student enrollment.

Public School Finance Act - A specified formula developed in 1994 for determining state and local financial support for operating Colorado’s 178 school districts and the Charter School Institute. Per-pupil funding is adjusted from a base dollar amount by three factors: (1) the district’s size; (2) the district’s cost of living; and (3) the district’s at-risk student population.

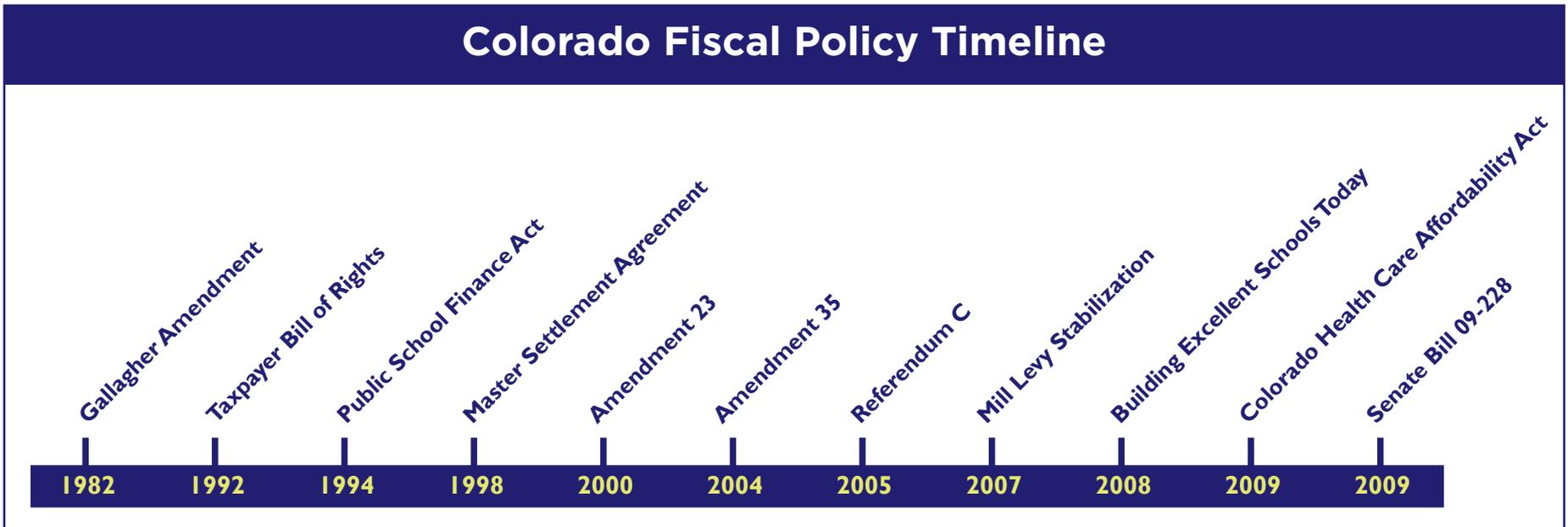
Referendum C - A voter-approved measure that from FY 2005–06 to FY 2009–10 allowed the State to retain all General Fund revenues in excess of the fiscal year spending limit imposed by TABOR. For FY 2010–11 and beyond, it permanently eliminated the “ratchet effect” in TABOR by allowing the state and beyond, to retain all revenues that are in excess of the TABOR fiscal year spending limit, but less than the excess state revenue cap that is adjusted each year for inflation and population growth.

³² *Multiple Sources:* Groginsky, Scott, et al. (2007). *Understanding Mill Levy Stabilization*. Colorado Children’s Campaign. http://www.coloradokids.org/our_issues/k12_education/projects.html Stapleton, Walker (2011). *Constitutional Provisions*. Colorado Department of the Treasury. http://www.colorado.gov/cs/Satellite/Treasury_v2/CBON/1251592160342 State of Colorado Joint Budget Committee Staff (2008). *Glossary - Acronyms and Definitions*. Colorado General Assembly. http://www.state.co.us/gov_dir/leg_dir/jbc/glossary.pdf.

Senate Bill 09-228 - Eliminated the statutory Arveschoug-Bird General Fund spending limit that kept program spending increases to 6 percent and transferred state income above the 6 percent to roads and construction.

Taxpayer Bill of Rights (TABOR) - Adopted by Colorado voters in 1992, TABOR imposes a constitutional limit on how much revenue the state can collect. Revenues include state taxes and cash fund collections from fees and fines. Federal moneys are excluded. Under TABOR, growth in state revenues is limited to the Denver-Boulder inflation rate plus the percentage change in population from the prior year. Collected revenue in excess of the inflation plus population limit must be refunded in the following fiscal year. No TABOR refunds have been issued since 2001.

Colorado Fiscal Policy Timeline



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