



DENVER[®]
THE MILE HIGH CITY

Human Services

2012 Budget Overview





DENVER HUMAN SERVICES 2012 BUDGET PRESENTATION

- Mission & Service Overview
- Financial Structure and Budget
 - Major Budget Impacts
 - City Budget
 - State Budget
 - Major Programs (Allocations)
- Challenges & Strategies
- 2011 Accomplishments



DENVER®
THE MILE HIGH CITY

Human Services

DHS Mission & Services

Mission:

“Partnering with our community to protect those in harm’s way and help all people in need.”

Services Provided:

•Assistance

- Family & Adult Assistance (County Administration and TANF Allocations)
- Family & Adult Support (Childcare Allocation)
- Child Support

•Protection & Prevention

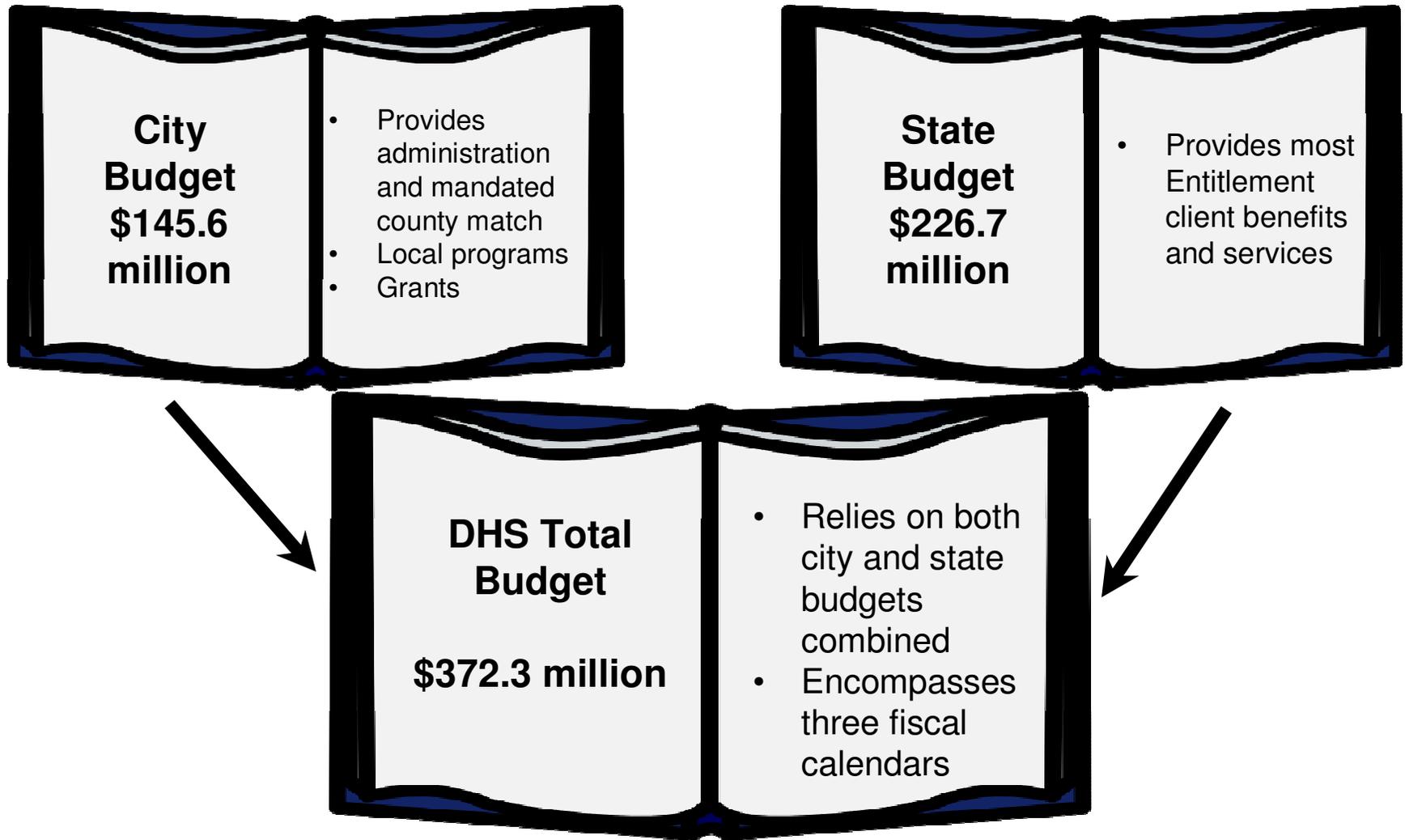
- Child Welfare Services (Child Welfare and Core Services Allocations)
- Youth Services (Child Welfare and Core Services Allocations)
- Community Partnerships (Office of Community Impact & General Assist.)

•Finance & Administration

- Support Services, Revenue Generation
- Performance Improvement & Accountability



DHS Financial Structure



DHS Financial Structure

- 3 separate fiscal cycles
 - City Budget – January 1 thru December 31
 - State Budget – July 1 thru June 30
 - Federal – October 1 thru September 30
- All projections for 2012 (City budget) include SFY 2012/13
- Two Fund Balances
 - City Budget
 - DHS Undesignated Fund Balance
 - State Budget
 - Temporary Assistance To Needy Families (TANF) Reserves



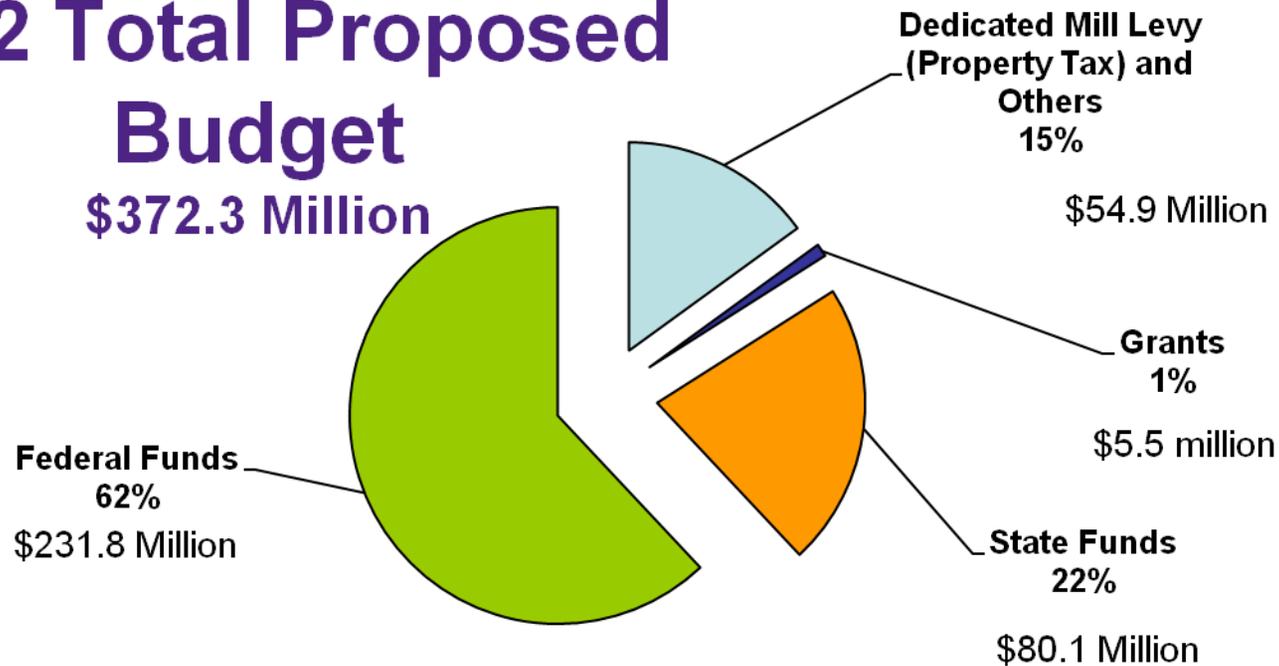


DHS Major Budget Impacts

- Reduced TANF Allocation
 - New Formula implemented in SFY 2010
 - Denver loses approx. \$10 million over 5 years
 - Impacts Workforce Program
 - Less funding available for Child Care Assistance
 - Approx. 1,000 children will no longer be served
- City Budget reduced by \$4 million
 - Due to grant funding no longer being available
- Overall budget increase from \$349.2 million in 2011 to \$372.3 million
 - Increase is due to additional entitlement benefits for clients

2012 Total Proposed Budget

\$372.3 Million



- & ■ = 84% or \$311.9 million from State and Federal Funding in Combined Budget
- = 15% or \$54.9 million from dedicated mill levy and other revenues
 - \$40.7 million dedicated mill levy for DHS
 - \$10.3 million dedicated mill levy for Developmental Disabilities, 100% pass-through to Denver Options
 - \$3.9 million other revenue sources such as State and Federal incentives, employee parking fees
- = 1% or \$5.5 million from various grants

2012 Total Proposed Budget By Program (000s)

Program	Federal Fund	State Fund	Dedicated Mill Levy/Others*	Grant	\$ Total	% Total
Family & Adult (Combined)						
<i>Child Care Assistance</i>	\$9,748	\$2,820	\$1,746		\$14,314	5.4%
<i>Food Assistance</i>	\$148,610				\$148,610	55.9%
<i>TANF (Colorado Works)</i>	\$30,397	\$0	\$5,280		\$35,677	13.4%
<i>Old Aid Pension</i>		\$24,000			\$24,000	9.0%
<i>Others(LEAP, County Admin.)</i>	\$16,692	\$16,216	\$10,235		\$43,142	16.2%
Total Family & Adult	\$205,446	\$43,036	\$17,261	\$0	\$265,743	71.4%
Child Support	\$7,241	\$0	\$3,598		\$10,838	2.9%
Child Welfare & Youth Services	\$19,163	\$37,054	\$16,139	\$1,851	\$74,208	19.9%
Community Partnerships			\$7,590	\$3,628	\$11,218	3.0%
Developmental Disabilities 100% pass thru			\$10,329		\$10,329	2.8%
Department Total in \$	\$231,850	\$80,090	\$54,917	\$5,479	\$372,336	100.0%
Department Total in %	62%	22%	15%	1%		

* Finance & Administration are built into program areas





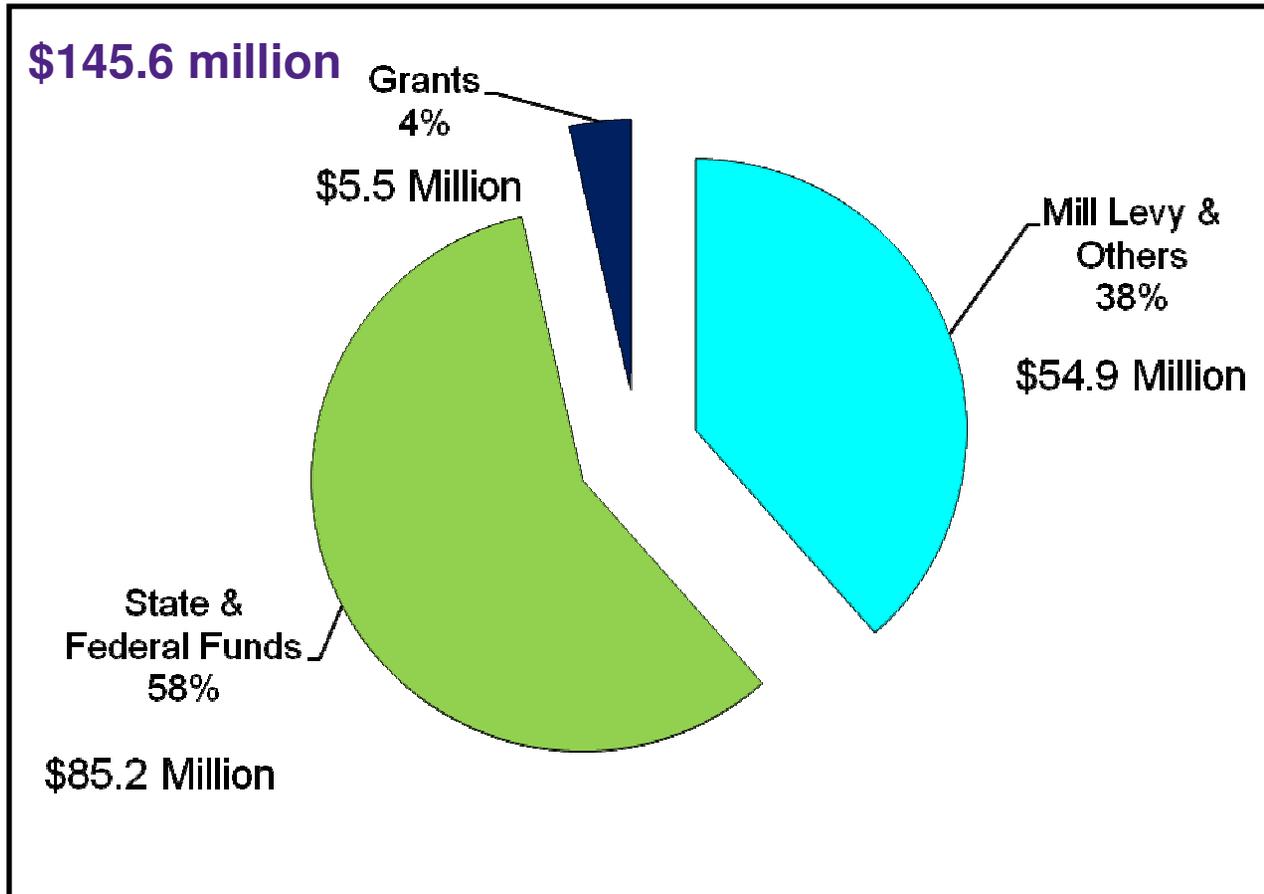
DENVER[®]
THE MILE HIGH CITY

Human Services

2012 CITY BUDGET



DHS City Budget – Revenue Sources



\$145.6 million of \$372.3 million total budget is reflected in the City Budget

The City Budget Covers:

- Administrative expenses for personnel and operating costs
- County Match for mandated programs
- Local programs
- Grants

DHS City Budget - Proposed \$145.6 million

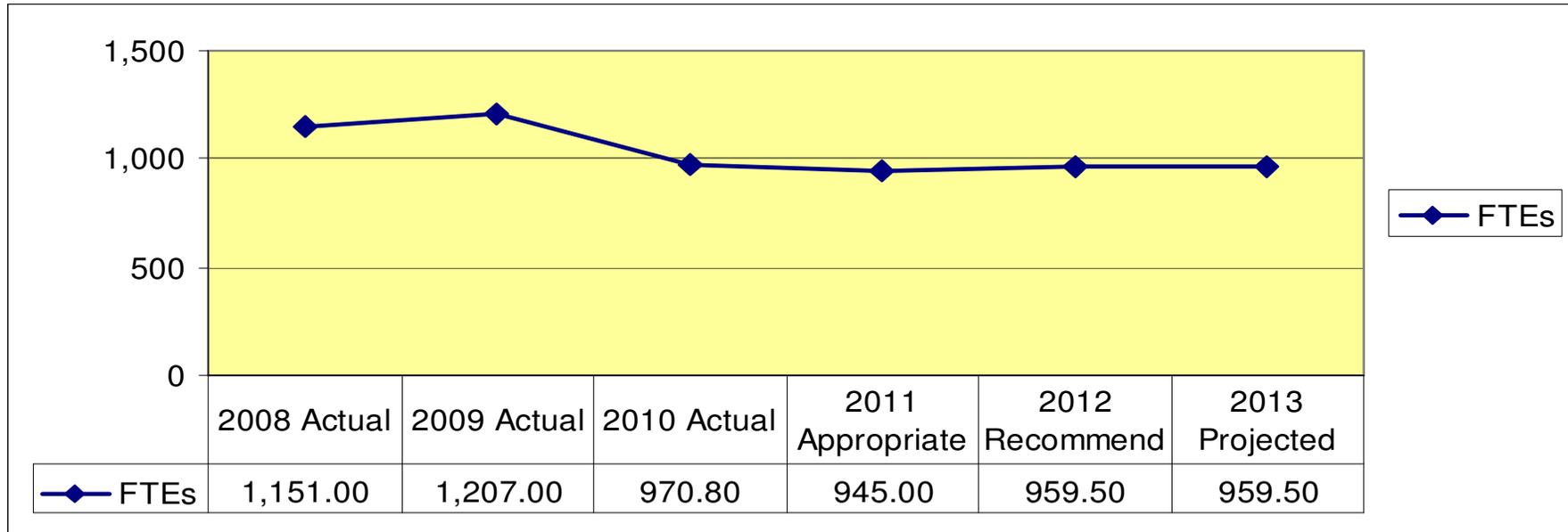
Budget By Program	Amount	FTEs	Percent
Family & Adult Services	\$47,724	317.0	33%
Child Support	\$7,153	105.0	5%
Child Welfare & Youth Services	\$38,237	356.5	26%
Community Partnerships	\$11,218	26.0	8%
Finance & Administration	\$30,923	155.0	21%
Developmental Disabilities 100% Pass Thru	\$10,329	0.0	8%
Department Total in \$	\$145,584	959.5	100%

* Finance & Administration includes standard Support Services, Revenue Generation, Performance Improvement & Accountability



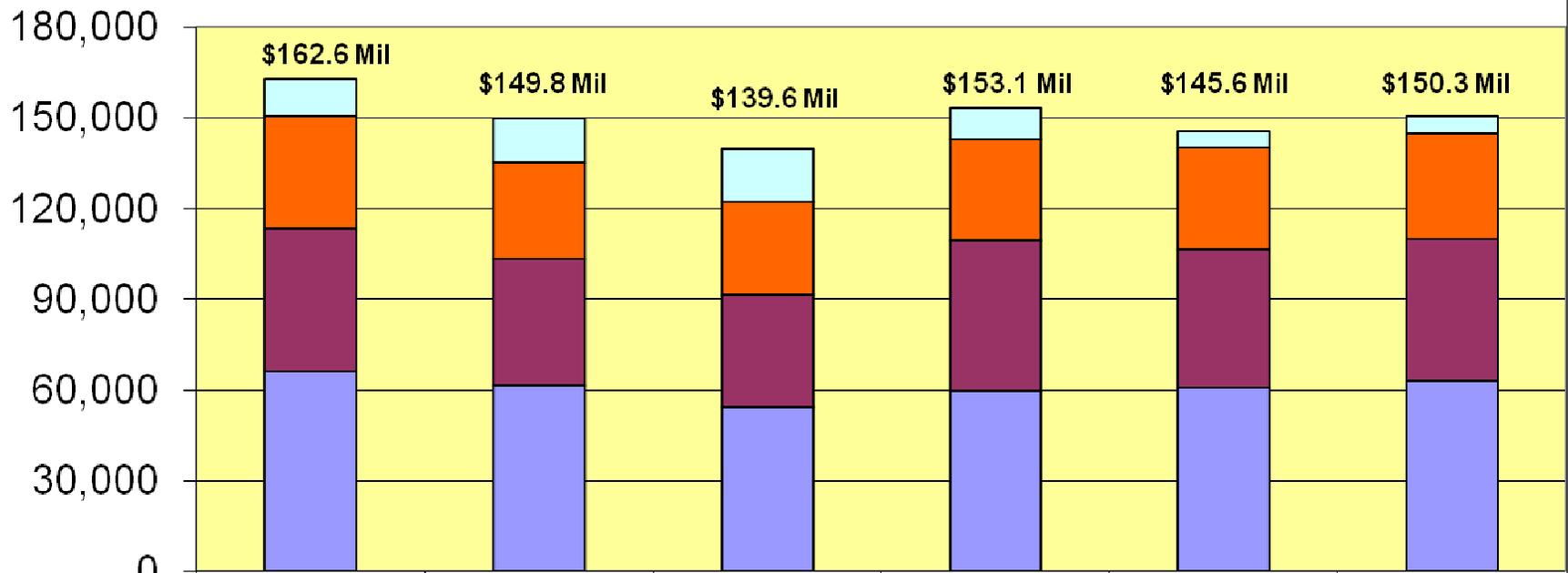
Human Services

DHS City Budget - Historical FTE Count



- Between 2008 and 2010, DHS reduced personnel by 180 FTEs or 15.7% of workforce
- In 2011, 19 FTEs were added, but 45 positions were abolished for a net loss of 26 FTEs.

DHS City Budget - Historical Spending



	2008 Actual	2009 Actual	2010 Actual	2011 Appropriated	2012 Recommended	2013 Projected
□ Grant Expenditures	12,151	14,700	17,594	10,283	5,480	5,500
■ Internal Services & Misc	37,415	31,660	30,717	33,423	33,745	35,095
■ Services & Supplies	46,809	42,119	36,978	49,649	45,655	46,568
■ Personal Services	66,254	61,309	54,334	59,723	60,704	63,132



DHS City Budget – Savings History

- **Saved \$28.4 million between 2008 and 2010:**
 - **\$11.9 million in personnel**
 - Eliminated more than 180 budgeted positions through hiring freeze, retirement incentive, furlough days, and layoffs
 - **\$9.8 million in services and supplies**
 - majority of this savings came from contracts and operating costs with better Child Welfare practice and other program contract reductions
 - **\$6.7 million in internal service expenses**
 - Including no new technology projects, cut back in printing costs, copy machine leases, facility management services, special program reductions, and legal services
- **Additionally, received \$5.4 million in grant funding**
 - by actively searching for more grant opportunities and the receipt of ARRA funding

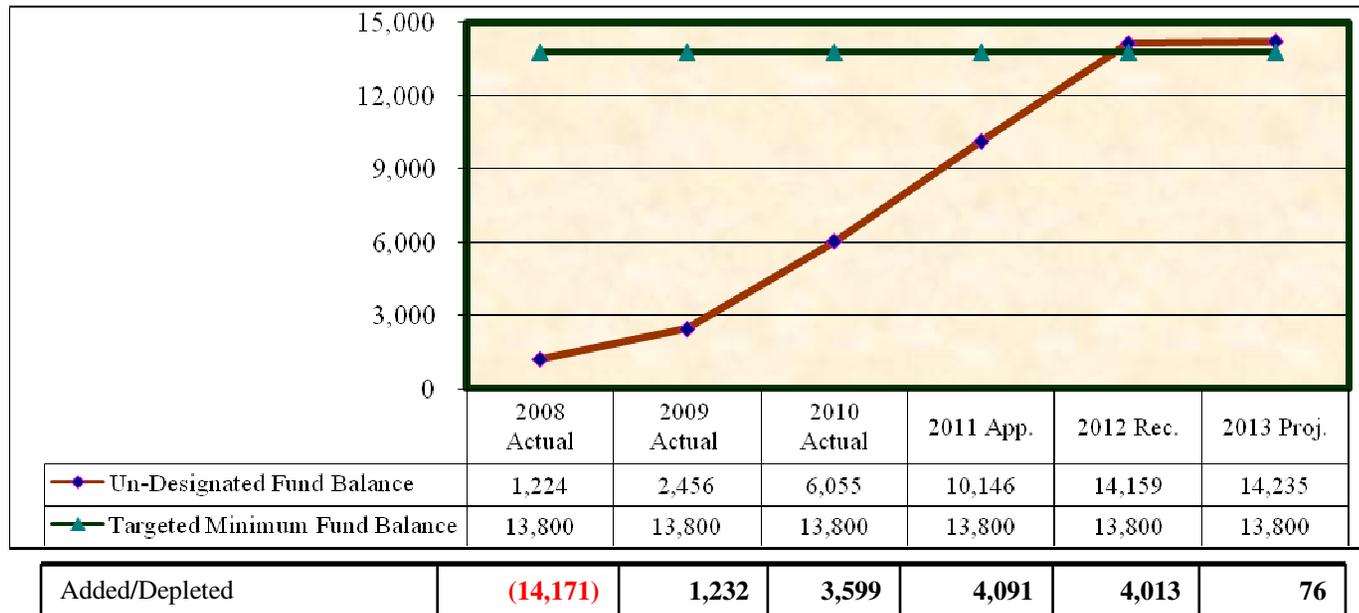




DHS City Budget – Recent Increases

- **\$18.1 million increase between 2010 (actuals) and 2012 (recommended):**
 - **\$6.4 million in personnel (FTEs and other costs)**
 - Proposed 2012 budget adds 14.5 positions:
 - 3 time-limited positions for document imaging
 - 6.67 regular positions for Child Support Call Center previously operated by outside provider
 - 2.92 regular positions converted back from partial grant funding (previous temporary cost savings)
 - 1.92 regular positions converted from contract labor in compliance with labor laws (offset with contract costs)
 - **\$8.7 million in services and supplies**
 - County match percentage increase for mandated programs and various operating costs
 - **\$3.0 million in Internal Service Charges**
 - City-Wide shared services costs (line item transferred from personnel budget)

DHS City Budget – Undesignated Fund Balance



At-Risk/Eliminated Revenue Sources

- County Base Tax Relief
 - eliminated by state in 2010
- TANF Fund Transfer
 - no longer an option
- Work Participation Rate Incentive
 - expected elimination in 2013
- Child Support Enforcement Incentives
 - expected elimination in 2013

* Fund Balance projections assume program reductions due to TANF Allocation cuts and no additional cuts.

- Undesignated Fund Balance built back up with now At-Risk or Eliminated Revenue Sources and 2010 Property Tax Increase
- At-Risk revenue sources elimination will impact fund balance growth
- 2013 Projected Fund Balance is \$14.2 million
- DHS Advisory Board established UFB goal at \$13.8 million

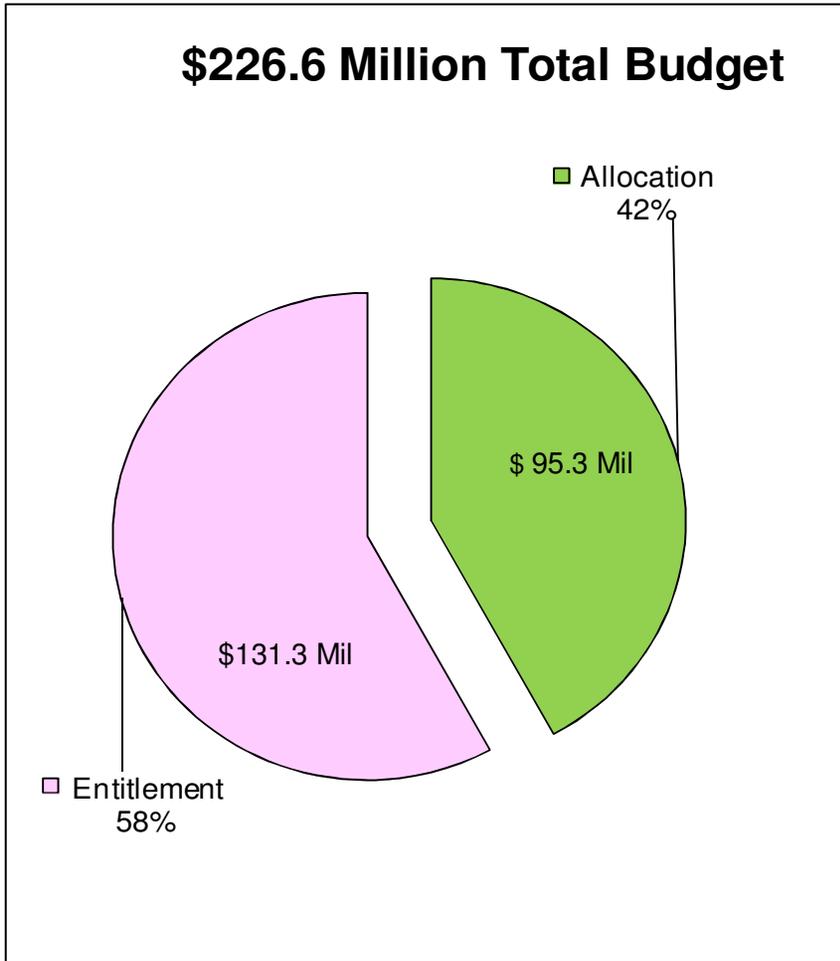


DENVER[®]
THE MILE HIGH CITY

2012 STATE BUDGET



DHS Funding Categories by Program Type



- Allocation Programs:
 - County Administration, Temporary Assistance to Needy Families, Child Care, and Child Welfare/Core Services
- Entitlement Programs:
 - Food Stamps, Old Age Pension, Aid to Needy Disabled, Child Support

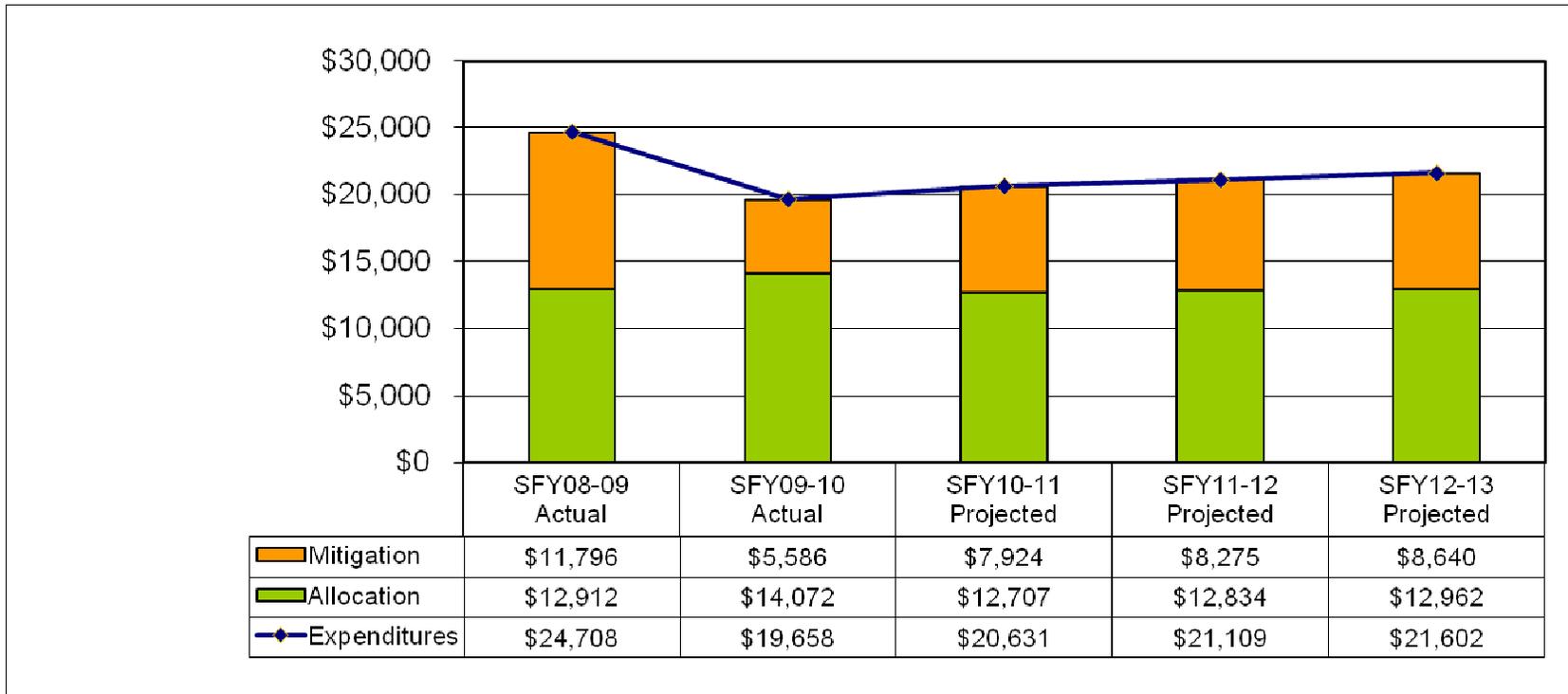


DHS Mitigation Techniques

- When State and Federal allocations do not cover costs, counties use mitigation techniques to cover the deficit.
- Each allocation has different guidelines for which mitigation techniques can be used.
 1. Redistribution of unspent funds from other counties
 - Currently, most counties are spending their full allocation
 2. Federal pass-through revenues
 - Overspent County Administration \$ are reimbursed at approximately 33%
 3. Transfers from TANF Allocation
 - Child Care and Child Welfare only, with annual limitations
 - No longer an option; New distribution formula reduces Denver's TANF allocation by close to \$2 million each year for five years
 4. TANF Reserves
 - Previously used to cover cuts, but will be depleted SFY2011-12
 5. Mill levy revenues
 - Currently used for local programs and county match
 6. DHS Undesignated Fund balance



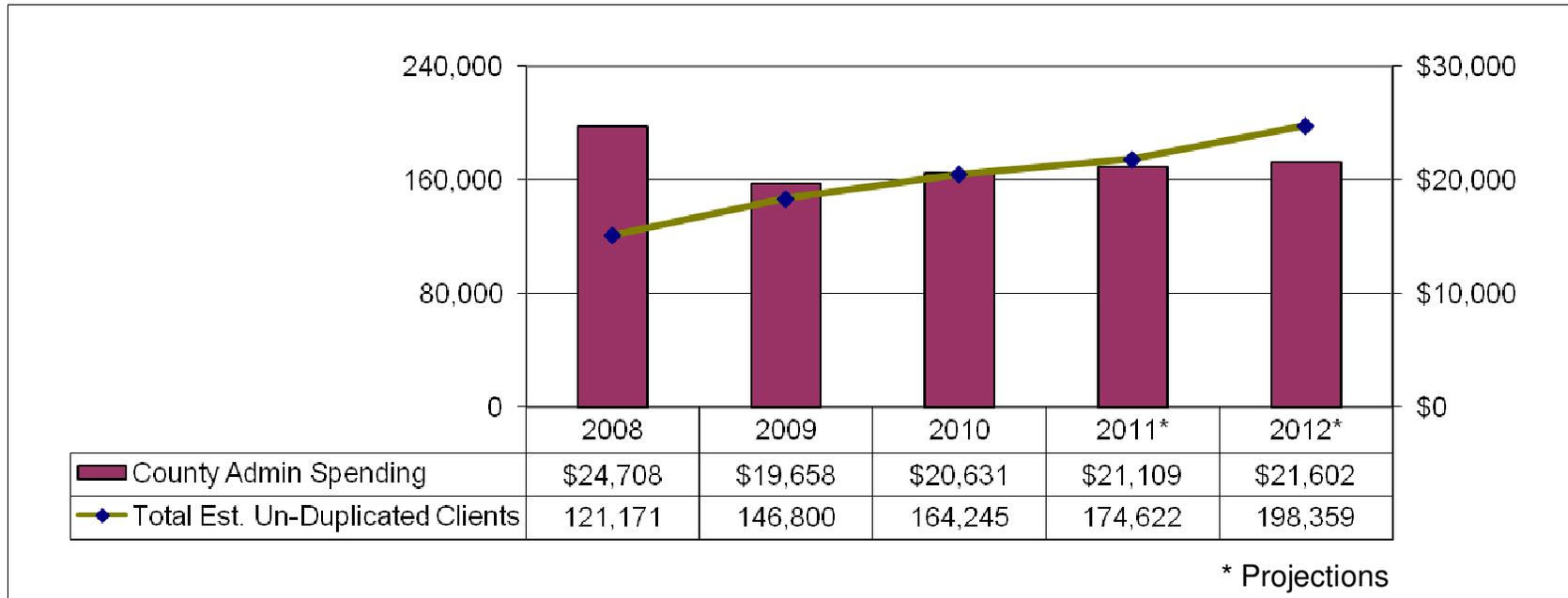
DHS State Budget - County Admin. Allocation



- Funds Family and Adult Assistance and Support Divisions eligibility functions and a portion of Finance and Administration.
- Reductions in 2009-2010 were from Personnel and Operating Costs.
- Allocations have not kept pace with caseload demands
 - Recovery Effort and Long Term Business Process Improvements are key to managing costs

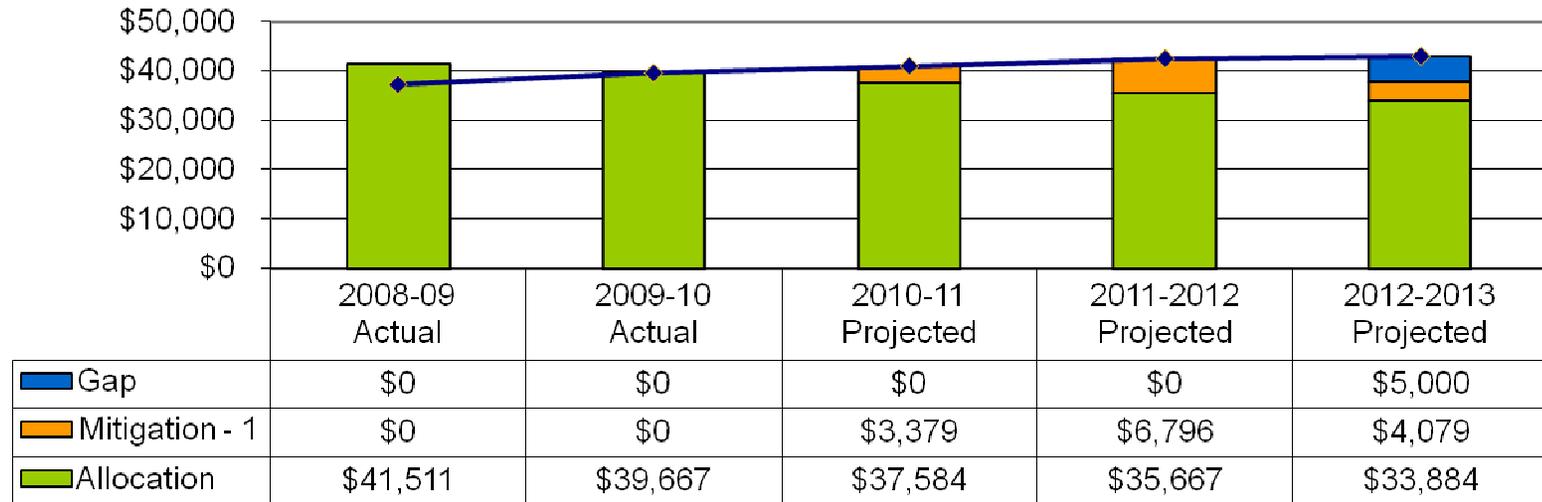


DHS State Budget - County Admin. Clients



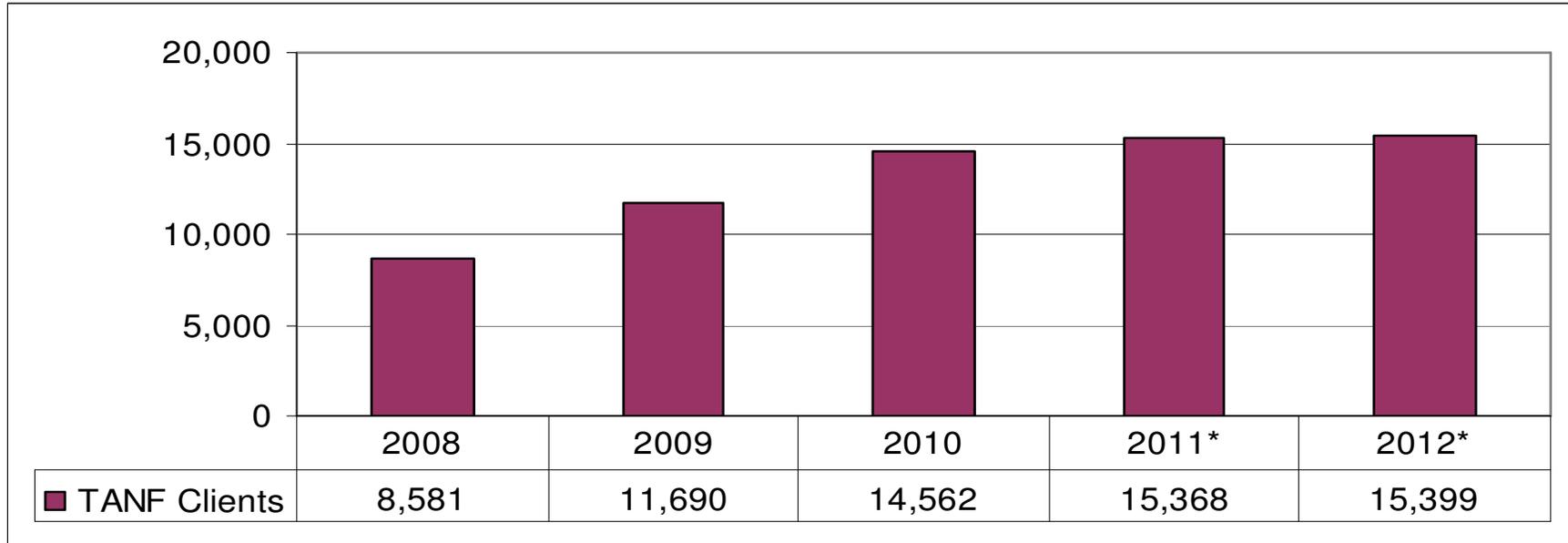
- On average Assistance clients have increased by 44% from 2008 to 2011
- County Administration \$ do not increase with Entitlement client increases
- FAD Recovery Effort helped find ways to address new client levels

DHS State Budget – TANF Allocation



- Funds Family and Adult Division’s Colorado Works Program in partnership with OED
- Allocations have covered costs until recent years due to
 - basic cash assistance increase of 30% in 1/2009
 - new funding distribution formula (Denver is reduced by almost \$2 Million per year for five years)
- Previous underspent allocations used to fund childcare quality improvement, after-school and youth employment programs, and Denver Public Schools initiatives
- Building Community Partnerships helps us meet program area gaps

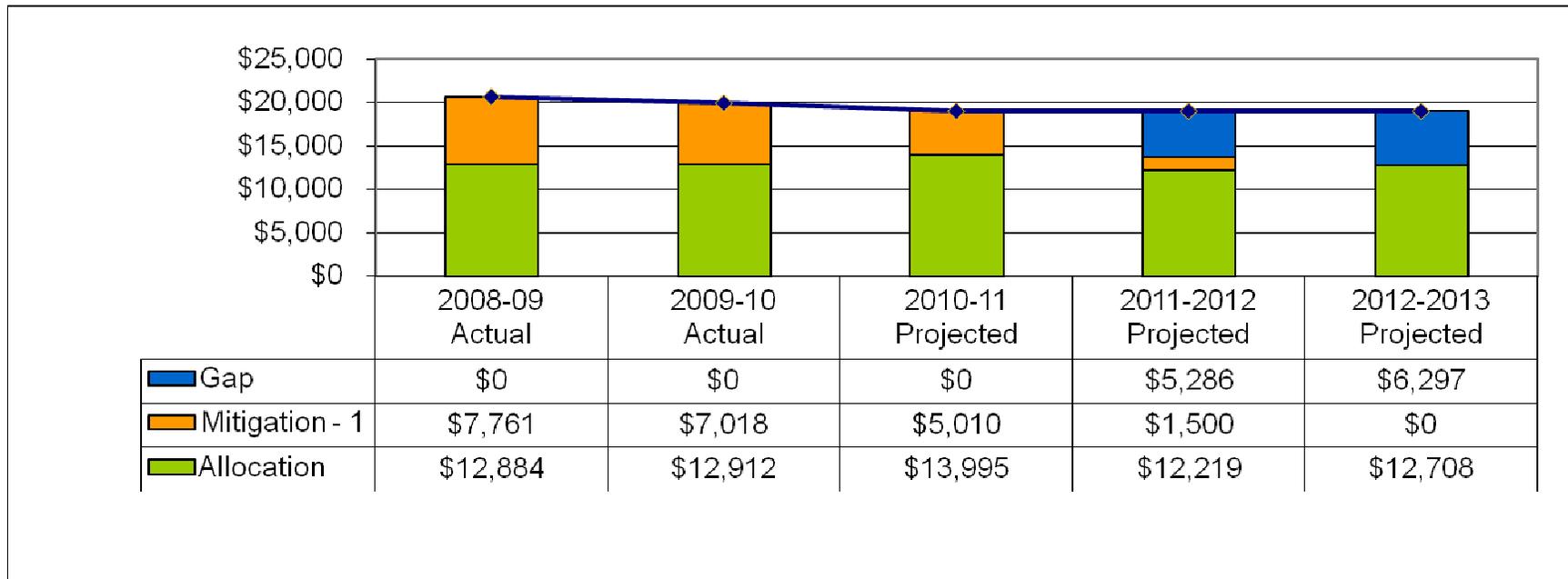
DHS State Budget – TANF Clients



* Projections

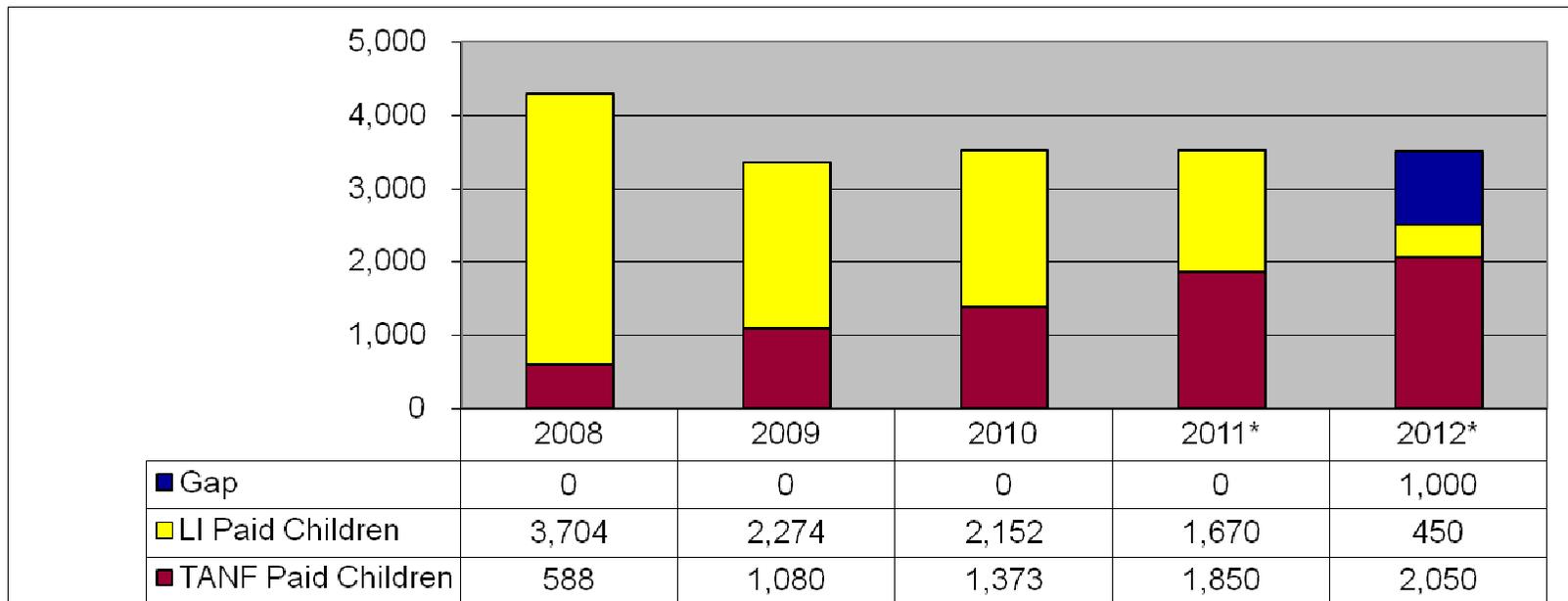
- 3.96 clients per case in TANF, mostly with smaller children
- As allocation decreases, TANF clients have gone up by 80%
- Developed a work group to determine how we can provide needed services to those most in need

DHS State Budget – Childcare Allocation



- Funds Childcare Assistance Program for low-income and TANF families during approved activities
- Allocation does not cover community demand, current waitlist has no movement
- Previously mitigated through TANF transfers
- Due to the reduction in available TANF dollars in future years, the 3,500 children currently served in this program will need to be reduced
- The estimated number of children we can serve is 2,500 per month for SFY 2011-12
- This creates a community wide issue – in Denver, a family with a preschooler and infant pays \$20k/yr

DHS State Budget – Childcare Caseloads



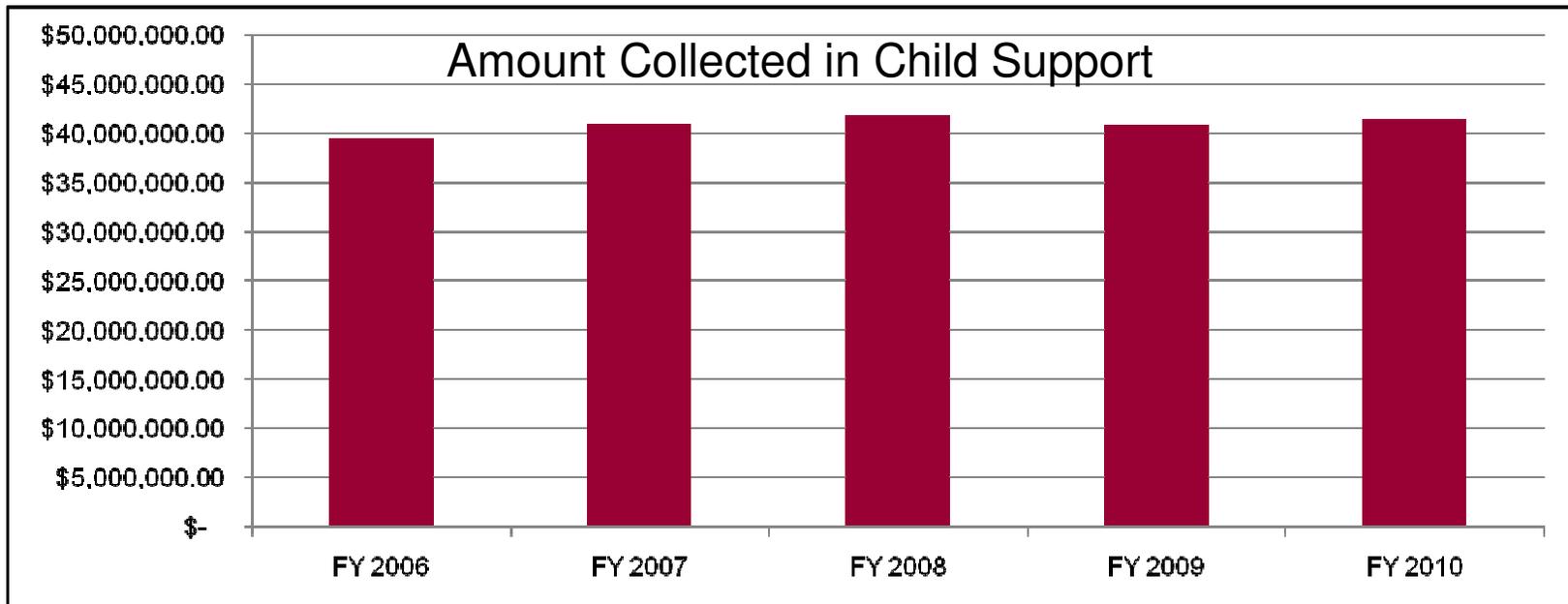
* Projections based on allocation

- As we serve more TANF families, we must serve less low income families
- Waitlist implemented in 2009 for low income families
- Working with the state to modify the allocation formula
- Working with the community to address affordable, quality childcare issue across Denver
- Currently serving approx. 1,000 children more than we have funding for



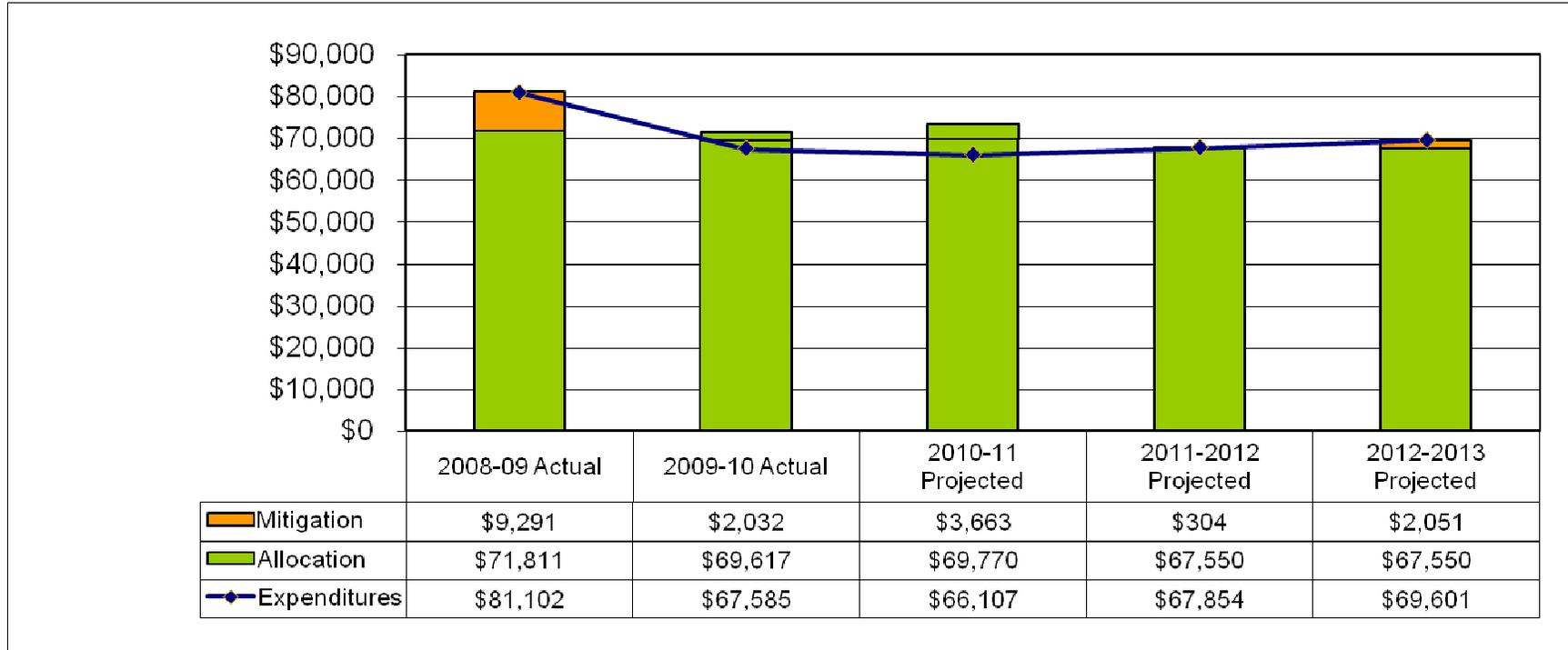
Human Services

DHS State Budget – Child Support



- Most \$ collected go directly to families, unless used to offset other benefits, such as Childcare and TANF
- Do not receive an allocation, but cover administrative costs through federally reimbursed city \$

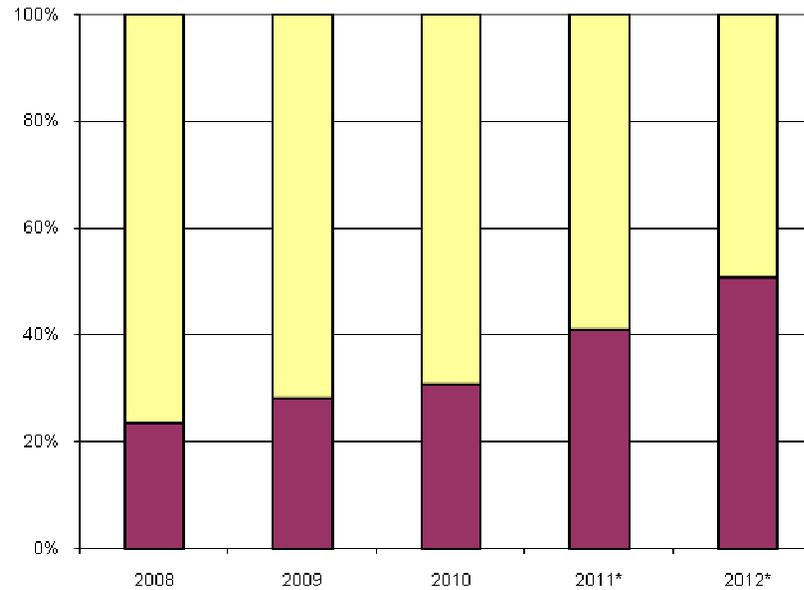
DHS State Budget - Child Welfare & Core Services Allocations



- Funds Child Welfare and Youth Services programs including family services
- Several years ago the division redesigned their programs to produce better outcomes for children and families
- This practice has helped us keep pace with allocation reductions
- We continue to maintain the Child Welfare League of America caseload standard

DHS State Budget – Child Welfare & Youth Services

Percent of Kinship Care Placements
Compared to Total Placements



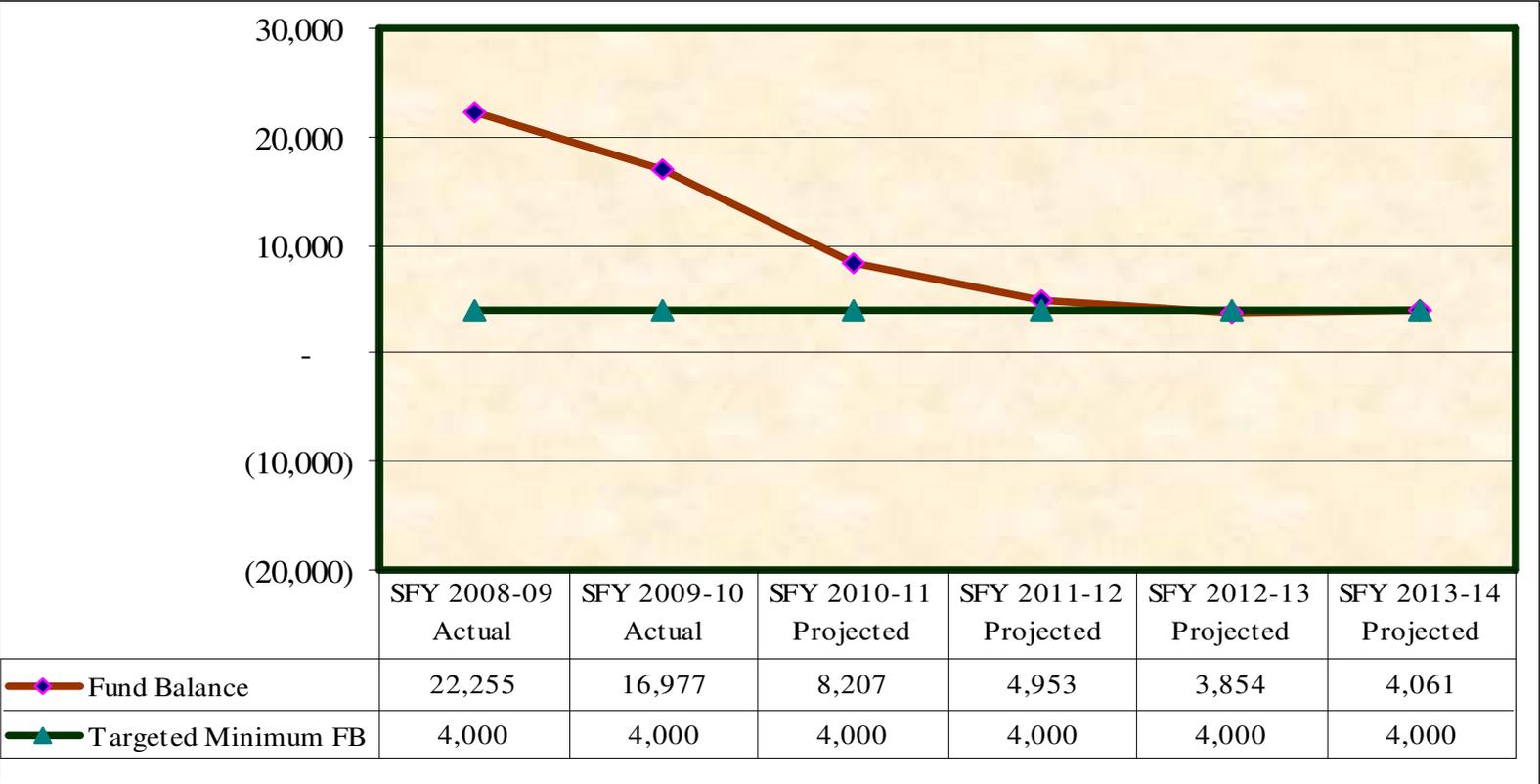
□ % of Total Placements
■ % of Kinship Care Placements

- Total placements range between 4,000 and 5,500 each year.
- The department's goal is to increase the percent of Kinship Care Placements from 24% in 2008 to 51% in 2012 (approximately 2,040 children of 4,000 Total Placements)

- Aligning Practice with Values – Safe Children, Strong Families, Strong Resource Families, Strong Workforce, Strong Community
- Commitment to families means diligent search, better long term outcomes for children and cost savings



DHS State Budget – TANF Fund Balance



- We continue to deplete TANF Reserves in order to cover allocation cuts in TANF and other program areas
- Projections show we will no longer be able to transfer TANF Reserves to other areas within a few years.
- In order to maintain our targeted reserve, we must reduce our OED contract by \$10 million over a three year period or identify an alternative funding source

DHS Community Partnerships

- Denver's Road Home/General Assistance
 - Model for what Public-Private Partnerships can be
 - \$4.6 Million in service contracts
 - Includes: Housing, prevention services, case management, street outreach, behavioral health, supportive services
- Veteran's Services
 - Coordinated with assistance services and community outreach strategies
- Denver Office of Drug Strategy
 - Almost entirely grant funded
 - Receives \$75k in General Fund \$
- GIVE Denver
 - Relies on volunteers and donations
 - Builds bridge between department and community organizations



DHS Challenges & Strategies

Challenge:

New allocation formulas mean Denver is receiving less state and federal funding for Child Care and TANF Allocations, which impacts families, community providers and Work Participation rates

Strategies: Collaboration and Business Model Restructuring

- Bring together representatives from the state, county and community to brainstorm solutions in both areas
- Lobby for changes in formula to distribute funds where they are needed most
- Research alternative models from other counties and states
- Develop workgroup to determine how to restructure services

Challenge:

Resources are unable to keep pace with demand; however we must provide service to Denver's most vulnerable residents and keep a balanced budget

Strategy: Community Partnerships

- Recognize that we can not provide for all of the needs of our residents alone
- Strong partnerships with community organizations, businesses and other agencies are key in providing comprehensive service

Strategy: Performance Management

- With dwindling resources, focusing on accountability and efficiency is key to achieving better outcomes for families
- Improve business processes to work more efficiently such as in the FAD Recovery Effort
- Develop technology tools such as Work Management System to respond to increased demand
- Replicate project management style of business process improvement in other divisions



DHS 2011 Accomplishments

Family & Adult Recovery Effort

- Established: processing standards, processing priorities, standardized business model, daily stand up meetings, weekly capstone meetings, role of Work Management System, file system restructuring
- Reduced backlog of past due applications from 3,505 to 995
- Improved timeliness from 45% to 85% on time

GIVE Denver Center

- Opened a year round donation center to accept gifts and necessities for families who need extra help
- Volunteers connect clients with community organizations that can help meet their needs

New Eastside Building

- The new Eastside Human Services Building will open to the Northeast Denver community next month
- Better Denver building will provide a full array of services in the community





DHS Important Numbers

Report Child Abuse	720-944-3000
Apply for Assistance	720-944-3666
Report Elder Abuse	720-944-2994
Child Support Services	720-944-2960
Foster Care & Adoption	720-944-4000
GIVE Denver	720-944-GIVE (4483)
Contracting Services	720-944-2233
Report Fraud	720-944-1228