



COLORADO CHILDREN'S BUDGET 2005

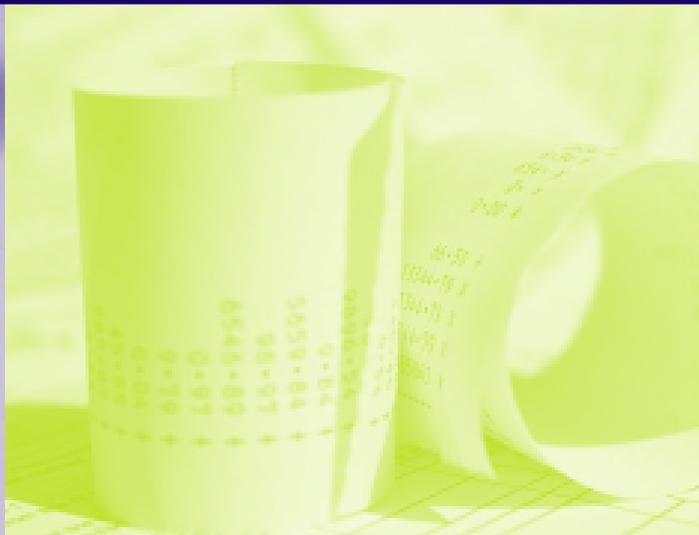


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COLORADO CHILDREN'S BUDGET EXECUTIVE SUMMARY

The Children's Budget is a comprehensive report on funding for children's services in Colorado. This report provides a six-year funding history for more than 50 programs funded with state, local, and federal dollars. The Colorado Children's Budget analyzes reductions in programs and services during the economic downturn.

The data in the Children's Budget sends a clear message that Colorado is falling behind. Children today do not have access to the same opportunities they did just a few years ago. Funding has failed to keep pace with the rapidly growing child population and the rising costs of delivering services. Across the state, service providers have watched their budgets shrink and their service levels decline. They've cut staff, instituted waiting lists, delayed building repairs, reduced their hours, and, in some cases, closed their doors. Funding for some children's services has declined more than others. Mental health, early care and education, local public health services, child care, youth crime prevention services, and income support for working families have suffered the greatest losses. Funding for children's health insurance (Medicaid) and K-12 education, both of which have laws protecting their funding, have grown as more kids in Colorado enroll in public school and more low-income children enroll in Medicaid. Now more than ever, Colorado needs to re-examine its priorities and make the necessary changes to rebuild its social safety net for kids.

Success Stories

There is no better example of a success than Colorado's response to the infamous "summer of violence." In the summer of 1993, 26 homicides occurred in Denver among youth ages 15 to 24. The state responded by partnering with the Colorado Children's Campaign to create the Tony Grampas Youth Services programs, delivering after-school and weekend activities to more than 80,000 children in Colorado. When the program began, the homicide rate in Denver for youth ages 15 to 24 was 38.4 deaths per 100,000. By 2001, the rate had dropped to a decade low of 9.0 per 100,000.

The Colorado Preschool Program is another success story. The Colorado Preschool Program (CPP) was started in 1988 in response to a growing concern that many children were arriving at school unprepared. CPP offers at-risk 3- and 4-year-olds a chance to attend a high-quality early learning program. In 2004, CPP served 9,050 children in 154 of Colorado's 178 school districts. Today, 70% of participating school districts report that CPP graduates score better on the third grade standardized tests (CSAP) than their district wide averages, despite the risk factors in their lives. Furthermore, children who attend the Colorado Preschool Program are less likely to need special education (placement rates dropped from 43% to 11%), which has saved taxpayers millions of dollars.

Losing Ground

The combination of inflexible budget policies (constitutional limits), a softer economy, and declining tax rates have meant that Colorado has lowered and/or capped enrollment in programs so that many of Colorado's children who participated in proven programs are no longer able.

The consequences of under-investing in children are long-lasting. Children growing up in Colorado attend classrooms with more students, have fewer extracurricular activities, fewer certified teachers, and are less likely to attend preschool than their peers in other states. Colorado's graduation rate is 48th among states, an especially disturbing statistic given the high educational attainment level of Colorado's adult population. Only 61% of high school freshman in Colorado graduated in four years. An alarming 56% of African American students and 58% of Hispanic students failed to graduate.

Children growing up in Colorado also have less access to health care than children in other states. Colorado ranks 46th in the nation for the rate of low-income children who are uninsured. Colorado offers low cost health insurance to only about half of the children eligible, even though the federal government pays for two-thirds of the cost of providing such insurance and expanding coverage would save Colorado taxpayers money in the long-run.

Even before the economic downturn, Colorado lagged behind its peer states in funding health care, education, and youth development. Today, the state faces the unprecedented challenge of meeting the needs of its children in the context of having the strictest limit on taxes in the nation. While Colorado is a state full of promise for its children, this report illustrates that significant changes must be made in order to ensure that all of Colorado's one million children have the opportunity to grow up healthy, safe, and well-educated.

Following are the categories in which the Children's Budget is presented, along with summaries of the detailed analysis.

Income Support for Families

- Income support for families with children, provided through the Temporary Assistance for Needy Families program (TANF), has declined by almost 30% since 2000, when adjusted for inflation and population growth.
- The number of families receiving assistance has declined by 75% since the early 1990s, though the need has grown.

Child Protection

- Total funding for child protection has grown slightly in Colorado since 2000, but funding levels have failed to keep pace with Colorado's growing population and inflationary pressures.
- The state has made significant cutbacks in programs designed to shorten the time necessary for children to be placed in permanent homes.

Health Care

- State funding for children's health care has grown despite the economic downturn, as enrollments in Medicaid have climbed.
- There are still an estimated 168,000 uninsured children in Colorado
- Colorado is ranked 46th when looking at the proportions of low-income uninsured children, state by state.
- In 2004, the Colorado Children's Campaign helped pass a statewide voter-approved initiative to raise the tax on tobacco products. Amendment 35 will provide more than \$80 million annually to provide health insurance for low-income children and their parents.
- State funding for children's mental health programs declined by 68% (actual dollars) in fiscal years 2003 and 2004.
- Funding for services for children with developmental disabilities has dropped 22% (actual dollars) since fiscal year 2002.
- Colorado continues to rank at the bottom among states in funding for Special Education.

Public Health and Nutrition

Public funding for the following services have declined since fiscal year 2000, leaving more children vulnerable and without essential public health services such as:

- local public health services
- Early Periodic Screening, Diagnosis and Treatment
- health care for children with special needs
- immunizations
- rural primary dental care
- migrant health care
- the Child and Adult Care Food Program
- disease control and epidemiology

Prevention Services

Funding for the Tony Grampsas Youth Services Program to reduce youth crime and violence, was cut in half in fiscal year 2003 despite the importance and proven effectiveness of these prevention programs. While a portion of cuts have been restored, funding lags \$9 M behind the levels established in the 1990s.

K-12 Education

- Funding for K-12 education declined in real dollars during the 1990s and declined relative to K-12 spending in other states.
- In 2000, Colorado ranked 37th among states in per-pupil funding.
- In 2000, Colorado invested the least amount nationally in education as a percentage of the state's wealth.
- Amendment 23 was adopted in 2000, (see Appendix A), requiring per-pupil funding to increase by the rate of inflation plus one percentage point between fiscal years 2002 and 2011 to restore the cuts.

Early Care and Education

- Colorado lags behind other states in helping families afford high quality child care and preschool, despite a clear link between high quality early care and education and future educational achievement.
- A significant number of at-risk Colorado Children are unable to gain school readiness preparation, due to substantial cuts in child care, preschool and full-day kindergarten.

Youth Corrections

- Funding for institutional programs and detention for children who have committed crimes has grown rapidly, while funding for alternatives to incarceration and mental health treatment for adjudicated youth has declined substantially.

Because the information contained in this report is an estimate based solely on information and data available to the Children's Campaign, the Campaign supports efforts by the state of Colorado to produce an annual, comprehensive Children's Budget in order to more consistently assess the status of funding for programs and services impacting children in the state.

COLORADO CHILDREN'S BUDGET

Falling Behind:

A Six-Year Funding History of Services for Children in Colorado

More than one million children in Colorado participate in programs supported by state and local governments. The scope of the resulting services varies from a one week class on tobacco prevention to multiple years of child care subsidies. Some services that benefit children are highly visible such as public schools, parks, and recreation centers. Other supports are less widely seen, such as a judge enforcing a child support order or a genetics counselor screening a newborn. Some children's services benefit every child, such as libraries and water fluoridation, while other services provide a safety net for the most vulnerable children, such as food supplements and child protection.

The Children's Budget is a collection of data reflecting funding for children's services on Colorado. This report provides a six-year funding history for more than 50 programs funded with state, local, and federal dollars. In the following pages, you will find specific data on the children's programs you and your community care most about.

Purpose of Children's Budget

Many Coloradans are unaware of the magnitude of cuts to children's programs that have been made during this current fiscal crisis. Additionally, it is important that we understand that these cuts are not made in a vacuum: inflation continues to rise, as does population growth. Increased need for services during the economic downturn, combined with the failure to keep funding in line with inflation, has made these cuts all the more harmful for Colorado's children and their families.

Recommendations

The Colorado Children's Campaign has identified nine areas in the budget where increased investment would make significant changes in the lives of at-risk children and youth, along with an estimate of the General Fund impact on restoring these programs to their 2000 levels:

1. Restore funding for the Colorado Child Care Assistance Program (\$5.6 M)

Counties are reducing funding for child care at a time when subsidies are already far below rates needed to purchase quality care.

2. Restore 2,000 Colorado Preschool Program Slots (\$5.0 M)

In 2003, the state reduced the number of at-risk children served through the Colorado Preschool Program by 2,000. The CCC recommends restoring the CPP slots for these at-risk three and four-year-olds.

3. Restore Tony Grampsas Youth Services Prevention Program to full funding (\$4.0 M)

TGYS is a highly successful program implemented after Colorado's "summer of violence" that significantly reduced teen homicide rates.

4. Restore full-day kindergarten in low-performing elementary schools

In 2004, the state eliminated 1,000 full-day state-funded kindergarten slots that were available in low-performing and unsatisfactory schools.

5. Restore community mental health (non-Medicaid) funding (\$1.3 M)

Community mental health funding has declined dramatically while an estimated 30,000 children in Colorado with serious emotional disturbances are not receiving treatment. Estimates reflect 22% of total reductions in community mental health because children represent 22% of the target population.

6. Restore funding for alternatives to incarceration for adjudicated youth (\$5.0 M)

Funding for services to divert youth from detention and commitment has been cut by 34% since 2002 yet the population of committed kids is growing at about 9% per year.

7. Restore state appropriation for CHP+ funding (\$3.7 M)

CHP+ offers low-cost health insurance to working families in Colorado, yet only 42% of the more than 86,000 currently eligible children under 185% FPL are enrolled. The CCC recommends the state restore CHP+ funding to the same level of appropriation from FY '04.

8. Restoring funding for at-risk children in public schools by returning to the prior definition of “at-risk”

Colorado provides funding to school districts for students who are at risk of failing. Historically, Colorado has identified at-risk students as those eligible for either the Free or Reduced Lunch programs and English Language Learners. Today, only students who are eligible for the Free Lunch program (not Reduced or English Language Learners) are included in the definition.

9. Maintaining and increasing immunization funding

Funding for immunizations has failed to keep pace with Colorado’s growing child population. Colorado ranks last in the nation in the percent of children fully immunized by age three.

Realistic and Immediate Solutions That Benefit Kids

- Reform TABOR so that children’s services can be restored and allowed to keep pace with Colorado’s growing population and economy.
- Within the FY 2005-2006 budget, we can have the greatest impact by:
 - Restoring 2,000 Colorado Preschool Program slots
 - Restoring full-day kindergarten low-performing elementary schools, and
 - Returning to the prior definition of “at-risk,” thereby restoring funding for many at-risk kids in public schools.
- Educate your community about the impact of budget cuts on children’s programs and, utilizing data in this document, build support for restoration of critical programs that are essential to our long-term success as a state.

Conclusions

The overwhelming conclusion of the data in this report is that today, Colorado children do not have access to the same opportunities they did just a few years ago. Funding has failed to keep pace with the rapidly growing child population and the rising costs of delivering services. Across the state, libraries, local health clinics, child care centers, hospitals, after-school programs, community mental health clinics, and many other service providers have watched their budgets shrink and their service levels decline. This report includes several recommendations for elected officials, advocates and the public as we work together to make up for lost ground and plan for the future.

Data and Findings

Income Support

Income support for families with children, provided through the Temporary Assistance for Needy Families program (TANF), has declined by almost 30% since 2000, adjusted for inflation and population growth. The number of families receiving assistance has declined by 75% since the late 1980s, though the need has grown.

Temporary Assistance for Needy Families

Colorado created the Colorado Works program in 1997 in response to federal welfare reform legislation. The federal legislation replaced the open-ended federal reimbursement provided under the Aid to Families with Dependent Children (AFDC) program with the Temporary Assistance for Needy Families (TANF) block grant.

Colorado uses these resources to support the Colorado Works program through which counties provide cash and other benefits to promote sustainable employment for low-income families with children.

Under TANF, states are required to maintain a certain level of state/local spending to receive their full TANF block grant. States must spend at least 80 percent of the amount of state/local funds spent on TANF programs in fiscal year 1994 in order to receive full federal funding. Colorado has met this obligation every year since welfare reform passed.

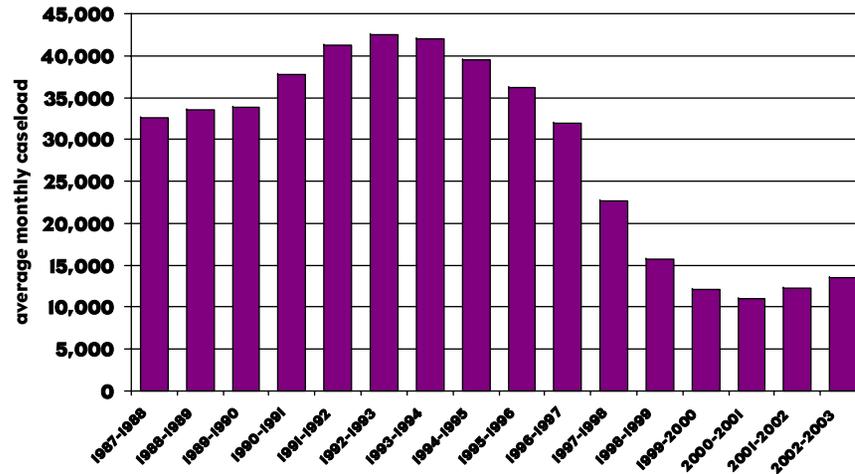
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

JBC and DHS	PROGRAM NAME	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Colorado Works County Block Grants (Temporary Assistance for Needy Families/ Colorado Works Program)							
1	General Fund	5,561,582	-	-	-	97,871	1,346,813
2	Cash Fund/ Cash Fund Exempt*	28,395,508	28,658,180	26,935,651	29,300,967	26,474,804	25,225,862
3	Federal Fund	134,459,250	134,233,434	131,801,031	126,401,561	132,164,007	132,164,007
	Total Appropriation	168,416,340	162,891,614	158,736,682	155,702,528	158,736,682	158,736,682
	Actual county expenditures of TANF received in this, or previous, FY on Child Care Assistance Program	(28,326,446)	(30,587,887)	(31,855,494)	(21,940,407)	n/a	n/a
	Actual county expenditures of TANF received in this, or previous, FY on child welfare	(13,304,752)	(14,673,832)	(16,212,031)	(17,416,571)	n/a	n/a
4	Total Appropriation, less transfers	126,785,142	117,629,895	110,669,157	116,345,550	n/a	n/a
5	Families served	11,707	10,587	11,685	13,075	14,568	-
6	Average annual amount per family	\$10,830	\$11,111	\$9,471	\$8,898	-	-
	Total Includes a mix of appropriations (for Works) and reductions from actual expenditures of TANF funds (for child care and child welfare). Total does not include federal bonuses for reductions in out-of-wedlock births which totaled \$12,664,300 in FY 2003 and \$19,822,300 in FY 2004. Total does include funding related to county administration of the Works Program.						
7	Average FPL eligibility threshold						

* Local share

Budget Trend – Temporary Assistance for Needy Families

The number of Colorado families receiving assistance through the former Aid to Families with Dependent Children (AFDC) program and the new Temporary Assistance for Needy Families (TANF) program declined steadily since the late 1980s, dropping from a high of 42,449 families in 1993 (monthly average) to a low of 10,471 families in October 2000, a 75% reduction in the number of families receiving assistance. Today there are approximately 14,943 (June 2004) families in Colorado on TANF basic cash assistance which represents 24% of the number of Colorado families with children living below the poverty line.



Funding for Temporary Assistance for Needy Families (appropriations less transfers) declined by 8.2% between fiscal years 2000 and 2003 and fell 28.5% when adjusted for inflation and population.

In 2001, when welfare enrollment was low, and the state was refunding nearly \$1 billion annually under TABOR, Colorado withdrew its state general fund support for Colorado’s TANF program, which had totaled \$39 million in 1995. This funding cut places children at risk if there is a prolonged economic downturn. If more children and their families need assistance, federal funding is capped and TABOR limits the state’s ability to restore state support for the program.

Colorado counties enforce child support orders for children on public assistance by establishing paternity, locating absent parents, and tracking collection efforts.

Child Support Enforcement

Child Support Enforcement							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
	Child Support Enforcement						
1	General Fund	4,128,940	4,172,190	4,213,459	4,257,381	4,303,213	4,365,206
2	Cash Fund/Cash Fund Exempt	250,000	250,000	371,917	426,405	426,499	426,499
3	Federal Fund	8,015,000	8,098,957	8,178,346	8,474,767	8,427,356	8,456,164
4	Total	12,393,940	12,521,147	12,763,722	13,158,553	13,157,068	13,247,869

Child Protection

Total funding for child protection has grown slightly in Colorado since 2000, but funding levels have failed to keep pace with Colorado's growing population and inflationary pressures. Most concerning is that the state has made significant cutbacks in programs designed to shorten the time it takes for children to be placed in permanent homes.

Child Welfare Services

The state Department of Human Services, and all 64 county departments of social services, administer child welfare programs. Child welfare programs provide services to children who, but for such services, are likely to be abused or neglected. Services include investigations, screenings and assessments, individual case plans, home-based family and crisis counseling, placement services including foster care and emergency shelter, and visitation. More than 25,000 children in Colorado are involved in the child protection system.

Child Protection - Child Welfare Services							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
	Child Welfare Services						
1	General Fund	76,038,178	102,859,298	101,682,995	90,396,082	94,384,782	94,824,416
2	Cash Fund/Cash Fund Exempt	91,367,133	105,085,042	116,286,201	115,202,288	123,603,070	126,227,008
3	Federal Fund	<u>73,813,544</u>	<u>55,111,737</u>	<u>62,952,209</u>	<u>79,285,909</u>	<u>79,158,972</u>	<u>80,965,203</u>
	Total Appropriation	241,218,855	263,056,077	280,921,405	284,884,279	297,146,824	302,016,627
	Actual county expenditures of TANF received in this, or previous, FY	<u>13,304,752</u>	<u>13,158,566</u>	<u>15,003,722</u>	<u>17,039,049</u>	n/a	n/a
4	Total	254,523,607	276,214,643	295,925,127	301,923,328	n/a	n/a
5	Monthly Average Total Children Served (1)	24,479	24,671	25,132	25,724		
6	Average annual amount per recipient	10,398	\$11,196	\$11,737	\$11,737		

* CFE Includes Medicaid transfer and local share

Budget Trend – Child Welfare Services

Funding for Child Welfare Services (child protection) grew by \$47.3 million between fiscal years 2000 and 2003, however this was insufficient to keep pace with inflation and state population growth. Funding for Child Welfare Services declined by 2% since fiscal year 2000 adjusted for inflation and population.

Child Welfare Staff Training

Funding is provided annually for training for county and state child welfare staff, foster parents, county attorneys, Guardians *ad litem*, court appointed special advocates, and court personnel.

Child Welfare Staff Training							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Child Welfare Staff Training/Foster and Adoptive Parent Recruitment, Training, and Support							
1	General Fund	519,800	522,489	729,760	679,557	526,271	526,271
2	Cash Fund/Cash Fund Exempt	37,230	37,230	37,230	37,230	37,230	37,230
3	Federal Fund	<u>325,516</u>	<u>325,516</u>	<u>396,995</u>	<u>373,175</u>	<u>549,880</u>	<u>549,880</u>
4	Total	882,546	885,235	1,163,985	1,089,962	1,113,381	1,113,381

Budget Trend – Child Welfare Staff Training

This line item was increased in fiscal year 2002 to address new federal *Adoption and Safe Families Act* requirements and to address critical training needs that were identified by the Governor’s Task Force on Child Welfare. However, the line item has been reduced by 4.3% since 2002.

Family and Children’s Programs

Colorado funds services to prevent the out-of-home placement of children, maintain children in the least restrictive setting and facilitate reunification and/or permanence. Services include home-based family therapy, mental health services, drug/alcohol treatment, and trauma experts.

Child Protection - Family and Children’s Program’s							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Family and Children’s Program							
1	General Fund	23,566,441	32,516,965	14,742,416	34,420,867	36,858,990	38,358,543
2	Cash Fund/Cash Fund Exempt*	14,952,097	6,005,025	23,397,377	3,739,365	3,844,067	3,844,067
3	Federal Fund	<u>4,041,677</u>	<u>4,041,677</u>	<u>3,941,986</u>	<u>3,941,968</u>	<u>4,039,754</u>	<u>4,039,754</u>
	Total Appropriation	42,560,215	42,563,667	42,081,779	42,102,200	44,742,811	46,242,364
	Actual county expenditures of TANF received in this, or previous, FY	-	<u>1,515,266</u>	<u>1,094,558</u>	<u>278,498</u>	n/a	n/a
4	Total	42,560,215	44,078,933	43,176,337	42,380,698	n/a	n/a

*Family Issues Cash Fund and local funds

Budget Trend – Family and Children’s Programs

While the state appropriation for Family and Children’s Programs has grown by \$4 million since FY 2002, counties have been reducing the amount of funds they transfer from the TANF block grant into Family and Children’s Programs. Total funding for these family preservation services has thus fallen by \$1.7 million since FY 2001, which is a 20% cut in real per-capita funding.

Promoting Safe and Stable Families

Colorado provides a variety of family preservation and family support services through local grants to 40 counties. Funds are used to promote permanency and stability for 12,000 – 15,000 Colorado families in crisis who have 1) children at-risk for maltreatment and/or children with disabilities, 2) children in the child welfare system, and 3) those who have adopted children.

Child Protection Promoting Safe and Stable Families							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Promoting Safe and Stable Families (Family Preservation) (DHS)							
1	General Fund			60,000	48,013	44,107	44,026
2	Cash Fund/Cash Fund Exempt*	770,833	850,164	791,847	997,246	1,003,165	1,003,245
3	Federal Fund	<u>2,312,497</u>	<u>2,550,494</u>	<u>2,555,540</u>	<u>3,141,815</u>	<u>3,141,815</u>	<u>3,141,815</u>
4	Total	3,083,330	3,400,658	3,407,387	4,187,074	4,189,087	4,189,086

*local funds

Budget Trend – Promoting Safe and Stable Families

Funding for these local family preservation services has kept pace with inflation and with Colorado's growing population.

Expedited Permanency Planning Project

Colorado requires all children under age six for whom Dependency and Neglect Petitions continue past an initial hearing to have a permanent home within one year.

Child Protection - Adoption Permanency							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Adoption Permanency (Expedited Permanency Planning Project)							
1	General Fund	-	-	-	859,554	1,481,250	987,500
2	Cash Fund/Cash Fund Exempt*	2,692,995	4,207,891	3,797,069	-	-	-
3	Federal Fund	-	-	-	859,554	1,481,250	987,500
	Total Appropriation	2,692,995	4,207,891	3,797,069	-	-	-
	Actual county expenditures of TANF received in this, or previous, FY	-	-	<u>113,751</u>	<u>99,024</u>	n/a	n/a
4	Total	2,692,995	4,207,891	3,910,820	958,578	n/a	n/a

*CFE from Family Issues Cash Fund

Budget Trend – Expedited Permanency Planning Project

A 2002 study (Child and Family Services Review) showed foster care children in Colorado who are reunited with their families re-enter foster care within 12 months at twice the national standard. Despite significant efforts to fund services to find permanent homes more quickly, funding for this effort was cut by 75% in 2003.

Health Care

State funding for children’s health care has grown despite the economic downturn, as enrollments in Medicaid have climbed. However, there are still an estimated 168,000 uninsured children in Colorado, and Colorado is ranked 46th when looking at the proportions of low-income uninsured children, state by state. With the passage of Amendment 35, a statewide voter-approved initiative to raise the tax on tobacco products, Colorado will be able to provide health insurance for more low-income children and their parents.

Of ongoing concern is the state’s reduced commitment to children with disabilities. State funding for children’s mental health programs declined by 68% (actual dollars) in fiscal years 2003 and 2004. Funding for services for children with developmental disabilities has dropped 35% in real per capita dollars since fiscal year 2002.

NOTE: Medicaid appropriations data are from the long appropriations bill, supplemental, and add-on appropriations, and may not include changes in appropriations made through special bills. Children’s Basic Health Plan appropriations data for fiscal years 2002 through 2005 include changes made through special bills.

High Risk Pregnant Women Program

The Alcohol and Drug Abuse Division in DHS operates a High Risk Pregnant Women Program, which provides outpatient services for Medicaid-eligible pregnant women who are at-risk of delivering a baby affected by severe use of alcohol or drugs. The program is financed by Medicaid funds from DHCPF.

Prenatal Care - Medicaid High Risk Pregnant Women							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
	Prenatal Care - Medicaid High Risk Pregnant Women						
1	General Fund	106,390	106,604	173,762	127,245	278,604	235,957
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	106,818	106,604	173,762	127,245	278,604	235,958
4	Total	213,208	213,208	347,524	254,490	557,208	471,915
5	Average Monthly served	-	-	233	-	-	-
6	Average annual amount per recipient	-	-	-	-	-	-

Budget Trend – Medicaid High Risk Pregnant Women

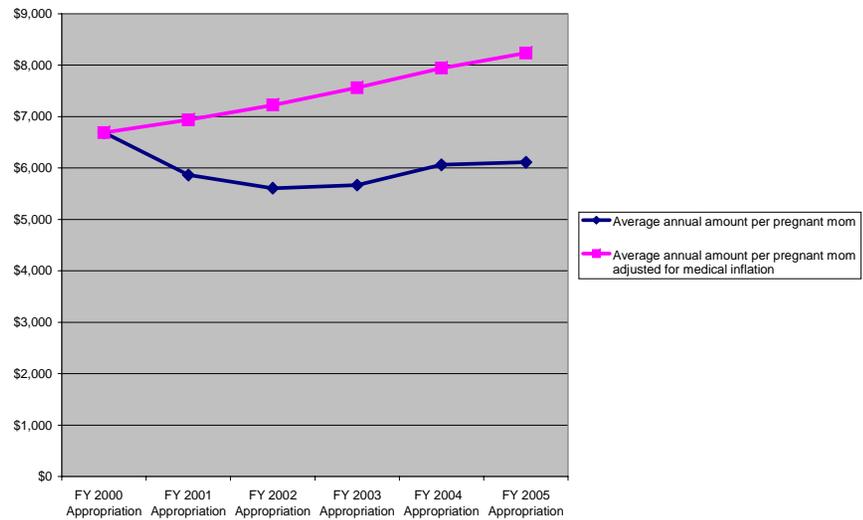
While total funding for Medicaid high-risk pregnant women more than doubled between Fiscal Years 2003 and 2004, Fiscal Year 2005 reflects a 15% cut in actual funding from the previous year.

Medicaid Baby Care Program for Adults

Colorado offers Medicaid health insurance to pregnant women at or below 133% of the poverty level. The federal government pays half the cost of this service.

Prenatal Care - Medicaid Baby care Program Adults							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
	Medicaid Baby care Program Adults						
1	General Fund	19,039,833	17,346,214	16,522,780	18,090,223	24,713,555	24,526,285
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	18,737,614	16,665,970	16,325,690	17,732,000	24,713,555	24,526,285
4	Total	37,777,447	34,012,184	32,848,470	35,822,223	49,427,110	49,052,569
5	Total Enrolled	5,651	5,801	5,860	6,322	8,156	8,026
6	Average annual amount per recipient	6,685	5,863	5,606	5,666	6,060	6,112

Medicaid Prenatal Care (Baby Care Program Adults)



Budget Trend – Medicaid Baby Care Program Adults

While the number of low income pregnant women enrolled in Medicaid has climbed steadily, the average annual amount per recipient has declined in actual dollars from \$6,685 per recipient in 2000 to \$6,060 in fiscal year 2004, a 9% decrease per recipient.

Children's Basic Health Plan Prenatal and Delivery

Colorado offers low-cost prenatal, delivery, and postpartum health care services for women who are ineligible for Medicaid, but have incomes below 185% of the poverty level. The federal government pays 65% of the cost of this service.

Prenatal Care - Children's Basic Health Plan Prenatal and Delivery							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Children's Basic Health Plan (CHP+) Prenatal and Delivery (and State-only Prenatal Bridge Program)							
1	General Fund	-	-	-	-	284,044	0
2	Cash Fund/Cash Fund Exempt	-	-	-	2,056,952	781,690	2,368,872
3	Federal Fund	-	-	-	3,821,082	1,518,713	4,399,333
4	Total	n/a	n/a	n/a	5,878,034	2,584,447	6,768,205
5	Prenatal Months Funded	-	-	-	-	2,417	9,565

Budget Trend – CBHP Prenatal and Delivery

New enrollment for prenatal care and delivery was temporarily suspended in 2004 and reinstated in 2005.

Medicaid Low-Income Children and Baby Care Program Children

Colorado offers Medicaid health insurance to all children who are under age 6 and below 133% of the federal poverty level and to children ages 6 through 18 who are below 100% of the poverty level and meet other criteria, as required by federal Medicaid law. Today, there are approximately 190,000 children in Colorado enrolled in Medicaid who meet these criteria. The state projects there could be more than 250,000 children enrolled in Medicaid in Colorado by 2010. The federal government pays half the cost of this service in Colorado.

Medicaid Low Income Children and Baby Care Program							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Medicaid Low Income Children and Baby Care Program							
1	General Fund	79,926,837	97,561,331	123,745,482	126,555,462	137,485,904	143,048,781
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	78,658,158	93,735,396	122,269,392	124,049,413	137,485,904	143,048,781
4	Total	158,584,995	191,296,727	246,014,874	250,604,875	274,971,808	286,097,561
5	Average Monthly served	114,311	129,839	151,136	177,538	190,265	202,001
6	Average annual amount per recipient	1,387	1,473	1,628	1,412	1,445	1,416

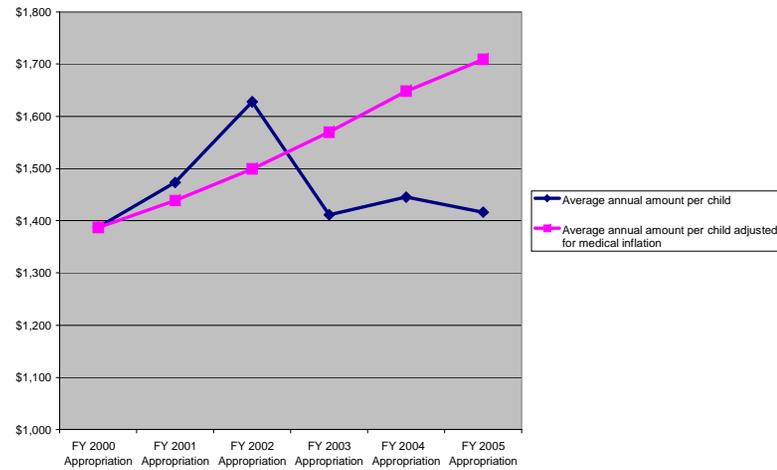
Budget Trend - Low Income Children and Baby Care Program Children

Colorado is one of only eight states that does not offer Medicaid to children above eligibility levels mandated by the federal government. Despite this, funding for children on Medicaid grew 75% between 2000 and 2004 as the number of low-income children enrolled grew by 66%. However, the average annual amount per recipient has declined by 13% in actual dollars from \$1,628 per recipient in FY 2002 to \$1,416 projected for fiscal year 2005.

The following table shows how medical inflation compares to the per-child Medicaid appropriation in Colorado.

	2001	2002	2003	2004	2005	TOTAL
CPI Health Care*	4.7%	5.0%	3.7%	4.4%	4.6%	22.4%
Medicaid Baby Care/Kids Care Appropriation per recipient	6.2%	10.5%	-13.3%	2.4%	-2.0%	3.8%

Medicaid Low Income Children and Baby Care Program



This table shows that while the budget for children’s Medicaid has grown significantly over the past five years, the funding per child enrolled has fallen. The consequence of this erosion has been significant. A recent survey by the Children’s Hospital shows an 18.5% reduction in the number of pediatricians accepting children on Medicaid since 2000. The Children’s Hospital estimates that today only 25% of pediatricians statewide are treating children enrolled in Medicaid.

Further, during the past few years the state has reduced hospital rates, reduced pharmacy reimbursements, implemented prescription drug controls, and suspended rate increases for health care providers. Colorado began requiring premium payments from some families whose children are in Medicaid and passed legislation to deny certain legal immigrant children Medicaid coverage. A 12-year history shows that the Medicaid cost per client in Colorado has not keep pace with medical inflation since 1992 when Colorado adopted the TABOR Amendment (Joint Budget Committee).

Medicaid Foster Care Children

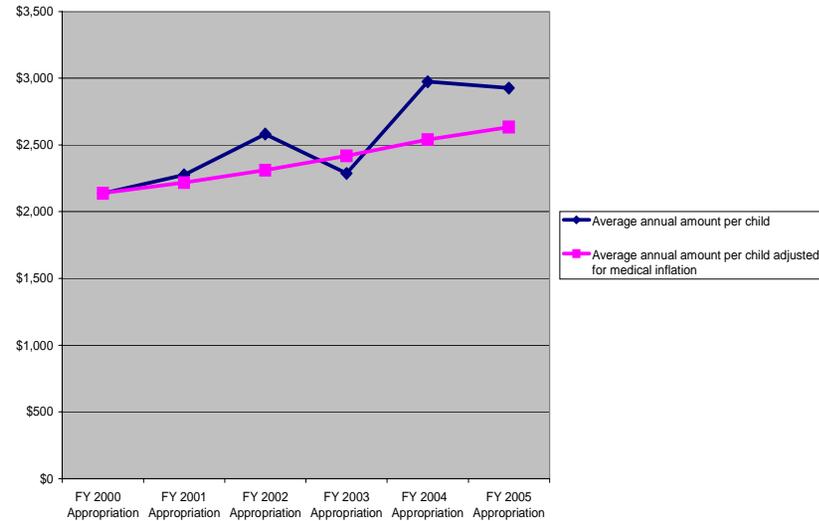
Children placed in foster homes are eligible for Medicaid health insurance.

Medicaid Foster Care Children							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
	Medicaid Foster Care Children						
1	General Fund	13,289,323	15,510,271	17,381,981	16,031,331	21,788,064	22,143,405
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	13,078,381	14,902,024	17,174,642	15,713,879	21,788,064	22,143,405
4	Total	26,367,704	30,412,294	34,556,623	31,745,210	43,576,127	44,286,809
5	Average Monthly served	12,335	13,367	13,384	13,877	14,652	15,130
6	Average annual amount per recipient	2,138	2,275	2,582	2,288	2,974	2,927

Budget Trend – Medicaid Foster Care Children

Funding for Medicaid for children in foster care has grown significantly over the past several years, primarily due to increasing numbers of children enrolling in Medicaid through the foster care system. The average annual amount per child has exceeded the rate of medical inflation.

Medicaid for Children in Foster Care



Clinic-Based Indigent Care (The Children’s Hospital)

Colorado provides funding to offset a portion of clinic-based provider’s uncompensated costs to provide medical care to indigent children and their families. These clinics are located primarily outside of the Denver metro area. The federal government pays half the cost of this service.

Clinic - Based Indigent Care							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Indigent Care Program (The Children’s Hospital)							
1	General Fund	-	-	-	3,059,880	3,059,880	3,059,880
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	-	-	-	3,059,880	3,059,880	3,059,880
4	Total	-	-	-	6,119,760	6,119,760	6,119,760
	PRE-Component 1A Payments (gen. & fed addtl funds to DSH)	1,614,576	1,730,482	1,640,571	-	-	-
	Component 1A Payments (1A)	2,841,477	3,598,925	3,543,952	-	-	-
	Unduplicated 1A Payments (CICP)	3,154	1,566	1,304	-	-	-
	Total Inpatient and Outpatient Charges	-	5,473,109	5,362,976	-	-	-
	Visits	6,161	4,287	3,534	-	-	-
	Days	1,069	1,106	832	-	-	-
	Admissions	234	165	162	-	-	-

Budget Trend—Clinic-Based Indigent Care

Funding for Clinic-Based Indigent Care has failed to keep pace with Colorado’s growing child population. As a result, fewer uninsured children have access to basic health care through these clinics.

The Children’s Basic Health Plan (Child Health Plan Plus)

Even before the federal government created the State Children’s Health Insurance Program (S-CHIP), Colorado had created a low-cost health insurance program for children who do not qualify for Medicaid. This was superseded by The Colorado Children’s Basic Health Plan (Child Health Plan Plus (CHP+)), which allows low-income working families to purchase health insurance for their children for a nominal fee. The federal government pays for 65% of the cost of this insurance program.

The majority of state funding comes from Colorado’s share of the master tobacco settlement. In 2002 Colorado added a dental benefit for children enrolled in the plan.

Children’s Basic Health Plan (Child Health Plan Plus) - Dental							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Children’s Basic Health Plan (CHPlan+) - Dental Benefit Costs (HCPF)							
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt	-	-	832,653	2,282,890	2,647,721	1,980,644
3	Federal Fund	-	-	1,546,355	4,239,653	4,917,196	3,678,337
4	Total	n/a	n/a	2,379,008	6,522,543	7,564,917	5,658,981
5	Average Monthly Served	-	-	43,452	50,040	52,965	41,696
6	Average annual amount per recipient	-	-	10.95	10.86	11.90	11.31

Children’s Basic Health Plan (Child Health Plan Plus) - Premiums							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation**	FY 2005 Appropriation**
Children’s Basic Health Plan (CHPlan+) - Premium Costs (HCPF)							
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt*	6,988,123	9,191,104	12,826,321	17,143,943	20,993,871	18,285,175
3	Federal Fund	13,040,891	16,599,647	23,290,569	31,446,865	39,449,124	33,958,183
4	Total	20,029,014	25,790,751	36,116,890	48,590,808	60,442,995	52,243,358
5	Average annual appropriated enrollment	24,596	29,743	40,960	50,040	52,965	47,884
6	Average appropriation per member per month	68	72	73	81	95	91

* General fund, tobacco settlement funds, and enrollment fees from the Children’s basic health Plan Trust Fund

** Starting in FY 2004, the CBHP prenatal program line item was merged with the premiums line item. CCC subtracted prenatal to continue to show it separately.

Children's Basic Health Plan (Child Health Plan Plus) - Administration							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Children's Basic Health Plan (CHPlan+) - Administration Costs (HCPF)							
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt	1,350,498	2,385,693	2,193,605	2,502,183	2,312,208	1,999,812
3	Federal Fund	2,520,232	3,047,247	2,801,940	3,200,756	2,847,943	2,332,028
4	Total	3,870,730	5,432,940	4,995,545	5,702,939	5,160,151	4,331,840
5	Average annual appropriated enrollment	24,596	29,743	40,960	50,040	52,965	47,884
6	Average appropriation per member per month	13	15	10	9	8	8

Budget Trend – Children's Basic Health Plan

Colorado is one of only eight states that has not expanded its subsidized low-cost health insurance program to children with family incomes between 185% and 200% of the federal poverty level (185% FPL is the maximum eligibility in Colorado), and today only 42% of uninsured children in Colorado under 185% of the federal poverty level are enrolled (estimated enrollment in August 2004 is 37,000 children). In November 2003, Colorado capped enrollment in the plan at 52,965 children even though there were an estimated 86,142 children under 185% FPL eligible for the program. Colorado temporarily suspended new enrollments. The program re-opened to new enrollments in July 2004. The state recently stopped marketing the Children's Basic Health Plan in an effort to curb enrollment and contain costs.

The annual appropriation per child enrolled in the CBHP program has grown 9% since FY 2000 while medical inflation has grown 22%. The per-child appropriation in the CBHP dental program has declined in actual dollars.

Colorado relies heavily on tobacco settlement revenues to support the CBHP program. In 2004, 93% of the state's portion of funding for the CBHP program came from tobacco settlement revenues. This policy places children at-risk if tobacco companies default on settlement payments, smoking declines as projected, or if the state diverts tobacco settlement revenues for other purposes. The Colorado Children's Campaign led a successful effort in 2004 to raise the tobacco tax in Colorado to secure permanent funding for the Children's Basic Health Plan and to enroll more of Colorado's uninsured children raising an additional \$75 million to fund children's health.

Public School Health Services

In 1997, the Colorado General Assembly authorized schools to provide health services to low-income children using funds from reimbursed Medicaid services.

Public School Health Services							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Public School Health Services (SB 97-101)(HCPF)							
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt*	8,909,309	8,927,163	8,927,163	11,543,975	15,131,305	15,131,305
3	Federal Fund	8,852,189	8,830,885	8,830,885	11,024,891	14,585,895	14,585,895
4	Total	17,761,498	17,758,048	17,758,048	22,568,866	29,717,200	29,717,200
5	Average monthly served	-	-	-	-	-	-

* school district expenditures eligible for Medicaid match

Budget Trend – Public School Health Services

Funding for this program has grown between Fiscal Year 2002 and Fiscal Year 2004.

Services for Children with Developmental Disabilities

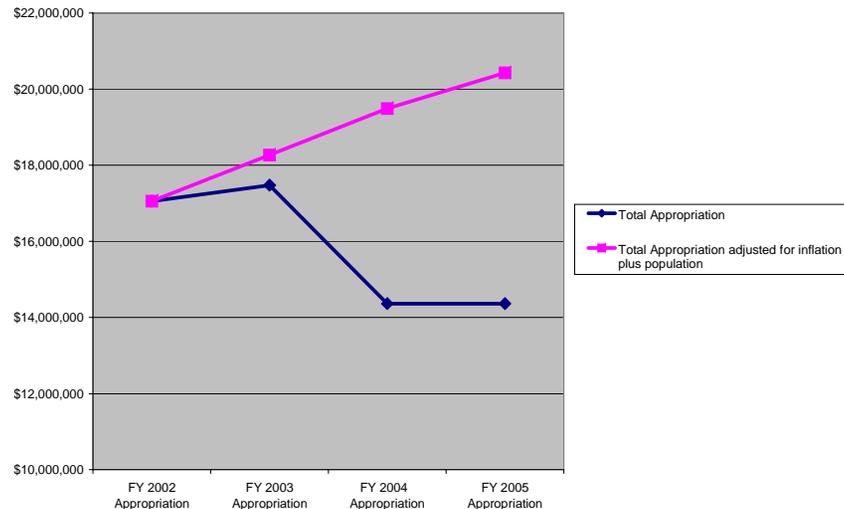
Families in Colorado with children who have developmental disabilities or significant developmental delays have needs that are above and beyond those experienced by families with children without disabilities. These challenges may include the need for frequent medical and therapy visits, weekly intervention services, special diets, behavior intervention training, adaptive equipment, and home modification. The state, through local Community Centered Boards, offers home- and community-based supports to minimize the long-term impact of the child’s disability and preserve the family unit by providing intervention services and assisting with the costs of raising a child with a developmental disability, thereby helping to prevent the need for out-of-home placement. The Division for Developmental Disabilities operates three children and family programs: 1) Early Intervention Services for infants and toddlers birth through age two, 2) Family Support Services Program, and 3) Children’s Extensive Support for 212 children who are considered to be the most in need due to intensive behavioral or medical needs. Funding for children was not shown separately in the state appropriations bill prior to fiscal year 2002.

Developmental Disabilities Services							
	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Services for Children with Developmental Disabilities (DHS)							
1	General Fund	-	-	12,717,219	12,880,017	9,948,363	9,948,363
2	Cash Fund/Cash Fund Exempt	-	-	4,336,188	4,596,342	4,414,901	4,414,901
3	Federal Fund	-	-	-	-	-	-
4	Total**	n/a	n/a	17,053,407	17,476,359	14,363,264	14,363,264

Budget Trend – Services for Children with Developmental Disabilities

Funding for Services for Children with Developmental Disabilities has declined by 35% in real dollars since fiscal year 2002. Due to revenue shortfalls, half of the Family Support Services Program funding was cut in FY 2004, 10 Children’s Extensive Support resources were cut, and 80 Early Intervention resources were cut. An estimated 802 (June 2004) infants and toddlers with developmental disabilities or significant delays in development in Colorado are on a waiting list for early intervention services.

**Services for Children
with Developmental
Disabilities**



Mental Health Services – Medicaid Mental Health Capitation Base Payments (adults and children)

Colorado provides services statewide for children and adults with serious emotional disturbances and mental illnesses. The services include inpatient treatment, emergency services, case management, counseling and treatment, rehabilitation services, residential care, medication management, in-home family preservation, day services, residential support services, peer/family support, and public education. Inpatient hospitalization for Colorado children with serious mental illness is provided by Colorado’s state mental health institutes (Pueblo and Fort Logan) and the Children’s Hospital. The majority of public mental health services provided to Medicaid- eligible adults and children throughout Colorado are delivered through a managed care, “capitated” program. The figures shown below include Medicaid funding for adults as well as children due to data constraints.

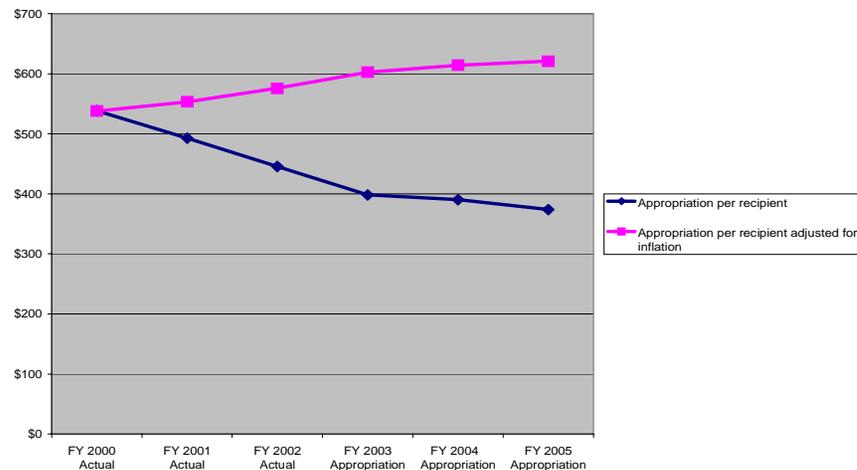
Mental Health Services - Medicaid Mental Health Capitation Base Payments							
CBHC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Mental Health Capitation (Base Payments only)							
1	General Fund	-	-	-	-	-	70,312,400
2	Cash Fund/Cash Fund Exempt*	123,006,938	130,138,614	130,066,448	130,384,630	140,700,057	-
3	Federal Fund	-	-	-	-	-	<u>70,312,400</u>
4	Total	123,006,938	130,138,614	130,066,448	130,384,630	140,700,057	140,624,800
5	Annual Caseload	228,465	264,141	291,910	327,451	360,483	376,174

* Capitation payment moved from DHS to HCPF in 2005; in 2000 through 2004 the general fund line was included in the Cash Fund Exempt line
Source: Colorado Behavioral Healthcare Council; figures will not match Long Bill appropriation; amended to include base capitalization payments only

Budget Trend – Medicaid Mental Health Capitation Base Payments

Medicaid mental health spending has been cut by 10% in the last five years as appropriations per eligible child decreased by \$31.1 million (source: Colorado Behavioral Healthcare Council). The impact of this has been significant for children participating in outpatient community mental health programs and for mentally ill children who were/are hospitalized. The state requires community mental health care providers to limit outpatient visits, as well as the number of inpatient days. Also, many providers have scaled back their outreach to schools. Furthermore, since 1995, 144 child and adolescent acute treatment beds have been eliminated at the mental health institutes in Pueblo and Fort Logan, the two state mental health hospitals. Today there are 50 inpatient beds for children and adolescents remaining at the state mental health institutes, and the majority of children are being served in community settings.

Medicaid Mental Health



Mental Health Services for Medically Indigent (adults and children)

Colorado provides health care services for non-Medicaid indigent adult and elderly individuals with serious and persistent mental illnesses, and children and adolescents with serious emotional disturbances. Since 1981, the state has directed its community resources to persons with serious mental illness and serious emotional disturbances. Approximately 22% of the target population is children. Services include partial care, outpatient care, case management, long-term care, inpatient care, residential care, sheltered workshop/vocational placements, and children’s crisis services. The figures shown below include funding for adults as well as children due to data constraints.

Mental Health Services for the Medically Indigent							
CBHC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Mental Health Services for the Medically Indigent							
1	General Fund	18,884,018	19,272,018	19,473,991	16,016,347	14,069,799	15,069,799
2	Cash Fund/Cash Fund Exempt*	1,783,667	2,137,980	2,191,430	2,235,259	2,235,259	-
3	Federal Fund	4,687,801	4,781,557	4,901,096	4,999,118	5,424,187	<u>5,424,187</u>
4	Total	25,355,486	26,191,555	26,566,517	23,250,724	21,729,245	20,493,986
5	Annual Caseload	-	-	-	-	-	-

Source: Colorado Behavioral Healthcare Council

Note: The Cash Fund/Cash Fund Exempt Line was shown for informational purposes only and was removed from the state appropriations bill FY 2005; this was not a cut in funding.

Budget Trend – Mental Health Services for the Medically Indigent

Colorado has reduced General Fund support for mental health services for the medically indigent by 23% since FY 2002. The impact of this has been significant in that funding has been eliminated for 1,915 clients. Children represent 22% of the targeted population so these cuts have eliminated services for a large number of children with severe emotional disturbances. A 2002 Population in Need Survey shows there are more than 30,000 children in Colorado with serious emotional disturbances who are not receiving needed services.

Medicaid Mental Health Child Placement Agency Program

Counties and mental health providers collaborate to provide mental health services to children placed through Child Placement Agencies.

Mental Health Child Placement Agency Program							
CBHC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Mental Health Child Placement Agency Program							
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt*	-	-	-	7,152,728	7,440,901	7,440,901
3	Federal Fund	-	-	-	-	-	-
4	Total	n/a	n/a	n/a	7,152,728	7,440,901	7,440,901

Budget Trend – Medicaid Mental Health Child Placement Agency Program

Funding has remained steady for the past two years, however, no data is available for previous years.

Juvenile Mental Health Pilot (H.B. 00-1034)

Two pilot programs provide community-based intensive treatment, supervision, and management services to juveniles with serious emotional disturbances who are involved in the criminal justice system.

Mental Health Juvenile Mental Health Pilot							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Mental Health Juvenile Mental Health Pilot (H.B. 00-1034)							
1	General Fund	-	160,000	180,000	175,200	175,200	175,200
2	Cash Fund/Cash Fund Exempt*	-	-	-	175,200	175,200	175,200
3	Federal Fund	-	-	-	-	-	-
4	Total	n/a	160,000	180,000	350,400	350,400	350,400
5	Average monthly served	-	30	45	-	-	-

Budget Trend – Juvenile Mental Health Pilot

Funding for this program experienced a \$5,000 or almost 3% actual cut between Fiscal Year 2002 and Fiscal Year 2003, but has not changed in the past three years.

Alternatives to Inpatient Hospitalization for Youth

This program was created in fiscal year 2003 as a by-product of the reduction of eight adolescent beds at the Colorado Mental Health Institutes at Pueblo and Fort Logan.

Mental Health Alternatives to Inpatient Hospitalization							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Alternatives to Inpatient Hospitalization for Youth (DHS)							
1	General Fund	-	-	-	246,282	246,282	246,282
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	-	-	-	-	-	-
4	Total	n/a	n/a	n/a	246,282	246,282	246,282

Budget Trend – Alternatives to Inpatient Hospitalization

Funding for this program has remained flat since its inception in fiscal year 2003.

Residential Treatment for Youth (H.B. 99-1116)

Colorado strives to provide access to residential treatment for children with serious emotional disturbances without requiring court action. Medicaid covers a portion of the treatment costs for children who are placed outside their homes. Other funding comes from parental fees and other sources.

Mental Health Residential Treatment for Youth							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Mental Health Residential Treatment for Youth (H.B. 99-1116)							
1	General Fund	226,545	226,545	226,545	95,918	-	-
2	Cash Fund/Cash Fund Exempt	-	-	101,665	351,420	451,354	508,521
3	Federal Fund	-	-	-	-	-	-
4	Total	226,545	226,545	328,210	447,338	451,354	508,521

Mental Health Early Intervention

Colorado provided two pilot programs in Denver and Boulder counties to provide preventative mental health services to 400 children ages birth to five.

Mental Health - Early Intervention							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Mental Health - Early Intervention (DHS)							
1	General Fund	351,192	351,192	351,192	175,596	0	0
2	Cash Fund/Cash Fund Exempt	39,021	39,021	39,021	19,511	0	0
3	Federal Fund	-	-	-	-	-	-
4	Total	390,213	390,213	390,213	195,107	0	0

Budget Trend – Mental Health Early Intervention

State funding for mental health early intervention was eliminated in fiscal year 2004 and was replaced by federal grant funds. Funding is not available to support a recent effort to place early childhood specialists at community mental health centers across the state.

Public Health and Nutrition

Public funding for local public health services, Early Periodic Screening, Diagnosis and Treatment, health care for children with special needs, migrant health care, immunizations, rural primary dental care, migrant health care, the Child and Adult Care Food Program, and disease control and epidemiology have all declined since fiscal year 2000, leaving more children vulnerable and without essential public health services.

Local Public Health Services

Colorado funds 15 local health departments and an additional 38 county nursing and environmental health agencies in areas across the state not served through local health departments.

Local Public Health Services							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Local Public Health							
1	General Fund	801,347	1,039,667	1,075,016	965,655	962,731	962,731
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	198,253	-	-	-	-	-
4	Total	999,600	1,039,667	1,075,016	965,655	962,731	962,731

Budget Trend: Local Public Health Services

Funding for local health services has declined 10% since 2002, which is 21% when adjusted for inflation and population growth.

Immunizations

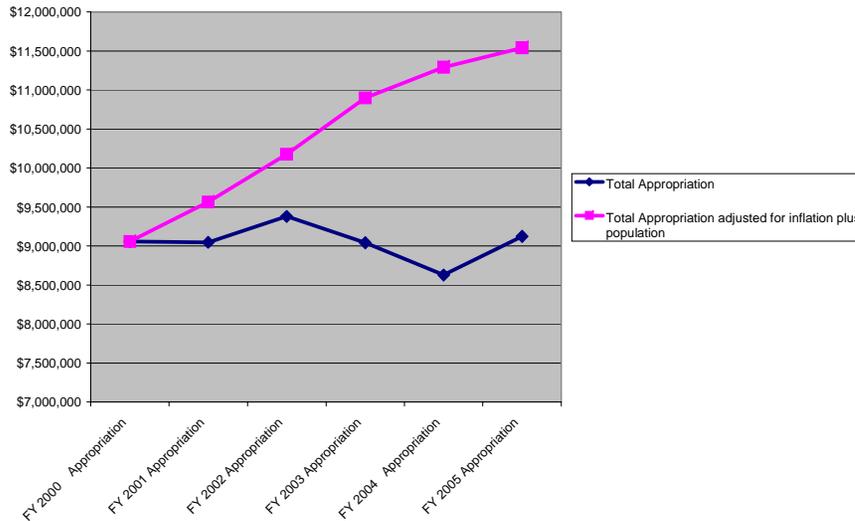
Colorado immunizes infants up to age two and all Medicaid eligible children through age 18 through the federal Vaccines for Children Program and a state supplemental program.

Immunizations							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Immunizations (Special Purpose Disease Control/Maternal and Child Health Immunization)							
1	General Fund	449,000	444,730	461,369	-	-	497,128
2	Cash Fund/Cash Fund Exempt	113,735	114,164	421,369	485,487	-	-
3	Federal Fund	8,494,055	8,489,609	8,498,229	8,556,232	8,629,519	8,627,253
4	Total	9,056,790	9,048,503	9,380,967	9,041,719	8,629,519	9,124,381

Budget Trend - Immunizations

In 1999, 2000, 2001 and 2002 the Colorado Department of Public Health and Environment requested additional state funds to improve Colorado’s immunization rates. None of the requests were funded by the legislature and instead, funding for immunizations failed to keep pace with Colorado’s growing child population. The percent of fully vaccinated 3-year-olds (nationally recommended immunizations 4:3:1:3:3) declined from 72% in 2000 to 68% in 2003. This ranks Colorado 50th among states in immunization rates.

Immunizations



Early and Periodic Screening, Diagnosis and Treatment (EPSDT)

Federal Medicaid law requires Colorado provide outreach and administrative case management support for low-income parents and children on Medicaid. Community health care providers across the state work with pregnant adolescents, infants, children with special needs, and non-English speaking or illiterate parents to provide resource and referral information, appointment-making, follow-up, and interpreter assistance. Approximately 200,000 children in Colorado benefited from these services in 2003.

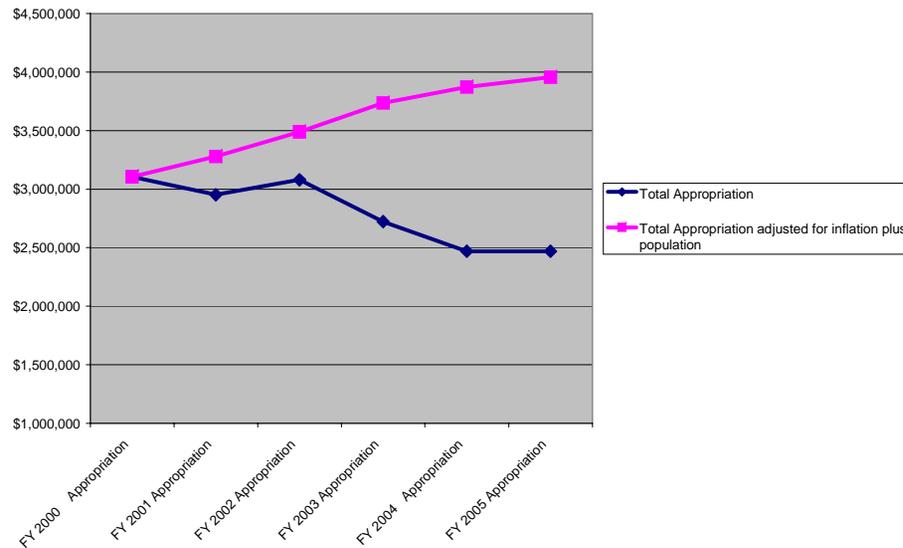
EPSDT							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Child, Adolescent and School Health Early & Periodic Screening, Diagnosis and Treatment							
1	General Fund	1,552,495	1,475,835	1,539,409	1,360,879	1,234,192	1,234,192
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	1,552,495	1,475,835	1,539,409	1,360,879	1,234,191	1,234,191
4	Total	3,104,990	2,951,670	3,078,818	2,721,758	2,468,383	2,468,383
5	Total numbered served	-	-	-	200,000	-	-

Funding through the Department of Health Care Policy and Finance; admin transferred to HCPF in 2004

Budget Trend – Early & Periodic Screening, Diagnosis and Treatment

Funding for EPSDT has fallen by 19% since 2002, which is a 48% decline in per-capita inflation adjusted dollars.

Early and Periodic Screening, Diagnosis and Treatment



Health Care for Children with Special Needs

The Colorado Department of Public Health and Environment coordinates diagnostic, treatment, and health-related services for children with chronic or disabling conditions.

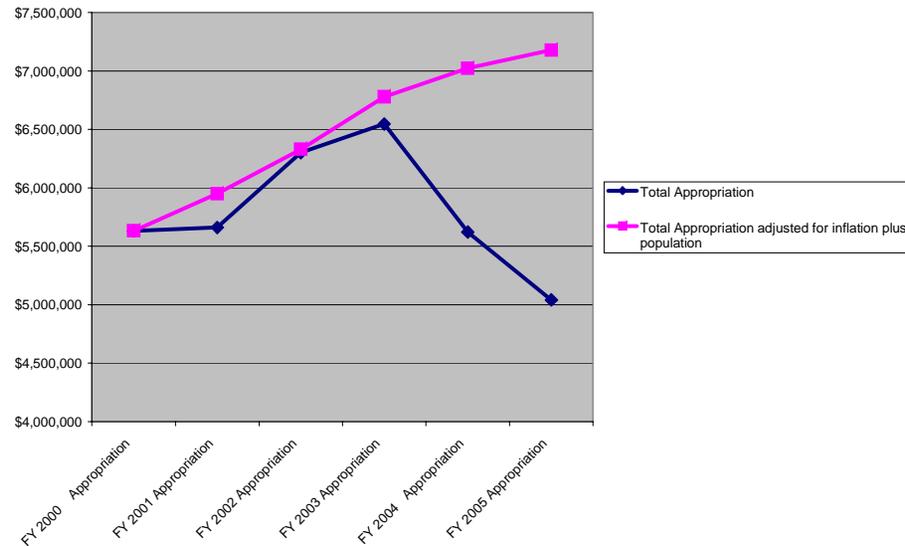
Children with Special Needs							
PHE	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Health Care for Children with Special Needs (PHE)							
1	General Fund	2,816,503	2,828,686	2,918,060	2,727,934	2,553,892	2,552,672
2	Cash Fund/Cash Fund Exempt	631,979	631,979	1,170,216	1,537,713	757,374	180,199
3	Federal Fund (source: PHE)	2,185,022	2,200,643	2,212,364	2,280,362	2,309,894	2,308,715
4	Total	5,633,504	5,661,308	6,300,640	6,545,009	5,621,160	5,041,586
5	Total numbered served	-	7,689	8,971	9,634	10,534	11,000

Budget Trend – Health Care for Children with Special Needs

Funding for Health Care for Children with Special Needs declined by 5% between fiscal years 2002 and 2005*. A 10-year history shows that state and federal funding failed to keep pace with the rising costs of these specialized and highly technical health care services. In 2003, the Colorado Department of Public Health and Environment shifted from providing direct health care services to population-based and enabling services such as care coordination, access to care, screening, and follow-up.

*Excludes cash funds exempt funding sources which were transferred back to the Department of Health Care Policy and Financing.

Children with Special Needs



Rural Primary Care Dental Programs

The Oral Health Program improves oral health services throughout Colorado. Emphasis is on increased awareness and availability of fluoridated water and dental sealants, screening of children to assess oral health status, and providing fluoride supplements in non-fluoridated areas. The majority of funding for this program (67%) is earmarked specifically for low-income seniors. Approximately 25% reimburses dentists and hygienists for their educational loans, and 8% is used for community water fluoridation.

Rural Primary Care Dental							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Rural Primary Care Dental Programs							
1	General Fund	580,087	580,213	602,000	535,159	536,424	535,909
2	Cash Fund/Cash Fund Exempt	-	-	157,501	188,038	182,446	199,730
3	Federal Fund (source: PHE)	60,000	59,759	61,743	61,906	63,703	63,703
4	Total	640,087	639,972	821,244	785,103	782,573	799,342
5	Total numbered served	-	-	-	-	-	15,000

Budget Trend – Rural Primary Care Dental

Funding for the rural primary care dental program has declined by 3% in per-capita inflation adjusted dollars since fiscal year 2002.

Migrant Health Program

Migrant Health Program							
	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Migrant Health Program							
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt	120,400	97,870	-	-	-	-
3	Federal Fund	918,713	917,110	-	-	-	-
4	Total	1,039,113	1,014,980	-	-	-	-

Federal funding for the Migrant Health Program was eliminated in 2002

Budget Trend – Migrant Health Program

Federal funding for the Migrant Health Program in Colorado was eliminated in 2002.

Maternal and Child Health

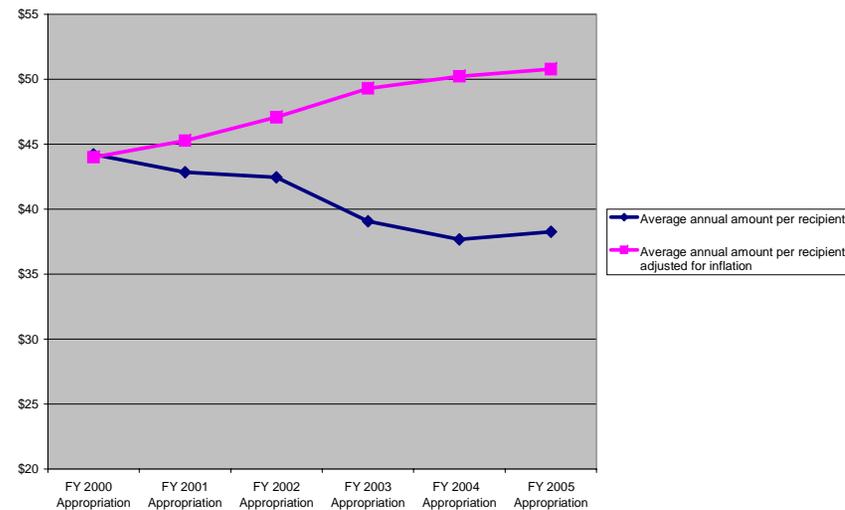
The Maternal and Child Health (MCH) Block Grant is a federal grant to Colorado that funds local health departments and nursing services for children and pregnant women. In 2004, over 200,000 mothers and children obtained health services through the Maternal and Child Health Block Grant. MCH funds support a number of activities including injury prevention, childhood obesity reduction, and school-based health centers. MCH funds also support the Healthy Baby is Worth Their Weight campaign to reduce low birth weight births, programs to reduce teen motor vehicle injuries, and access to oral health care for children.

Maternal and Child Health							
PHE	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Maternal and Child Health (PHE)							
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt	102,834	116,130	183,987	58,002	23,308	33,308
3	Federal Fund	6,193,564	6,427,795	6,100,081	5,616,236	5,677,953	5,677,953
4	Total	6,296,398	6,543,925	6,284,068	5,674,238	5,701,261	5,711,261
	Total MCH grant including funding reflected in other line items	7,674,220	7,667,363	7,814,517	7,794,869	7,603,353	7,720,891
5	Total Number served	173,556	178,926	184,093	199,576	201,847	201,847
6	Average annual per recipient	44	43	42	39	38	38

Budget Trend – Maternal and Child Health

Funding for Maternal and Child Health has declined by 1.2% since fiscal year 2002 and by 5% (\$394,484) in per-child inflation adjusted dollars since fiscal year 2000.

Maternal and Child Health



Women, Infants and Children Supplemental Food Grant (WIC)

WIC is a federally-funded program that provides supplemental food packages and nutrition education to 138,110 low-income women and children in Colorado.

Nutrition - Women, Infants and Children (WIC)							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Women, Infants and Children Supplemental Food Grant							
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	52,616,863	52,612,026	52,641,211	52,644,309	52,696,976	52,696,976
4	Total	52,616,863	52,612,026	52,641,211	52,644,309	52,696,976	52,696,976
5	Total served	124,261	125,814	132,559	136,479	138,110	-
6	Total WIC funding including non-appropriated funds	52,435,801	53,383,124	57,497,258	62,696,251	67,991,255	-
7	Average FPL eligibility threshold	185%	185%	185%	185%	185%	185%

Budget Trend – Women, Infants and Children Supplemental Food Grant

Funding for WIC has kept pace with inflation and Colorado's child population since FY 2000*. The program provides supplemental food services to between 38% and 46% of eligible children in Colorado.

*Includes both appropriated and non-appropriated federal funds.

Child and Adult Food Care Program (CACFP)

CACFP is a federally funded program that provides reimbursement for nutritious meals as well as nutrition education to child care centers, Head Start programs, and adult day care centers. The program currently serves approximately 38,000 children through 567 child care centers and 3,117 family day care homes. Funds for the Child and Adult Food Care program are from the U.S. Department of Agriculture.

Nutrition - Child and Adult Food Care							
	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Child and Adult Food Care							
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	25,251,632	25,248,390	25,261,131	25,263,023	24,041,304	24,041,304
4	Total	25,251,632	25,248,390	25,261,131	25,263,023	24,041,304	24,041,304
5	Average monthly served	-	42,248	37,664	34,639	38,088	-
6	Average annual amount per recipient	-	598	671	729	631	-

Budget Trend – Child and Adult Care Food Program

The number of children served through the Child and Adult Food Care Program has declined from a high of 42,248 in 2001 to a low of 34,639 in 2003. The primary reason for the reduction was the decline in the economy and the drop in enrollment in licensed home-based child care during this period.

Disease Control and Environmental Epidemiology

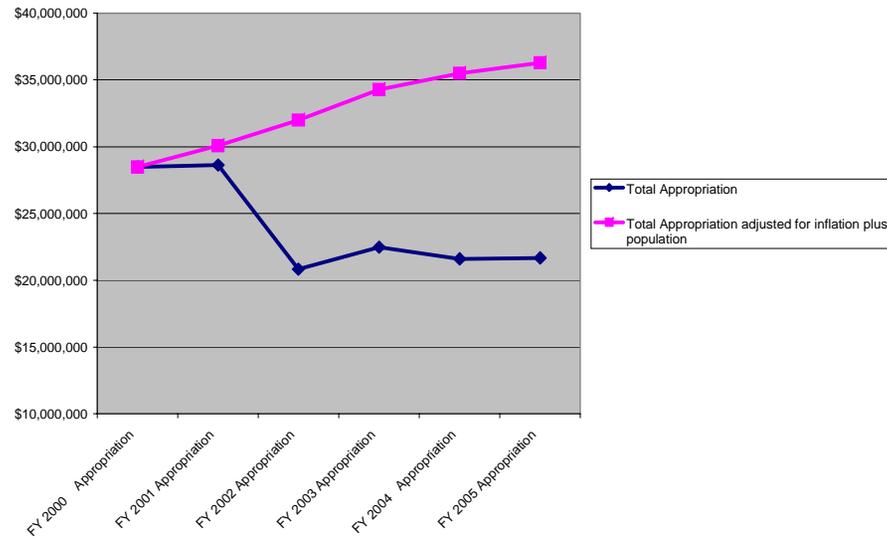
Staff at the Disease Control and Environmental Epidemiology Division of the Department of Public Health and Environment work to control and prevent communicable disease and other conditions in order to reduce illness and premature deaths. Staff also assess the risks from toxic substances in the environment to prevent adverse health effects. Services for children include monitoring and preventing birth defects, supporting immunization services, and preventing lead poisoning.

Environmental Health							
JBC and PHE	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Disease Control and Environmental Epidemiology Division (PHE)							
1	General Fund	3,899,945	3,906,153	3,660,687	2,910,819	2,827,351	2,827,351
2	Cash Fund/Cash Fund Exempt	419,401	424,285	377,937	368,889	410,965	411,015
3	Federal Fund	24,153,491	24,297,552	16,792,673	19,187,319	18,364,185	18,438,530
4	Total	28,472,837	28,627,990	20,831,297	22,467,027	21,602,501	21,676,896

Budget Trend – Disease Control and Environmental Epidemiology

Funding for Disease Control and Environmental Epidemiology has declined by 24% since 2001 while Colorado's population has grown. The Division's Lead Poisoning Prevention program lost funding from the Centers for Disease Control and Prevention (\$250,000 per year) to perform lead poisoning surveillance and outreach. A portion of this was replaced with other federal funds.

Disease Control and Environmental Epidemiology



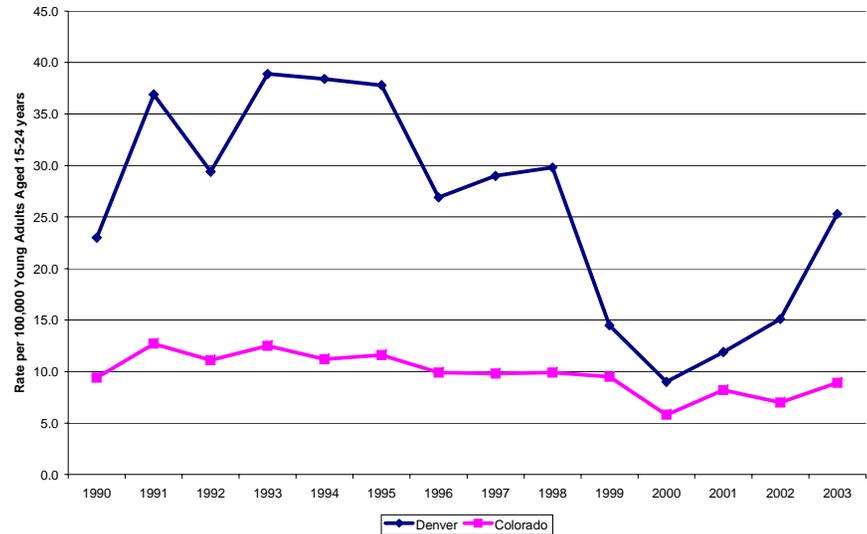
Prevention Services

Funding for community services to reduce youth crime and violence was cut in half in fiscal year 2003 despite the importance and proven effectiveness of these programs for community safety. While a portion of the cuts were restored in the past year, funding lags far behind the levels established in the 1990s.

Tony Gramscas Youth Services Prevention Program (TGYS)

The TGYS program began in 1994 in response to the “summer of violence” in Colorado during which 26 homicides occurred in Denver in youths ages 15-24. The program provides funding to local community-based programs that target youth to reduce incidents of youth crime and violence. In fiscal year 2002 this program provided grant funding to 188 community programs statewide which served 83,484 youth. In 1994 when the program began, the homicide rate in Denver for youth ages 15 to 24 was 38.4 deaths per 100,000. By 2000, the rate had dropped to 9.0 per 100,000.

Young Adult Homicide Rates: Denver and Colorado, 1990 - 2003



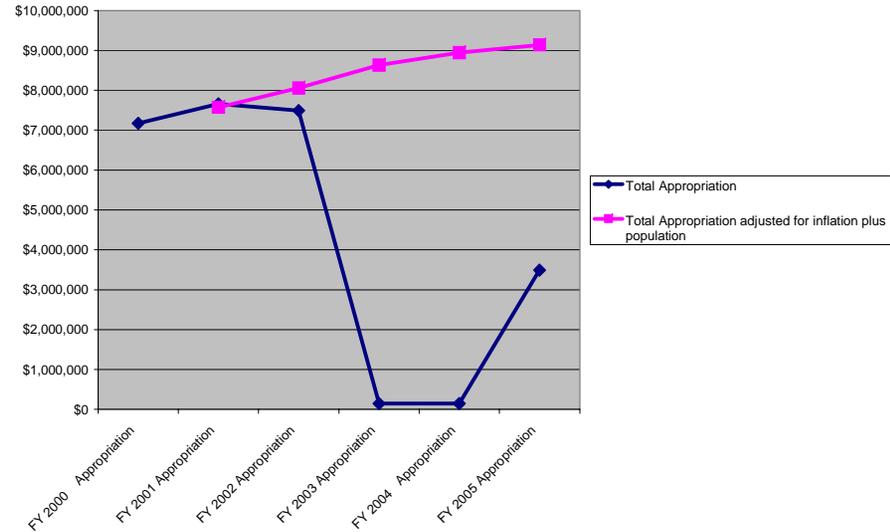
Prevention Services - Tony Gramscas							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Tony Gramscas Youth Services Prevention Program (TGYS)							
1	General Fund	7,171,000	7,662,029	7,408,816	0	0	-
2	Cash Fund/Cash Fund Exempt*	-	-	79,990	-	-	3,491,558
3	Federal Fund	-	-	-	-	-	-
4	Total	7,171,000	7,662,029	7,488,806	0	0	3,491,558
5	Total numbered served	-	-	83,484	-	-	-

FY 2000 reflects YCPI funding in the Department of Local Affairs
 *Tobacco Litigation Settlement Cash Fund see H.B. 1421

Budget Trend – Tony Gramscas Youth Services Prevention Program

Funding for this program was all-but eliminated in 2003 and 2004 because of the state’s fiscal shortfall. For fiscal year 2004, the governor allocated \$4 million in federal Job and Growth Tax Relief Reconciliation Act of 2003 funds to support 105 of the local programs that would have received TGYS dollars. The state has restored half of the funding with monies from Colorado’s share of the tobacco settlement for fiscal year 2005.

**Tony Crampsas
Youth Services
Prevention Program**



Nurse Home Visitation

The Colorado Nurse Home Visitor Program provides for regular, in-home visiting nurse services to consenting low-income, first time mothers during their pregnancies and through their child's second birthday. The program provides trained nurses to help educate mothers on the importance of nutrition and avoiding alcohol and drugs, and to assist mothers in providing care and improving health outcomes for their children. In 2005, 17 agencies provided services to 1,962 families in 49 counties across the state. Funding for this program is from Colorado's share of the tobacco settlement.

Prevention Services - Nurse Home Visitation							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation**	FY 2005 Appropriation**
	Nurse Home Visitation						
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt*	-	2,300,981	4,297,110	5,577,035	6,911,997	7,856,007
3	Federal Fund	-	-	-	-	-	-
4	Total	-	2,300,981	4,297,110	5,577,035	6,911,997	7,856,007
5	Total numbered served	-	-	-	1650	-	-
6	Average annual amount per recipient	-	-	-	-	-	-
7	Average FPL eligibility threshold	-	200%	200%	200%	200%	200%

* Tobacco Settlement Cash Fund see H.B. 1421

In 2004 this line item appears in PHE and HCPF - unduplicated appropriation from both departments is shown here.

Budget Trend – Nurse Home Visitation

Funding for nurse home visitation, paid for by proceeds from the state tobacco settlement, has kept pace with inflation and Colorado's growing child population.

Youth Mentoring Services

The Youth Mentoring Services program was designed to combat youth crime through mentoring services. In 2002, the funding was used to provide grants to 47 local youth mentoring programs which served 2,800 youth.

Youth Mentoring Services							
	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Youth Mentoring Services							
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt*	1,200,000	1,415,946	1,415,946	742,139	-	-
3	Federal Fund	-	-	-	-	-	-
4	Total	1,200,000	1,415,946	1,415,946	742,139	-	-

The Youth Mentoring Services Program was transferred from the Department of Local Affairs to PHE in 2001

*Youth Mentoring Services Cash Fund

Funding for Youth Mentoring Services was terminated in 2004

Budget Trend – Youth Mentoring Services

Funding for Youth Mentoring was terminated in 2003.

Build a Generation

The Colorado Build a Generation program provided grants to communities to develop a continuum of services for children and youth with an emphasis on preventing juvenile delinquency, substance abuse, and teen pregnancy.

Build a Generation							
	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Build a Generation							
1	General Fund	429,000	429,000	425,739	-	-	-
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	-	-	-	-	-	-
4	Total	429,000	429,000	425,739	-	-	-

Build a Generation was transferred from the Department of Public safety to PHE in 2001. The program was vetoed in 2003.

Budget Trend – Build a Generation

Funding for this program was terminated in 2003.

Colorado Children’s Trust Fund

The Colorado Children’s Trust Fund provides grants to local programs that prevent child abuse and neglect. In 2004, the Trust will fund a statewide media campaign on child abuse prevention. Historically the Colorado’s Children’s Trust Fund was financed through a \$10 fee on all marriage licenses. In 2000, this was replaced with a \$12 fee on divorce filings.

Children’s Trust Fund							
	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
	Children’s Trust Fund						
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt	393,000	404,000	453,528	456,474	459,700	459,700
3	Federal Fund	100,000	100,000	100,000	100,000	100,000	100,000
4	Total	493,000	504,000	553,528	556,474	559,700	559,700

The Colorado Children’s Trust was moved from the Department of Higher Education to PHE in 2001.

Budget Trend – Colorado Children’s Trust Fund

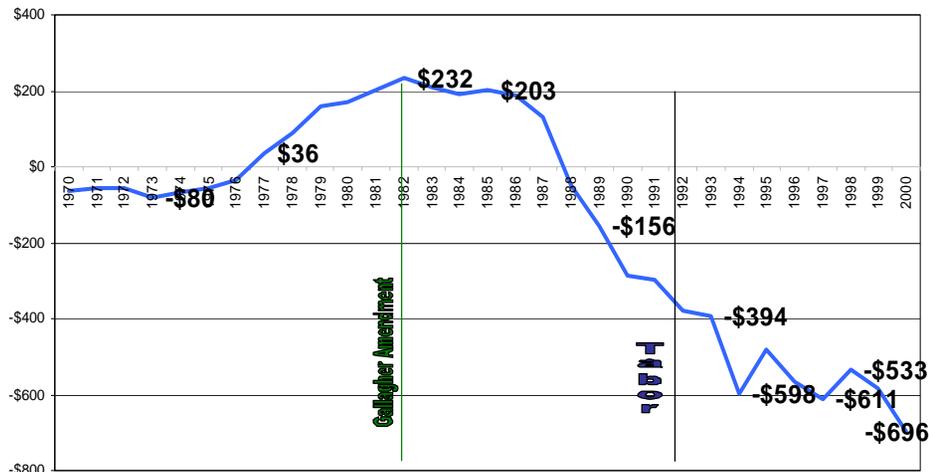
Funding for grants to prevent child abuse and neglect through the Colorado Children’s Trust Fund has failed to keep pace with the growing child population in Colorado.

EDUCATION

Funding for K-12 education declined in real dollars during the 1990s and declined relative to K-12 spending in other states. By 2000, when the voters adopted Amendment 23, Colorado ranked 37th among states in per-pupil funding and invested the least amount nationally in education as a percentage of the state’s wealth. Amendment 23 requires per-pupil funding to increase by the rate of inflation plus one percentage point between fiscal years 2002 and 2011 to restore the cuts. Even with these modest gains, Colorado still faces significant challenges in providing adequate funding for students to reach new state and federal achievement standards, in improving graduation rates, and in addressing the needs of Colorado’s at-risk and special needs populations.

Colorado spent less than the national average during the 1970s, significantly more than the national average in the 1980s, and fell far behind other states between 1988 and 2002, after the TABOR and Gallagher amendments passed. In 2002, Colorado spent less per student than the national average and less per student than it did in 1989 in real dollars (Source: National Center for Education Statistics). The funding “gap” against inflation in 2000 totaled \$375 million.

**Colorado Per-Pupil
K-12 Funding
Relative to
the National Average**



Public School Finance

In 2004, 723,230 children in Colorado (approximately 92%) attended public schools. K-12 education is the largest publicly-funded program in the state and has the largest budget totaling nearly \$5 billion annually. Each student is funded at an average annual amount of \$6,066 and there is additional funding allocated for English language proficiency, special education, transportation, and other special programs.

In 2000, the voters of Colorado adopted Amendment 23, which requires the state to restore the losses in K-12 funding. Amendment 23 requires per-pupil funding grow by at least the rate of inflation plus an additional percentage point for each year from 2002 through 2011. These increases will restore Colorado to its historic funding levels for schools by 2011 (inflation adjusted) and should return Colorado to the national average in student funding by the end of the 10-year-period. The impact of the funding decline in K-12 education has been significant for children. By 2003, Colorado had fewer teachers per student and larger class sizes than the national average (National Center for Education Statistics and the Colorado School Finance Project). In 2003, Colorado would have had to hire 2,406 more teachers to reach the national average per 1,000 students (Colorado School Finance Project).

Public schools are paid for with a combination of state and local revenues. In 2005, approximately 62% of public school funding will come from the state and 38% will come from local taxpayers, primarily through property taxes. Funding for public schools has exceeded the rate of inflation and population by 1% every year (on average) since 2002 pursuant to the requirements of Amendment 23.

Public School Finance							
JBC	Program Name	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Total Program Funding (DOE)							
1	General Fund	1,887,449,285	1,974,673,211	2,073,406,872	2,137,582,405	2,247,917,791	2,367,928,437
2	State Education Fund	0	0	101,594,305	296,931,613	316,454,640	308,438,356
3	Cash Fund/Cash Fund Exempt	42,685,306	73,400,663	55,035,058	50,028,545	62,701,612	56,093,351
4	Local Share	1,474,798,079	1,536,700,976	1,626,446,662	1,674,245,902	1,671,197,348	1,687,438,515
5	Federal Fund	-	-	-	-	-	-
6	Total	3,404,932,670	3,584,774,850	3,856,482,897	4,158,788,465	4,298,271,391	4,419,898,659
7	Total Enrollment	681,743	693,659	707,218	717,749	723,230	728,575
8	Total per-pupil funding	4,994	5,168	5,453		5,943	6,066

Budget Trend – Education

Despite increases in general classroom operating (totaling 1% each year over the rate of inflation), the state has made significant reductions in specific programs impacting schools. In fiscal years 2002 through 2004, the state made the following reductions in K-12 funding to balance the state budget:

1. Eliminated \$15.1 million for new textbooks in fiscal year 2003
2. Repealed the teacher pay incentive program (\$12.6 million)
3. Eliminated the general fund appropriation to settle the *Giardino* capital construction lawsuit
4. Reduced funding available for charter school capital construction (from \$8 million to \$5 million in 2004)
5. Eliminated funding for the teacher development grant program (\$2 million)
6. Eliminated funding for the Colorado School Awards Program (\$1.3 million)
7. Repealed the Summer School Grant Program and Grant Program for Facility schools (\$1.4 million)
8. Eliminated state funding for the federal school breakfast program in fiscal year 2004 (\$500,000)
9. Reduced funding for English Language Learners (\$4 million)
10. Reduced the minimum allowable amount of district per pupil funding (\$4.1 million)
11. Reduced the amount of supplemental funding available for small districts (\$16.4 million)
12. Reduced funding for at-risk students (\$3.5 million)

Categorical Programs – Combined Total

In addition to the general public school finance appropriation, Colorado funds several specific programs called “categorical programs.” While there are many different services that are funded, this report addresses the five large program areas: English language proficiency education, gifted and talented education, special education, transportation, and vocational education.

The combined appropriation for all categorical programs is as follows:

Categorical Programs – Combined Total							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Categorical Programs – Combined Total (DOE)							
1	General Fund/Cash Funds	136,364,024	136,011,140	141,465,474	141,765,474	141,765,474	141,765,474
2	State Education Fund*	0	0	7,207,141	15,715,680	20,291,334	23,700,826
3	Cash Fund/Cash Fund Exempt**	809,677	6,737,706	1,170,750	921,250	921,250	816,001
4	Federal Fund	<u>69,574,966</u>	<u>70,854,775</u>	<u>73,380,062</u>	<u>111,417,576</u>	<u>110,534,882</u>	<u>131,439,569</u>
5	Total	206,748,667	213,603,621	223,223,427	269,819,980	273,512,940	297,721,870

* State Education Fund created by Amendment 23

** State Public School Fund, transfers from other departments, local funds

Categorical Program: Special Education – Children with Disabilities

The State Exceptional Children’s Act (ECEA) recognizes the need to provide educational opportunities to **all** children, and the benefits of providing a continuum of services in the least restrictive environment. In 2005, approximately 82,000 students with disabilities (about 11%) will participate in special education in Colorado. These include children with long-term physical impairments or illness, significant limited intellectual capacity, significant identifiable emotional disorders, identifiable perceptual or communicative disorders, and speech disorders. The average cost per child is about \$6,800 per year. In 2005, special education costs will represent about 7% of total education expenditures.

Budget Trend – Special Education

State and federal funding combined cover only approximately 30% of special education costs. School districts cover the remaining 70% of these costs, which places strain on other areas of the K-12 budget.

Categorical Program: English Language Proficiency Program

An estimated 80,200 Colorado public school students (10.7%) have dominant languages other than English and are functioning below grade level because of language barriers. Students in Colorado speak 129 different languages. Approximately 80% of ELP students in Colorado are Spanish speaking.

Budget Trend – English Language Proficiency Program

The \$4 million appropriated for ELP will cover only half of the 80,200 English language learners in Colorado public schools and will reimburse school districts for only 20% to 25% of their ELP expenditures.

Categorical Program: Public School Transportation

In 2005 school districts will provide transportation to and from school for an estimated 300,000 students, or about 40% of the total Colorado public school enrollment. School districts employ a fleet of over 6,200 buses that travel approximately 60 million miles each year.

Budget Trend – Public School Transportation

State funding (allocated at 37.87 cents per mile) covers about 64% of the total cost of providing transportation services.

Categorical Program: Vocational Education

Vocational education provides students with entry-level occupational skills and related knowledge to meet identified needs of business and industry. Administration of state funding for these programs is provided through the State Board for Community Colleges and Occupational Education.

Categorical Program: – Gifted and Talented Education

Colorado public schools serve more than 51,000 gifted and talented students, representing about 7% of the student population. The state Exceptional Children’s Act (ECEA) defines gifted students as those “whose abilities, talents, and potential for accomplishments are so outstanding that they require special provisions to meet their educational needs....Gifted students are capable of high performance in any or a combination of these areas: general intellectual ability, specific academic aptitude, creative, productive thinking, leadership and human relations skills, visual and performing arts, and psychomotor.” The \$6.2 million appropriated for gifted and talented education is less than 1% of total education expenditures in Colorado, although districts will likely combine state funding with an additional \$25 million from other local sources.

Early Care and Education

While the literature demonstrates a clear link between high quality early care and education and future educational achievement, Colorado lags behind other states in helping families afford high quality child care and preschool. Recent cuts in child care, preschool, and kindergarten have left most young children in Colorado ineligible for these important programs, resulting in fewer at-risk children gaining early school readiness preparation.

Child Care Licensing

Colorado inspects licenses and monitors nearly 10,000 child care settings in Colorado including child care centers and family homes.

Child Care - Child Care Licensing							
JBC only	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
	Child Care Licensing						
1	General Fund	1,371,369	2,024,773	2,310,661	1,824,677	2,071,930	2,131,203
2	Cash Fund/Cash Fund Exempt	350,919	350,442	349,880	498,494	716,880	703,090
3	Federal Fund	<u>2,031,897</u>	<u>2,960,600</u>	<u>2,981,512</u>	<u>2,999,243</u>	<u>3,101,127</u>	<u>3,098,474</u>
4	Total	3,754,185	5,335,815	5,642,053	5,322,414	5,889,937	5,932,767

Budget Trend – Child Care Licensing

Funding for child care licensing has grown faster than inflation and state population since fiscal year 2000.

Colorado Child Care Assistance Program (CCCAP)

Colorado provides financial assistance for child care for 47,479 low-income children and children in families working toward self-sufficiency. Recipients are responsible for paying a portion of the child care costs. Funding for the subsidy comes from the federal Child Care Development Fund (CCDF) block grant, optional county transfers from the federal Temporary Assistance to Needy Families (TANF) block grant, state general fund, and local revenues.

Child Care - Child Care Assistance Program (CCCAP)							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Child Care Assistance Program (CCCAP)							
1	General Fund	13,411,383	15,549,911	15,549,911	15,549,911	15,549,911	15,549,911
2	Cash Fund/Cash Fund Exempt	7,341,587	8,042,488	8,042,488	8,042,488	8,042,488	8,841,587
3	Federal Fund	<u>39,204,193</u>	<u>44,790,870</u>	<u>41,455,810</u>	<u>47,744,028</u>	<u>47,744,028</u>	<u>48,744,028</u>
	Sub Total: Appropriation	59,957,163	68,383,269	65,048,209	71,336,427	71,336,427	73,135,526
	Actual county expenditures of TANF received in this, or previous, FY on Child Care Assistance Program	<u>28,326,446</u>	<u>30,587,887</u>	<u>31,855,494</u>	<u>21,940,407</u>	n/a	n/a
4	Total	88,283,609	98,971,156	96,903,703	93,276,834	71,336,427	73,135,526
5	Average monthly number of children for whom a subsidy was provided	23,945 3,687	24,119 4,103	24,431 3,966	23,250 4,012	- -	- -
6	Average annual amount per recipient	-	-	-	-	-	-
7	Average FPL eligibility population	-	-	-	-	-	-
8	Estimated eligible population	-	-	-	-	-	-
9	Estimated % of eligible population served	-	-	-	-	-	-

Budget Trend – Child Care Assistance Program

Funding to support low income children in child care declined by 6% between 2001 and 2003, which is a 15% drop in inflation adjusted per capita dollars. These cuts compound historical shortfalls in child care funding. Even though Colorado’s investment in child care has grown substantially since the early 1990s, funding has failed to meet rising need and the cost of providing high quality care. Child care subsidies are often less than 75% of the market rate for care, and most experts agree the market rate is too low to support appropriate adult-child ratios and staff training.

Child Care Quality Grants, Consolidated Child Care Pilots, Professional Loan Repayment and School Readiness Grants

Federal law requires that Colorado invest at least 4% of its federal child care funds to improve the quality of child care settings and, additionally, over \$3.2 million on quality earmarks. These efforts include professional development, reduced adult-child ratios, program coordination and evaluation, resource and referral for families, quality ratings, and quality expansion.

Child Care - Child Care Quality Grants, Pilots, and School Readiness Grants							
JBC and DHS	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
C.C. Assistance Program Quality Grants, Consolidated Child Care Pilots, Professional Loan Repayment and School Readiness Grants							
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	4,261,659	6,416,704	6,359,212	6,865,705	7,496,149	8,318,062
4	Total	4,261,659	6,416,704	6,359,212	6,865,705	7,496,149	8,318,062

Budget Trend – Child Care Quality Grants, Pilots and School Readiness

Funding for Child Care Quality Grants, Pilots and School Readiness Grants (combined) has grown faster than inflation and state population growth.

Child Care and Per-Child Tax Credits

Colorado offers families with children tax credits for each child under the age of 6 and additional credits to help defray the costs of child care for low- and middle-income families.

Child Care Tax Credit							
	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
State Child Care/Per Child Tax Credit (this is a credit against tax liability, not a state appropriation) (DOR)							
1	General Fund	36,788,237	55,937,884	65,874,720	8,692,654	6,547,499	-
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	-	-	-	-	-	-
4	Total	36,788,237	55,937,884	65,874,720	8,692,654	6,547,499	-

Financing Trends in Child Care and Per-Child Tax Credits:

State tax credits available to families to help defray the costs of raising young children have dropped dramatically in Colorado. In 2001, 172,948 families claimed Colorado's state Child Care and Per-Child tax credits and saved more than \$300 on average to help defray the expenses of caring for their children. By 2004, only 46,203 families (a 73% drop) were eligible for state credits and families received only \$142 on average. The size of these credits is tied to the state's TABOR surplus.

Colorado Preschool Program (CPP)

The Colorado Preschool Program (CPP) was started in 1988. CPP is a part-day/part-year program that serves 3- and 4-year-olds who lack overall learning readiness due to individual and family risk factors. In 2004, CPP served 9,050 children in 154 of Colorado's 178 school districts, which represents about 12% of the four-year olds in Colorado. Seventy percent of school districts report that CPP graduates score better on the third grade reading CSAP than their district-wide averages. Additionally, research has shown that CPP participants' placement in special education drops from 42.5% to 11.1%.

Colorado Preschool Program							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Colorado Preschool Program (funding is also included in School Finance) (DOE)							
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	-	-	-	-	-	-
4	Total	22,599,892	23,384,859	27,401,489	32,013,024	26,892,798	27,450,891
5	Total Enrollment	9,050	9,050	10,050	11,050	9,050	9,050
6	Average annual amount per recipient	2,497	2,584	2,727	2,897	2,972	3,033

Budget Trend – Colorado Preschool Program

Funding for the Colorado Preschool Program has declined by 14.3% since fiscal year 2003, when the program served 11,050 at-risk 3- and 4-year-olds. In the 2004 school year, school districts identified an additional 6,336 children who were CPP eligible, but because of a lack of CPP slots, school districts were unable to serve these children.

Full Day Kindergarten in Unsatisfactory Schools

There are about 52,000 kindergartners in Colorado. Public schools offer a half-day program for these five- and six-year-olds. In 2002, the state began offering full-day kindergarten to about 1,000 children in low-performing elementary schools. This program was eliminated in 2004 due to the state's fiscal crisis.

Full Day Kindergarten							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Full Day Kindergarten in unsatisfactory schools (funding is also included in School Finance) (DOE)							
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt	-	-	2,853,075	3,113,531	-	-
3	Federal Fund	-	-	-	-	-	-
4	Total	n/a	n/a	2,853,075	3,113,531	0	0
5	Total Enrollment	-	-	1,047	1,071	-	-
6	Average annual amount per recipient	-	-	2,725	2,907	-	-

Budget Trend – Full Day Kindergarten

State-funded full day kindergarten in low-performing elementary schools was eliminated in 2004.

Head Start

Head Start is a comprehensive child development program that serves children from birth to age 5, pregnant women, and their families with the overall goal of increasing the school readiness of young children in low-income families. The program addresses education and early childhood development; medical, dental, and mental health; nutrition; and parent involvement. Head Start serves children with family incomes at or below 100 percent of the Federal Poverty Level. Children from families receiving public assistance (TANF or SSI), and children in foster care are eligible for Head Start regardless of family income. Ten percent of Head Start enrollments are offered to children with disabilities.

Head Start							
	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Head Start							
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	45,790,244	46,079,649	51,225,294	58,357,732	59,164,456	59,164,456
4	Total	45,790,244	46,079,649	51,225,294	58,357,732	59,164,456	59,164,456
5	Enrollment	8,534	8,732	8,732	9,104	9,104	9,104

Early Head Start

Early Head Start (EHS) is a comprehensive child development program that serves children birth to age 3 and a limited number of pregnant women. EHS promotes healthy prenatal outcomes, enhances the development of infants and toddlers, and promotes healthy family functioning.

Early Head Start							
	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
	Early Head Start						
1	General Fund	-	-	-	-	-	-
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	2,240,964	3,526,770	7,676,151	8,061,488	8,190,472	8,190,472
4	Total	2,240,964	3,526,770	7,676,151	8,061,488	8,190,472	8,190,472
5	Enrollment	403	403	710	738	738	738

Youth Corrections

Funding for institutional programs and detention for children who have committed crimes has grown rapidly, while funding for alternatives to incarceration and mental health treatment for adjudicated youth has declined substantially.

Institutional Programs

Colorado provides for the housing, treatment and education of juveniles who are detained while awaiting adjudication or who have been convicted of a crime. Over the past 20 years, the committed child population in Colorado has grown dramatically from 614 children in 1994 to more than 1,300 children in 2003. State funding for Youth Corrections Institutional Programs has grown at a compounded average annual growth rate of 9.2% since 1994.

Youth Corrections Institutional Programs							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
	Institutional Programs (personal services, operating and medical) (DHS)						
1	General Fund	30,073,334	34,986,830	37,742,071	36,645,917	40,799,447	42,432,964
2	Cash Fund/Cash Fund Exempt	1,240,526	1,266,577	1,299,913	1,330,200	1,330,200	1,330,200
3	Federal Fund	135,349	133,996	185,000	-	-	-
4	Total	31,449,209	36,387,403	39,226,984	37,976,117	42,129,647	43,763,164
5	Average Daily Population	1,198	1,252	1,267	1,328	-	-
	Average annual amount per recipient	26,245	29,068	30,965	28,601	-	-

Youth Corrections Institutional Educational Programs

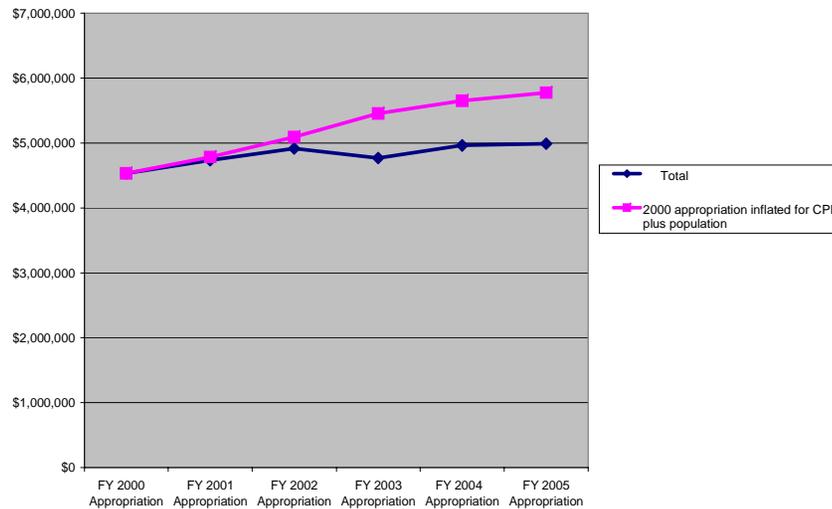
Colorado provides educational services for youth committed in institutional settings. Additional funding is provided by school districts.

Youth Corrections Institutional Educational Programs							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Youth Corrections Institutional Educational Programs (DHS)							
1	General Fund	4,186,480	4,389,641	4,568,017	4,425,389	4,620,297	4,646,565
2	Cash Fund/Cash Fund Exempt	346,500	345,304	345,352	343,893	343,893	343,893
3	Federal Fund	-	-	-	-	-	-
4	Total	4,532,980	4,734,945	4,913,369	4,769,282	4,964,190	4,990,458

Budget Trend – Youth Corrections Institutional Education Programs

Funding for this program has grown over the past several years but has failed to keep pace with inflation and population.

Youth Corrections Institutional Educational Programs



Youth Corrections Community Programs (Excluding SB 91-94)

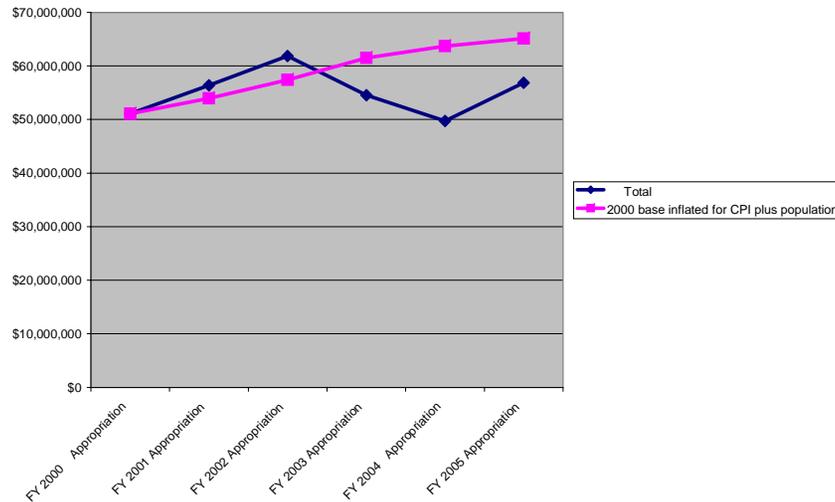
The Division of Youth Corrections is responsible for management and oversight of state-operated and privately-contracted residential facilities and for community-based alternative programs that serve youth between the ages of 10 and 20 who have demonstrated delinquent behavior. Approximately 12,000 youth are currently placed in a detention facility or other residential program in Colorado.

Youth Corrections Community Programs							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Community Programs Excluding SB 91-94 (DHS)							
1	General Fund	39,875,125	45,020,104	49,933,783	42,881,987	38,708,997	42,426,619
2	Cash Fund/Cash Fund Exempt	11,050,064	11,296,177	11,850,990	10,183,906	9,727,773	13,166,314
3	Federal Fund	177,941	79,315	82,098	1,473,564	1,278,564	1,278,564
4	Total	51,103,130	56,395,596	61,866,871	54,539,457	49,715,334	56,871,497

Budget Trend – Youth Corrections Community Programs (Excluding (SB 94-91)

Funding for youth corrections community programs in Colorado has been flat since 2000 and has not kept pace with the growing number of adjudicated youth. The general assembly has taken several steps to control costs in this area including reducing the period of mandatory parole from nine months to six months and capping the number of juvenile detention beds.

Youth Corrections Community Programs (excluding SB 94)



Youth Corrections Community Programs Senate Bill 94 Initiatives

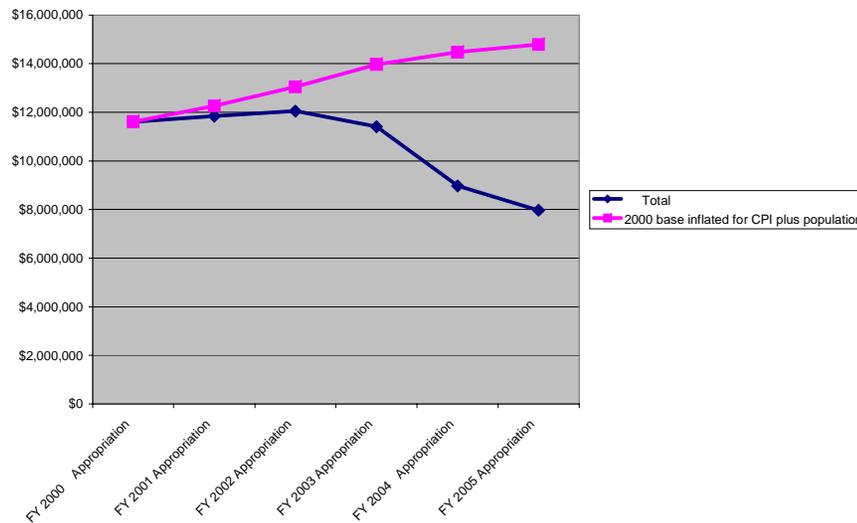
Colorado provides several alternatives to incarceration for adjudicated youth. Such services include case management, tracking, electronic monitoring, intensive supervision and work programs, mentoring, counseling, and referral to mental health and/or alcohol treatment. Approximately 13,000 youth are served through local programs each year.

Youth Corrections Community Programs							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
Community Programs Excluding SB 91-94 (DHS)							
1	General Fund	11,607,049	11,838,574	12,048,550	11,406,066	8,966,324	7,966,324
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	-	-	-	-	-	-
4	Total	11,607,049	11,838,574	12,048,550	11,406,066	8,966,324	7,966,324

Budget Trend – Youth Corrections Community Programs SB 91-94 Programs

Funding for services to divert youth from detention and commitment has been cut by 34% since 2002 while the committed youth population has grown more than 9% a year (annual average) since 1994.

Youth Corrections SB 94 Community Programs



Enhanced Mental Health for Detained Youth

Colorado established a pilot program to provide mental health services for youth in detention. The state estimates 36% of committed youth struggle with high-moderate to severe mental health issues. System-wide, the Division of Youth Corrections had a problem with readmissions to detention and believed that many of the juveniles getting readmitted had mental health problems that were not being treated in the community.

Youth Corrections - Enhanced Mental Health for Detained Youth							
JBC	Program Name	FY 2000 Appropriation	FY 2001 Appropriation	FY 2002 Appropriation	FY 2003 Appropriation	FY 2004 Appropriation	FY 2005 Appropriation
	Enhanced Mental Health for Detained Youth (Youth Corrections Lookout Mountain, Pilot for Detention and Health and Rehabilitation Pilot for Detained Youth) (DHS)						
1	General Fund	1,480,350	1,480,350	709,205	661,516	-	-
2	Cash Fund/Cash Fund Exempt	-	-	-	-	-	-
3	Federal Fund	-	-	-	-	-	-
4	Total	1,480,350	1,480,350	709,205	661,516	-	-

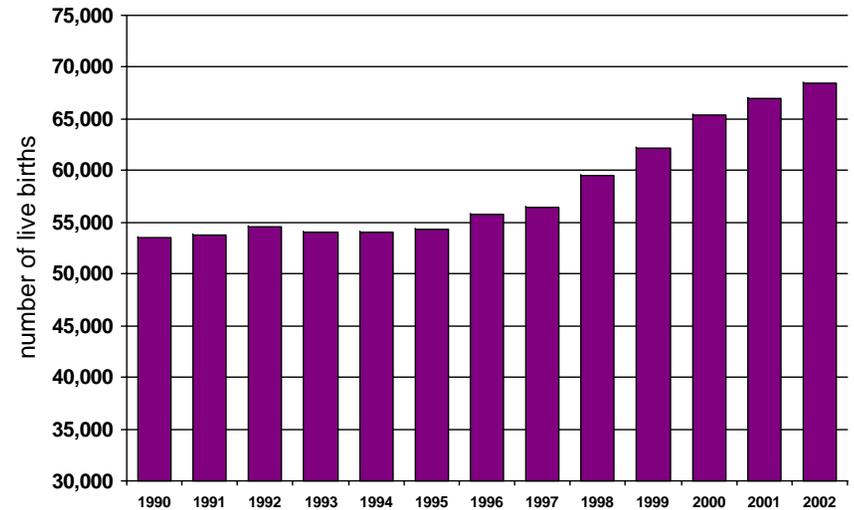
Budget Trend – Enhanced Mental Health for Detained Youth

Funding for Enhanced Mental Health for Detained Youth was eliminated in fiscal year 2004. Furthermore, planning funding for a 20-bed forensic psychiatric unit for youth with the most severe mental health issues was eliminated in 2001.

Appendix A: Variables Impacting Funding

• Population Growth

Colorado's child population has grown rapidly over the past decade as the state's population has grown. In the past 10 years the number of children in Colorado has grown from 909,928 in 1992 to 1,145,990 in 2002, and the number of births mirrors this trend.



• The Economic Downturn

In 2003 and 2004, Colorado experienced the largest shortfall in revenues in over sixty years. The Colorado General Assembly made \$537 million in cuts in fiscal year 2003, \$201 million in cuts in the general fund in 2004 and transferred more than \$1.3 billion from cash funds to help balance the budget during that time period. The Colorado General Assembly is projected to make an additional \$476 million in cuts over the next two years (fiscal years 2006 and 2007).

The need for public services increases during an economic downturn. Nationally, the poverty rate and the number of poor rose in 2001 to 11.7% (32.9 million people), up from 11.3% (31.6 million people) in 2000. In Colorado, the number of poor children rose from 130,654 to 143,214 (a 10% increase) between 1999 and 2001. Today more children are without basic necessities including food, shelter, clothing, and a consistent family and school life. More children are in harm's way and more families are applying for assistance.

• The Colorado Taxpayer's Bill of Rights (TABOR)

In 1992, Colorado voters adopted the strictest limit on taxes and spending in the nation. The Colorado Taxpayer's Bill of Rights (TABOR) amendment controls spending in two ways. First, it gives citizens the right to vote on tax increases. Any new tax or tax increase must first be approved by voters. Second, TABOR has a **revenue limit** that does not allow state and local governments to keep the revenues they generate under existing tax rates while the economy is growing. When state tax collections grow faster than the rate of inflation plus the change in the state's population, state and local government must return (refund) all revenues collected over what is allowed by this formula.

The impact of TABOR's **revenue limit** on funding for children's services has been profound. Between 1992 (when TABOR passed) and 2002, Colorado returned \$3.2 billion to taxpayers as "surplus." At the same time, funding for K-12 education, higher education, and public health services declined in real per-capita dollars.¹ This is because funding needs for some services including corrections and health care for the elderly consistently grow faster, leaving other services vulnerable to cuts.

One of the most damaging aspects of Colorado's TABOR amendment is that it does not allow the state to restore funding levels of TABOR-squeezed safety-net programs during an economic downturn, when those services are needed the most. The revenue limits in TABOR require the state to return money to taxpayers before it can replenish funding levels to pre-recessionary levels. This is referred to as the "ratchet effect" in Colorado's TABOR amendment. Colorado will return \$161 million to taxpayers in fiscal year 2005 and more than \$450 million in fiscal year 2006, while at the same time making deeper cuts in services for children.

The Colorado Taxpayer's Bill of Rights (TABOR) cannot be modified without voter approval. The Colorado Children's Campaign supports efforts to reform TABOR that modify the revenue limit to allow services to keep up while maintaining the right to vote on taxes.

¹ The Bell Policy Center, *Understanding TABOR; Ten Years of TABOR*, (2003)

Colorado voters approved two other amendments to the state constitution that impact state and local governments' ability to fund services for children. The Gallagher Amendment was adopted by the voters in 1982. The Gallagher Amendment limits the amount of property taxes residential homeowners pay relative to businesses. The Gallagher amendment which limits property taxes, combined with the TABOR amendment, which requires tax revenues be refunded during a growing economy, save Colorado taxpayers billions in taxes each year, thereby denying schools and county governments much-needed funding to keep pace with increasing needs.

Voters responded to declining K-12 funding by passing Amendment 23 in 2000. Amendment 23 requires the state to gradually restore the cuts in K-12 education taken during the 1990s. Under Amendment 23, Colorado will increase per-pupil funding by the rate of inflation plus one percentage point for 10 years.

• **AMENDMENT 35**

Amendment 35 was passed in November 2004 to increase Colorado's tobacco tax and will generate an estimated \$172 million in new revenue, per year, \$80 million of which will go toward expanding the Child Health Program (CHP+) and Medicaid for low-income children and families.

Apendix B: Children's Budget Methodology

Data Collection:

This report includes state appropriations and caseload data for state fiscal years 2000 through 2005. It includes funding from the following sources:

1. **General Fund:** A fund into which general tax revenues, including state sales and income taxes, are deposited.
2. **Cash Fund/ Cash Fund Exempt:** Separate funds set up to receive earmarked revenues, such as user fees and fines.
3. **Federal Funds:** Funds from the federal government. Some federal funds are grants for limited purposes. Other federal funds may require state matching funds, such as those for highways and Medicaid. Federal funds are exempt from Colorado's Taxpayer's Bill of Rights (TABOR).

The data in this report were compiled from the following resources:

1. Annual state appropriations bills ("Long Bill", "Supplemental Bills," and "Add-on Appropriations")
2. Joint Budget Committee Annual Appropriations Reports
3. Joint Budget Committee Staff Briefing Materials
4. Department Budget Requests
5. Joint Budget Committee staff
6. State Department staff
7. The Colorado Behavioral Healthcare Council
8. Head Start
9. The Colorado School Finance Project

The data in this report has been reviewed by program staff at Department of Health Care Policy and Finance, the Department of Human Services, the Department of Public Health and Environment, the Department of Revenue, the Department of Education and/or Joint Budget Committee staff. The Colorado Children's Campaign wishes to extend our appreciation to those who reviewed this publication. The Children's Campaign conducted the analysis of the available data and is responsible for any errors or omissions in the analyses. Because this report is an estimate based on information and data available to the Children's Campaign, the Campaign supports efforts by the state of Colorado to produce an annual, comprehensive Children's Budget in order to more consistently assess the status of funding for programs and services impacting children in the state.

Data Analysis

The Children's Budget identifies funding cuts implemented over the past five years and, in some cases, attempts to quantify the number of children affected by these funding cuts. The report looks primarily at "actual" cuts in services, and also considers the effects of "real" (inflation adjusted) cuts. Line items with lower levels of funding in 2005 than in an earlier year experienced "actual" cuts. Line items with funding levels that grew but failed to keep pace with inflation and population growth

experienced cuts in "real" per-capita dollars. Both "real" and "actual" cuts result in reduced levels of service over time as funding fails to keep pace with population and inflationary pressures. In some sections of the report, funding data is shown on a per-recipient basis. In some programs, caseloads grew faster than the funding available and the dollar amount per-recipient dropped, which also impacts service delivery.

Calendar Year/ Fiscal Year	1999 2001	2000 2002	2001 2003	2002 2004	2003 2005	TOTAL
Consumer Price Index (CPI) All Items Denver -Boulder	2.9%	4.0%	4.7%	1.9%	1.1%	14.6%
Colorado Population growth	2.7%	2.4%	2.4%	1.7%	1.1%	10.3%
Total CPI plus population	5.6%	6.4%	7.1%	3.6%	2.2%	24.9%
Colorado Birth Rate % change	5.4%	4.4%	5.3%	2.4%	2.1%	19.6%

* Fiscal year inflation and population data have a two-year time delay consistent with state revenue and spending calculations under Colorado's Taxpayer Bill of Rights amendment (TABOR).

Line items that fund medical programs for children were analyzed using the population growth rate and the rate of medical inflation.

	2001	2002	2003	2004	2005	TOTAL
CPI Health Care*	3.7%	4.2%	4.7%	5.0%	3.7%	21.3%
Colorado Population growth	2.7%	2.4%	2.4%	1.7%	1.1%	10.3%
Total health care CPI plus population	6.4%	6.6%	7.1%	6.7%	4.8%	31.6%

* Source: Bureau of Labor Statistics annual change in the Consumer Price Index for all urban consumers, medical care.

* Fiscal year inflation and population data have a two-year time delay consistent with state revenue and spending calculations under Colorado's Taxpayer Bill of Rights amendment (TABOR).

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