



EQUITY IN RESOURCE ALLOCATION

The Need for Change in Resource Distribution in the Colorado Developmental Disabilities System

The Resource Exchange
The CCB Serving
El Paso, Park, and Teller Counties

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and the City of Aurora

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EXECUTIVE SUMMARY

Resource distribution among Community Centered Boards (CCBs) has been a topic of serious discussion by the Boards of Directors and senior staff of The Resource Exchange and Developmental Pathways for several years. Those discussions, and the research and study they engendered, have led to publication of this report on equity with the intent of advancing understanding, discussion, and movement on a critical issue in the developmental disabilities (DD) community services system.

A fundamental principle in equitable allocation of resources is equal protection – meaning that individuals and families have equitable access to services and supports wherever they choose to live in Colorado. Currently, the prospects for receiving DD services vary greatly depending on where individuals and their families reside.

The disparities in resource allocations among CCBs are very large.

- Based on the population of each CCB service area, the disparity in funding among CCBs ranges from a high of \$126 per-capita to a low of \$31 per-capita, a difference of more than 300%.
- Some CCBs have funding allocations sufficient to serve 90% or more of their local known need, while other CCBs have funding for less than 30%.

The principal cause of the huge disparities in funding among CCBs is high population growth and low funding. Colorado ranks 8th nationally in per-capita wealth, but ranks 48th in funding for services for people with developmental disabilities.

As a result of spending limits in Colorado there is no realistic prospect that equity can be achieved through the allocation of new resources appropriated by the Legislature. Therefore, achieving equitable distribution of resources throughout the Colorado DD system will require some redistribution of existing resources among CCBs.

Disproportional allocation of resources has had the effect of a de facto requirement that local funds in some communities be used to supplant State and federal funds, contrary to provisions of the Colorado DD Act, 27-10.5-104.5. C.R.S.

Key Recommendations:

Re-distribution of existing resources should be accomplished through attrition in order to ensure that services continue for individuals currently receiving services.

All new resources should be allocated based on achieving equity, with few exceptions such as emergency placements.

A one-time opportunity currently exists to effectively eliminate disparate funding levels in the Early Intervention (birth to 3) program, as a result of new resources appropriated by the legislature and a change in the lead agency for the federal Part C program. The State should act decisively to seize this rare opportunity.

EQUITY IN RESOURCE ALLOCATION

PREFACE

Resource allocation among Community Centered Boards (CCBs) has been a topic of serious discussion by the Boards of Directors and senior staff of The Resource Exchange and Developmental Pathways for several years. Those discussions, and the research and study they engendered, have led us to publish this report on equity with the intent of advancing understanding, discussion, and movement on a critical issue in the developmental disabilities (DD) community services system. The extensive research and analysis included in this report is intended to provide a foundation for understanding the complex history and issues involved in resource equity, and to provide an informational basis for discussion among system stakeholders.

Resource equity has been a contentious and emotional issue in the DD system for many years. For this reason it has been difficult to engage in serious discussion of the issue, or to sustain focus on identifying and analyzing the data that might help advance such a discussion. One intent of this report is to try to change that dynamic by providing a foundation of information that others can analyze, challenge, augment, and change. If we as a system cannot build such a foundation there can be no framework for further discussion or for moving forward to address equity concerns.

It will surprise no one that this report has been prepared by Pathways and The Resource Exchange (TRE), as it is widely known that our proportional share of State and Federal resources is low. In developing the report, however, we have tried to come at the issue from a statewide perspective. We have collected and analyzed information about all twenty CCBs, not just our own. We have analyzed equity factors among rural CCBs as well as urban/suburban CCBs like ours. We have tried to identify points of debate that often arise in discussions of equity, and to provide objective information and reasoned analysis that can help advance consideration of such issues. And, we have provided historical information to assist others to understand why we stand where we are today.

We believe there can be no resolution of equity issues unless they are approached on a statewide basis. A case can be made that there are serious equal protection problems in the wide disparities in distribution of developmental disabilities resources in Colorado. We believe these disparities can and should be addressed through administrative and policy initiatives. With little prospect for new resources sufficient to correct these imbalances, difficult choices will be required and challenging consequences will ensue. Even so, we are confident of the capacity and resiliency of the community DD system in Colorado to manage the changes necessary to reach the goal of equitable access to services statewide.

This report includes extensive information, but its purpose is to promote action in the near future. Therefore, specific recommendations are included for moving towards a more equitable distribution of limited resources so that citizens in all regions of the State will have comparable opportunities for accessing services. The information in this report suggests that equitable distribution will require redistribution of some existing resources, along with reliance on new appropriations. It is recommended that movement towards proportional allocation be phased in over a period of years, except for the proposal for full proportional funding in Early Intervention beginning July 1, 2006. Also, to the extent new resources are appropriated each year and applied to addressing equity, the need for reallocation of base resources diminishes.

For CCBs whose allocations would be less based on proportional distribution, this report is not meant to suggest that they are somehow undeserving of their current allocation levels. In a more perfect world they would have those resources and more, since there is a waiting list in virtually all programs and regions and it is the job of each CCB to serve its local constituency to the best of its ability. It only means that in order for all regions to have a fair and proportional share of these limited resources, some CCB allocations must be reduced over time.

This report and our ideas are not the final word; not in our minds, and we are quite certain not in the minds of many others. We welcome and encourage a vigorous and timely debate on these important and complicated issues, and ask only that everyone who engages in this discussion does so in a thoughtful and reasoned manner.

Finally, we are very interested in stakeholder questions, comments, ideas, challenges, suggestions, or other reactions to this report. We also believe it will be constructive to share such reactions with others interested in these issues.

CCB Partners has volunteered to serve as a clearinghouse for feedback on the report, and to collect, summarize, and disseminate information and comments provided by others. Partners has also offered to facilitate discussion of equity issues, and will be conducting one or more open forums on this topic.

Cami Learned, Director of Policy for CCB Partners, will be the contact for these purposes. She can be contacted by email at camilearned@ccbpartners.org or by phone at 303-858-2074.

The authors welcome direct contact as well. John Meeker can be contacted by email at johnmeeker@developmentalpathways.org or by phone at 303-360-6600. David Ervin can be contacted at dervin@tre.org or by phone at 719-785-6426.

Notes for Readers

The primary sources of information and data for this report are listed in Exhibit 1 at the end of the report. Every effort has been made to secure the most recent and accurate data available, and care has been taken to present data in a clear and objective manner.

Where estimates or approximations are included they are identified as such.

There are isolated anomalies in a few tables for which explanations were unavailable, primarily in the waiting list data. It was determined that the statistical effects of these anomalies were not material to the overall results, though they would need to be addressed before relying on the data for specific decisions.

In this report current contract allocations shown for CCBs are generally imputed from the numbers of resources shown in Division management reports at a point in time, and may not precisely match actual current contract amounts.

If conflicting data from different sources were encountered they were evaluated. If differences were significant and could not be reconciled, or if the more reliable source could not be discerned, the data were not used.

If inaccuracies or miscalculations are discovered by readers the authors would appreciate having them brought to their attention.

The State has better access to and familiarity with certain data than the authors of this report, and no decisions or actions should be based solely on the data in this report without verification of accuracy.

The term “CCB” means Community Centered Board. Use of the term “CCB” should be interpreted to encompass service agencies or service areas as the context suggests. For example, “individuals served by a CCB” encompasses individuals served by their contract service agencies as well.

The term “Division” means the Division for Developmental Disabilities in the Colorado Department of Human Services.

I. INTRODUCTION

Equity has long been an issue of concern in the community developmental disabilities (DD) system. There is widespread recognition that the existing distribution of funding across the system bears little relationship to documented need, population or any other discernable policy basis. Historical factors from the first decades of the community system play a substantial role in the resource picture that exists today. Policies and practices have been adopted from time to time that have addressed certain equity issues on a piecemeal basis, but there has been no overall analysis and policy development designed to resolve equity issues system-wide.

The appropriation of new resources resulting from Referendum C, along with the Governor's Executive Order assigning administration of Part C resources to the Division for Developmental Disabilities (Division), provide the opportunity and necessity to address equity issues on a system-wide, long term basis. This report provides an overview and analysis of equity issues, and makes recommendations for policy changes and other actions designed to establish proportional and equitable distribution of resources throughout Colorado's DD system.

The highest priority for immediate change is in the Early Intervention arena, where the combination of new resources and the Part C transfer create a unique and unprecedented opportunity to achieve system-wide equity in the coming 2006-2007 fiscal year.

Funding equity is a highly charged issue with broad implications for the future of the DD system. Any serious effort to address equity will entail significant changes affecting all Community Centered Boards (CCBs) and many service agencies. Most importantly, equity factors affect individuals with developmental disabilities and their families throughout Colorado. This report has been prepared with the intent of bringing an objective and analytical approach to a complex undertaking. However, we recognize that we may have overlooked important factors or concerns, and for this reason we are distributing the report widely and inviting comment from all system stakeholders.

An important part of our analysis has been to identify issues and arguments raised by parties across the spectrum of views on equity, and to seek an objective, analytical approach to each of them. We do not claim that we have identified all such issues, that our analysis is definitive, or that others will view our analysis as objective on all issues. However, by describing and framing these issues we hope to provide the basis for thoughtful review and input from system players. By including extensive statistical information, we hope to provide a basis for readers to draw their own conclusions when they may differ from ours.

We begin with some important premises that underlie our work, and which we hope all readers will consider as they review and respond to the report.

1. The report assumes a consensus among system stakeholders that individuals and families needing DD system services should be able to live anywhere in Colorado and be assured that their community is on a par with other Colorado communities in terms of a fair and proportional share of services and supports. This is a core assumption that underlies everything in this report.

2. The report assumes a consensus among system stakeholders that adjustments required to achieve equity should be undertaken in a way that minimizes service reductions for individuals and families currently receiving services and supports.
3. The report recognizes that Colorado ranks 48th nationally in funding for DD services, and that every community in Colorado is struggling to meet the needs of its citizens with developmental disabilities.
4. This difficult reality does not relieve the State of its obligation to allocate and manage the limited resources under its control in a fair and equitable manner.
5. The current situation is what it is, and we must move forward now to achieve equity regardless of how we arrived at this point. Any further delay will only worsen the difficulties we face.
6. The historical information included in this report is intended only to provide a framework for understanding. It does not purport to be exhaustive or to account for all events and factors that have contributed to our current circumstances. Where historical records and data could not be found the report relies on the memories of multiple parties involved at the time events occurred, and we acknowledge these memories may not always be accurate in every detail.
7. It is recognized that changes in resource distribution will create difficult management challenges for some CCBs and service agencies. TRE and Pathways firmly believe that all CCBs and service agencies have the competence and creativity to manage change effectively.
8. TRE and Pathways are unalterably committed to the value and viability of every CCB. We believe especially that the existence of a full range of quality services in every rural area of Colorado, and the exceptional connection between rural CCBs and their communities, represent a core strength of Colorado's DD system that is virtually unique nationwide.

II. CORE ELEMENTS OF EQUITY

There are two fundamental components of funding equity:

1. **Distribution of Resources.** The first element is the distribution of resources across the twenty CCB service areas. The Division allocates resources (sometimes called “slots”) for four program areas that receive specified annual appropriations from the legislature. These are:
 - a. Early Intervention (EI)
 - b. Family Support Service Program (FSSP)
 - c. Supported Living Services (SLS)
 - d. Comprehensive Services (CS).

Funds for CCB case management and administration are generally included as an add-on with each resource allocated. A fifth program, the Children’s Extensive Support waiver (CES), is administered in a different manner and is not relevant to basic equity issues at this time.

2. **Rates.** The second element encompasses the rates paid to each CCB for each category of services. With few exceptions the rates are the same for all CCBs for EI, FSSP, and SLS. Rates paid for Comprehensive Services vary substantially, and these variations will be addressed further on in this report.

III. BACKGROUND AND HISTORY

The community DD system as we know it today was established in 1961 when the Colorado legislature passed the Community Centered Board Act. It is important to know that the CCB Act created the form and structure of the system, but it was many years before CCBs were established in all regions of the State. During these early years many disparate factors influenced assignment of resources, including difficulty identifying community needs, local school district policies, varying local capacities to develop and provide services, Division efforts to foster certain service models, proximity to Regional Centers, and political influence at the local and state levels. The overall result was a “base” established for each CCB that resulted from a combination of these largely unrelated factors. In these earlier years no consistent policy for distribution of resources existed, nor were any serious or sustained efforts made to identify or correct disproportional allocations to CCBs across the State.

The imbalance in resources was further impacted in the mid-1980s by the State’s major push to foster community placements and downsize its three State institutions (Regional Centers). There was a scramble by CCBs and service agencies to help relocate Regional Center residents into the community, and again the allocation of new community resources was driven primarily by local CCB energy and capacity.

Throughout these many years little attention was given to the State’s rapidly changing demography, until accelerated population growth began to drive greatly increased unmet needs for services in certain CCB service areas. The problem was acknowledged in the mid-1990s by the Colorado Association of Community Centered Boards (CACCB – a statewide association of CCBs that existed at that time), and soon thereafter three CCBs approached the Division and asked for relief (Developmental Disabilities Resource Center/DDRC representing Jefferson, Gilpin, Clear Creek and Summit counties; The Resource Exchange/TRE representing El Paso, Park and Teller counties; and Developmental Pathways representing Arapahoe and Douglas counties, and the city of Aurora).

At that time there was consensus among CACCB members that equity issues should be addressed only through new resources, without reducing the base funding of any CCB. The disparities existing at that time were large enough to justify allocation of all new resources to these three most affected CCBs for the foreseeable future. However, they agreed to a formula whereby 50% of future new resources would be allocated to address inequities, and 50% would be distributed among all CCBs based on service area population. This formula was applied for only a few years, until declining economic conditions effectively ended any significant appropriation of new resources for DD services.

During this period CACCB recommended and the Division adopted a differential rate calculation based on cost of living factors for each CCB, but it was applied only to new Comprehensive Services (CS) resources. The amount of this differential was relatively small, and had minimal impact because so few new CS resources were appropriated. No attempt was made to adjust rates for individuals already receiving services because there

were no funds appropriated for that purpose and there was no objective method available to assess and quantify the differing levels of needs ('case mix') of individuals in services throughout the State.

As population growth continued at a rapid pace in certain CCB areas, and without new resources coming into the system, the disparity in the proportion of available resources from one CCB to another became much larger. In 2003, with no realistic prospect for resolving equity through new resources, a few CCBs raised the possible need to reconsider the position that CCB base funding could never be reduced, and to consider some reallocation of existing resources in order to achieve a more proportional distribution of resources statewide.

In 2003 the Division also identified equity as an issue that needed to be addressed, and it was included in the five year Strategic Plan issued by the Division on July 1, 2003. For various reasons little attention was given to this issue prior to this year. However, the convergence of the Part C change and the prospective legislative appropriation of new resources in several programs has placed equity back on the system's agenda. This influx of new resources presents an opportunity that should not be ignored for making progress towards addressing inequities in resource distribution. These circumstances, including the supplemental appropriation for services in this current fiscal year, have created a degree of urgency that requires timely analysis and prompt action.

IV. POPULATION – THE PRIMARY CAUSE OF EQUITY PROBLEMS

The charts and graphs in this section demonstrate that population growth is the primary cause of the disproportionate allocation of resources across CCB service areas. While various factors unrelated to proportions drove allocations to CCBs in earlier years, it is primarily demography that has brought us to the extreme situation that exists today. The uneven distribution of large increases in the general population, combined with the dramatic decline in appropriation of DD resources that has dropped Colorado to 48th in DD funding nationally, has created circumstances that no one intended or wished for.

In 1970, almost one-fourth of Colorado’s entire population lived in the City and County of Denver, and Denver County was by far the most populous County in the State. The following graph reflects population from the 1970 census by CCB service area.

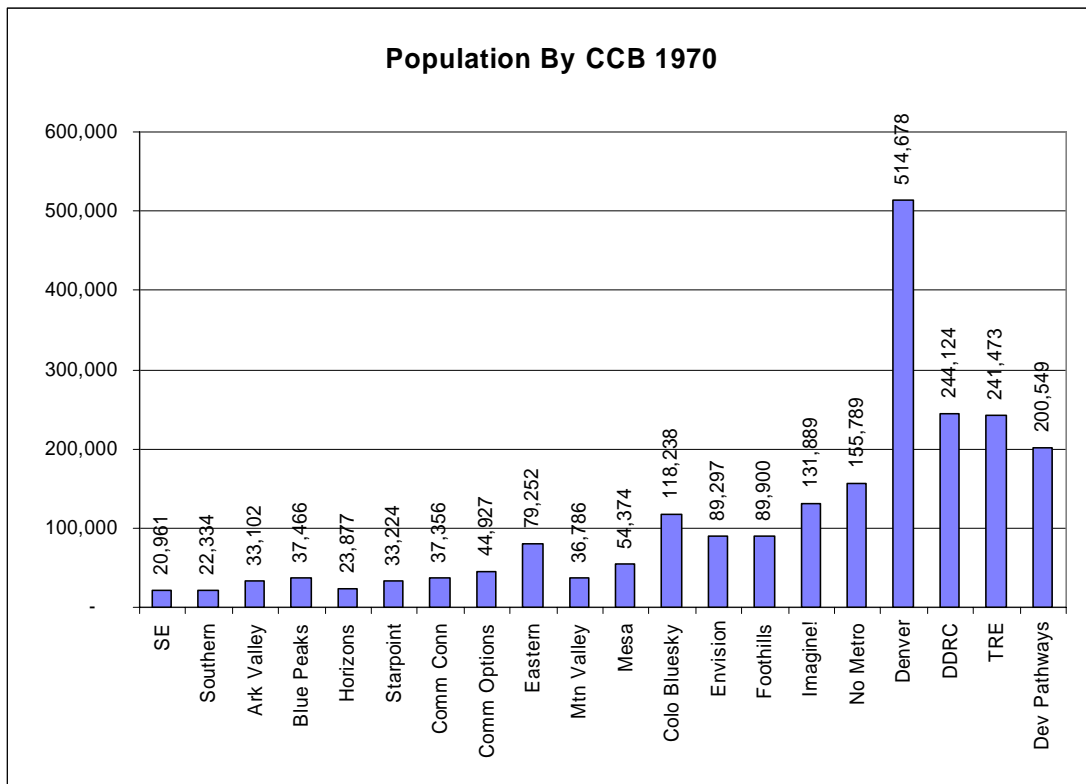


Figure 1

Between 1970 and 2004 the population of the State increased by more than 200%, from 2.2 million to 4.7 million. However, this population increase was not spread evenly across the State. Certain areas of the State experienced dramatic growth, while others experienced little change or even decreases. The latest numbers available from the Colorado Department of Local Affairs are from July 2004, and are reflected in the following graph by CCB service area:

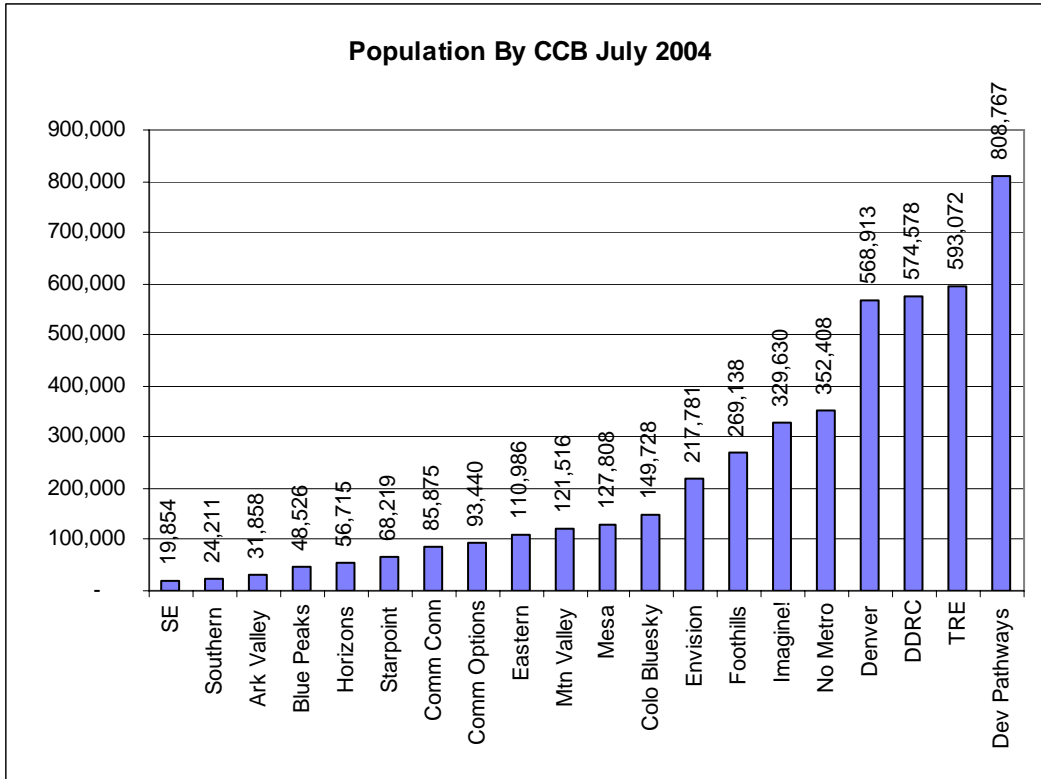


Figure 2

The percent of population change between the 1970 census and the July 2004 count for each Community Centered Board is as follows:

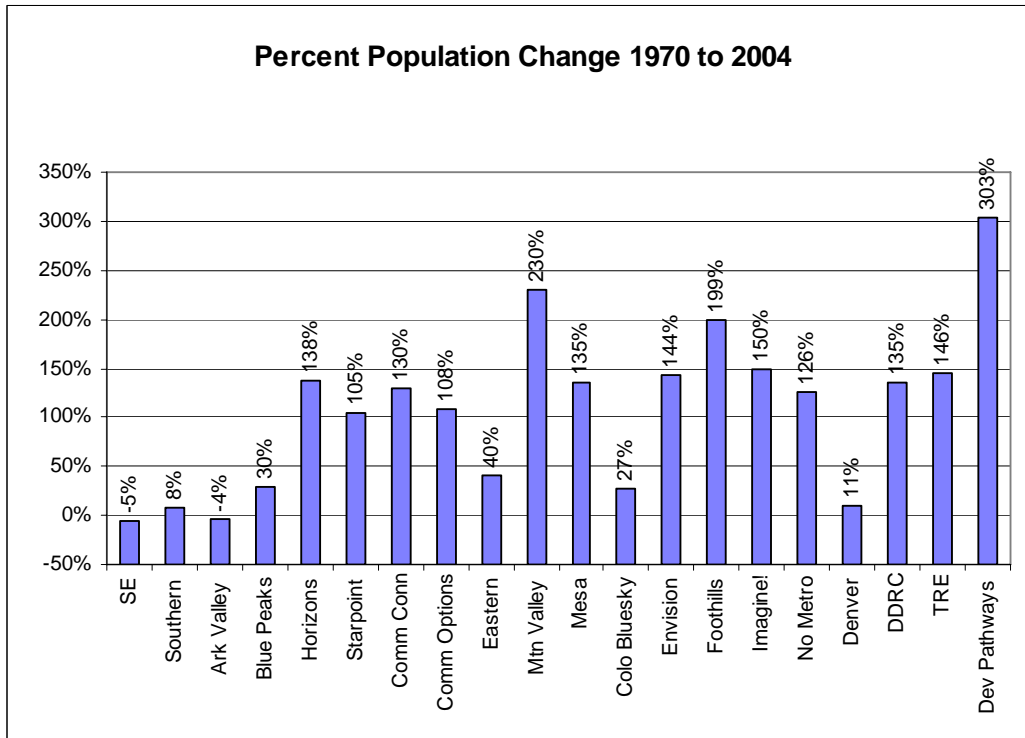


Figure 3

The information that follows in this report reflects how these population changes have resulted in a dramatically disproportional distribution of resources among CCB service areas across the State.

V. POPULATION – THE BASIS FOR ADDRESSING EQUITY PROBLEMS

The analysis and recommendations in this report rely primarily on population as the basis for consideration and resolution of equity issues, with certain exceptions. In most respects the choice of population is an obvious one.

- Reliable and detailed population statistics are readily available through the Department of Local Affairs (DOLA).
- Population is the most frequently used standard for demographic analysis and comparisons, and for distribution of a multitude of public resources and benefits at every level of government.
- Population has been the principal basis for the Division’s distribution of resources within the DD system for more than a decade, and has been accepted by all CCBs for that purpose.
- An alternative to population is CCB waiting list data. However, there are uncontrolled variables affecting waiting lists, such as differences in school district attention to referrals and how aggressively case-finding is pursued by some CCBs relative to others. There is no way to identify or quantify all such variables, so population remains the preferred option.

(Note: Comparisons based on waiting lists are included elsewhere in this report, however, for the purpose of illustrating the wide disparities in the degree to which CCBs are meeting their local identified needs. They show a broad range across the CCBs, with Arkansas Valley (96%), Starpoint (90%) and Southern (82%) serving the highest percentage of known local need and TRE (40%), DDRC (38%) and Pathways (28%) serving the lowest.)

For these and other reasons formal adoption of population as the policy basis for most DD system resource allocations is proposed from this point forward. A notable exception is allocation of Early Intervention resources, where the “annual child count” method currently employed in the Part C program is the better choice, as explained later in this report. There will also be a few obvious exceptions to the population standard such as Foster Care Transition resources and emergency allocations, but such exceptions should be limited and clearly identified and defined.

Finally, population changes will continue to occur, and resource distribution will need to be recalculated periodically to account for these changes. It is recommended that the State undertake such reviews and revisions no less than every two years.

VI. THE NATURE AND SCOPE OF EQUITY ISSUES

The primary issue requiring immediate attention is the distribution and allocation of resources among CCB service areas. This report also addresses rates, but they are deemed a lower priority for action at this time, particularly since the Colorado Department of Health Care Policy and Finance (HCPF) is working with the Division to adopt a uniform rate setting method that should address rate equity for Medicaid services. So, it would be premature to consider rate equity separate from or prior to those efforts.

There are certain premises underlying the statistical data in this report as follows:

- Funds generated from any source at the local level are excluded from the comparisons among CCB service areas. An analysis of local funding issues and the reasons for this exclusion are presented in Section VII of this report.
- For purposes of calculations and comparisons the amounts allocated for case management and administration are included in the rates utilized in this report. These consolidated rates are drawn from figures provided by the Division to the Joint Budget Committee of the Colorado Legislature.
 - Early Intervention - \$5,735;
 - Family Support - \$5,665
 - Supported Living Services - \$15,886
 - Comprehensive Services - \$58,654
- All revenue comparisons include per capita calculations based on population. These per capita calculations correct for the slight differences that occur when the populations being compared do not match exactly.
- The population figures utilized for comparisons within program categories reflect the distribution of population for the age group primarily served by each program. For example, the population figures utilized for Family Support calculations and comparisons reflect the age three-to-twenty-one population of each CCB service area according to DOLA statistics. Similarly, SLS and CS statistics reflect the adult population of each CCB service area. The Division has utilized these age-group statistics for many years in determining allocations.

To provide a snapshot of the wide disparities in resource allocation that exist today, the total population of each CCB service area is used as the basis for the graph below. It shows each CCB's total funds contracted with the State across all programs on a per capita basis. The extreme disparities that exist are self-evident in the range shown from a high of \$126.28 to a low of \$30.66 per capita.

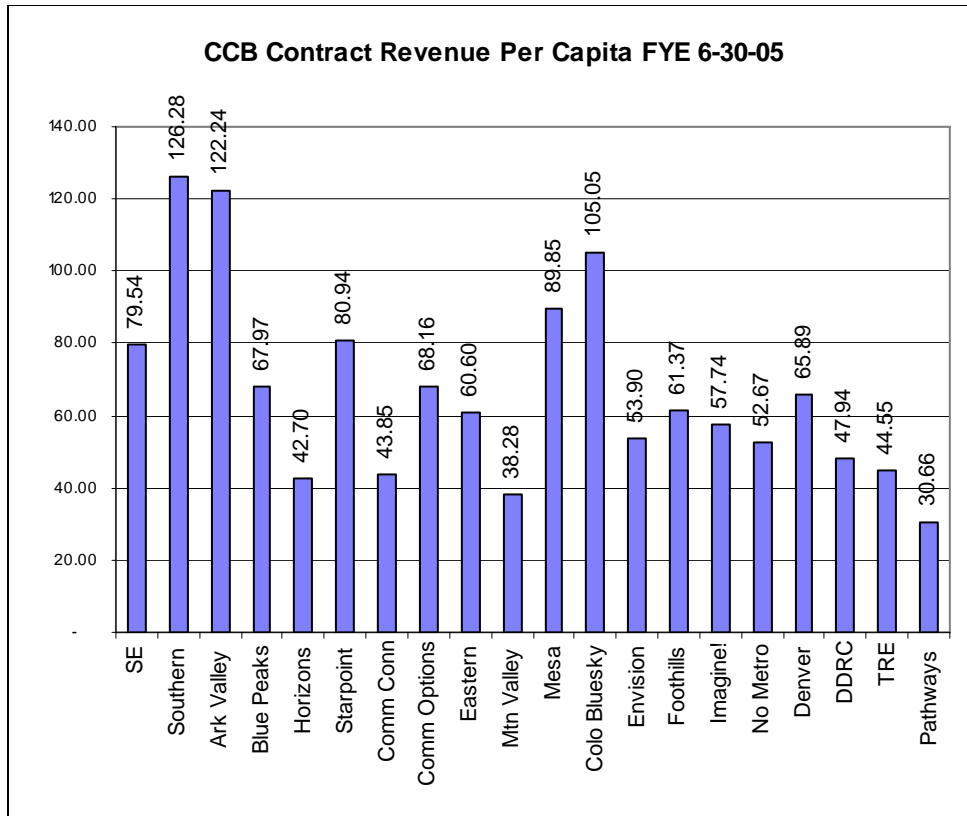


Figure 4

To further illustrate the current disparities that exist and their relationship to population growth, five CCBs have been selected for comparison purposes. Three of these are the CCBs noted above that first approached the Division with equity concerns (i.e., DDRC, The Resource Exchange, and Developmental Pathways). All three are large CCBs serving urban/suburban communities and some rural areas. Two of the five are rural CCBs that also have experienced substantial population growth: Mountain Valley and Envision. Although Envision has traditionally been included among the CCBs described as rural, in recent years it has grown in ways more consistent with a suburban or exurban (generally defined as “outer suburbs”) character.

As noted earlier, population forms the basis for these comparisons, based on the generally accepted premise that the prevalence of need for DD services within each age-group population will be statistically similar regardless of location. Each of these five CCBs is compared to a group of smaller CCBs that serves a comparable total combined population, each of which receives higher proportional funding sufficient to meet 60% or more of their known local needs. Comparisons are provided for overall resources in the tables that follow. Figures in the per capita column correct for the slight differences in total populations.

Administrative costs as reflected in the FY 2005 CCB audits have been subtracted from each CCB’s contract amount, in order to ensure consistent comparisons of service funding only. Certain administrative costs are required for every CCB, and including

administrative costs for multiple CCBs in a comparison with just one CCB would inflate the figures for the multiple CCBs and overstate the differences.

Again, the only purpose of these comparisons is to illustrate the wide disparities in resource distribution that exist in the community system. They should not be construed in any way as a criticism of the CCBs with higher resource levels, as it is their job to advocate for the individuals and families in their communities. The disparities that exist are almost entirely attributable to history, demographics, and State policies and practices, as described in other sections of this report.

Moving from the smallest to the largest of the five CCBs, the comparisons are as follows.

Mountain Valley

Serving Eagle, Garfield, Lake, and Pitkin Counties.

The four smaller CCBs that combine to serve a population comparable to Mountain Valley are Southeastern, Southern, Arkansas Valley, and Blue Peaks. Their combined population is 124,449 and their combined State contracts total \$10,254,559. Mountain Valley’s population is 121,516, with a State contract total of \$4,117,468.

CCB	Population July 2004	Service Dollars from State Contract	Service Dollars Per Capita
SE	19,854	1,386,119	69.82
Southern	24,211	2,634,873	108.83
Ark Valley	31,858	3,478,259	109.18
Blue Peaks	48,526	2,755,308	56.78
	124,449	10,254,559	82.40
Mtn Valley	121,516	4,117,468	33.88
Difference	(2,933)	(6,137,091)	(48.52)

Figure 5

Envision

Serving Weld County.

Weld County has overtaken perennial leader Douglas County as the fastest growing county in Colorado, though its total population is substantially less. Four smaller CCBs combine to serve a population comparable to Envision: Southern, Arkansas Valley, Starpoint, and Community Options. Their combined population is 217,728, and their combined State contracts total \$16,795,901. Envision’s population is 217,781, with a State contract total of 10,620,255.

CCB	Population July 2004	Service Dollars from State Contract	Service Dollars Per Capita
Southern	24,211	2,634,873	108.83
Ark Valley	31,858	3,478,259	109.18
Starpoint	68,219	4,879,803	71.53
Comm Options	93,440	5,802,966	62.10
	217,728	16,795,901	77.14
Envision	217,781	10,620,255	48.77
Difference	53	(6,175,646)	(28.38)

Figure 6

Developmental Disabilities Resource Center (DDRC)

Serving Jefferson, Gilpin, Clear Creek, and Summit Counties.

Nine smaller CCBs that combine to serve a population comparable to DDRC are Southeastern, Southern, Arkansas Valley, Blue Peaks, Horizons, Starpoint, Community Connections, Community Options, and Colorado Bluesky. Their combined population is 578,426, and their combined State contracts total \$40,718,467. DDRC's population is 574,578, with a State contract total of \$24,755,721.

CCB	Population July 2004	Service Dollars from State Contract	Service Dollars Per Capita
SE	19,854	1,386,119	69.82
Southern	24,211	2,634,873	108.83
Ark Valley	31,858	3,478,259	109.18
Blue Peaks	48,526	2,755,308	56.78
Horizons	56,715	1,980,726	34.92
Starpoint	68,219	4,879,803	71.53
Comm Conn	85,875	3,320,034	38.66
Comm Options	93,440	5,802,966	62.10
Colo Bluesky	149,728	14,480,379	96.71
	578,426	40,718,467	70.40
DDRC	574,578	24,755,721	43.09
Difference	(3,848)	(15,962,746)	(27.31)

Figure 7

The Resource Exchange (TRE)

Serving El Paso, Park, and Teller Counties.

The same nine CCBs that compare with DDRC also compare closely with TRE. Their combined population is 578,426, and their combined State contracts total \$40,718,467. TRE's population is 593,072, with a State contract total of \$25,083,523.

CCB	Population July 2004	Service Dollars from State Contract	Service Dollars Per Capita
SE	19,854	1,386,119	69.82
Southern	24,211	2,634,873	108.83
Ark Valley	31,858	3,478,259	109.18
Blue Peaks	48,526	2,755,308	56.78
Horizons	56,715	1,980,726	34.92
Starpoint	68,219	4,879,803	71.53
Comm Conn	85,875	3,320,034	38.66
Comm Options	93,440	5,802,966	62.10
Colo Bluesky	149,728	14,480,379	96.71
	<u>578,426</u>	<u>40,718,467</u>	<u>70.40</u>
TRE	<u>593,072</u>	<u>25,083,523</u>	<u>42.29</u>
Difference	<u>14,646</u>	<u>(15,634,944)</u>	<u>(28.10)</u>

Figure 8

Developmental Pathways

Serving Arapahoe and Douglas Counties and the City of Aurora.

Eleven smaller CCBs that combine to serve a population comparable to Pathways are Southeastern, Southern, Arkansas Valley, Blue Peaks, Horizons, Starpoint, Community Connections, Community Options, Eastern, Mesa, and Colorado Bluesky. Their combined population is 817,220, and their combined State contracts total \$57,455,040. Pathways' population is 808,767, with a State contract total of \$21,396,497.

CCB	Population July 2004	Service Dollars from State Contract	Service Dollars Per Capita
SE	19,854	1,386,119	69.82
Southern	24,211	2,634,873	108.83
Ark Valley	31,858	3,478,259	109.18
Blue Peaks	48,526	2,755,308	56.78
Horizons	56,715	1,980,726	34.92
Starpoint	68,219	4,879,803	71.53
Comm Conn	85,875	3,320,034	38.66
Comm Options	93,440	5,802,966	62.10
Eastern	110,986	6,212,425	55.97
Mesa	127,808	10,524,148	82.34
Colo Bluesky	149,728	14,480,379	96.71
	<u>817,220</u>	<u>57,455,040</u>	<u>70.31</u>
Pathways	<u>808,767</u>	<u>21,396,497</u>	<u>26.46</u>
Difference	<u>(8,453)</u>	<u>(36,058,543)</u>	<u>(43.85)</u>

Figure 9

VII. LOCAL FUNDS

The treatment of local funds in the broader landscape of all CCB funding has arisen as an issue from time to time over the years. It has generally been understood and accepted that the “supplanting” provision of the DD Act (27-10.5 C.R.S.) prevents the State from giving formal consideration to local public funds in its resource allocation decisions. Despite the supplanting prohibition, the recent success of six CCBs in passing local mill levy initiatives has brought local funds to the fore in the discussion and debate about resource equity. This section analyzes local funds issues with the hope of resolving any remaining confusion or controversy in this arena.

Throughout the history of the DD community system CCBs have worked in many ways to secure local funds to support services. The 5% local match required under the Colorado DD Act (27-10.5 C.R.S.) has been a factor in local efforts, but most CCBs were motivated to raise funds because of unmet needs in their communities. Fundraising campaigns, government grants, foundation grants, corporate support, county and municipal funds, business ventures, housing projects, and a variety of income-generating ancillary services have demonstrated the creativity of CCBs and their commitment to improving the quality and availability of services in their communities. A multitude of such efforts were pursued over the years, but they drew little system attention until 2001, when Foothills Gateway and Developmental Pathways succeeded in passing mill levy ballot initiatives. These successes encouraged several other CCBs to run mill levy campaigns. Denver, DDRC, Horizons and Imagine! were successful, while initiatives in El Paso and Weld counties were defeated at the polls.

Not long after the initial success of Foothills and Pathways, however, opinions began to be expressed that these substantial amounts of local funds created major advantages for these CCBs compared to others, and compensated in some degree and manner for lower shares of State contract funding. Although no one advocated for these mill levy funds to be formally identified as base funding, terms such as “haves and have-nots” began to emerge to distinguish CCBs with mill levy funds from those with no mill levies. This was a new phenomenon, perhaps due to the relatively large amounts raised through these new mill levies. Several other CCBs had received mill levy funds for many years prior to these elections without drawing such attention and comments. The information that follows seeks to place local funds into a statistical and legal context that will permit an objective evaluation of local funds in the DD system.

Statistical Considerations: How Material are Local Mill Levy Revenues?

Two of the five CCBs highlighted in Section VI of this report, DDRC and Pathways, receive mill levy funding at the maximum level of one mill. If these local mill levy funds are added to the comparisons for these two CCBs, the results are as follows:

CCB	Population July 2004	Contract Revenue FY 05	Contract Revenue Per Capita
SE	19,854	1,579,261	79.54
Southern	24,211	3,057,250	126.28
Ark Valley	31,858	3,894,271	122.24
Blue Peaks	48,526	3,298,462	67.97
Horizons	56,715	2,421,473	42.70
Starpoint	68,219	5,521,850	80.94
Comm Conn	85,875	3,765,782	43.85
Comm Options	93,440	6,369,061	68.16
Colo Bluesky	149,728	15,728,555	105.05
	578,426	45,635,965	78.90
DDRC St Contract	574,578	27,543,361	47.94
DDRC County Revenue	574,578	6,363,213	11.07
Total DDRC	574,578	33,906,574	59.01
Difference	(3,848)	(11,729,391)	(19.89)

Figure 10

CCB	Population July 2004	Contract Revenue FY 05	Contract Revenue Per Capita
SE	19,854	1,579,261	79.54
Southern	24,211	3,057,250	126.28
Ark Valley	31,858	3,894,271	122.24
Blue Peaks	48,526	3,298,462	67.97
Horizons	56,715	2,421,473	42.70
Starpoint	68,219	5,521,850	80.94
Comm Conn	85,875	3,765,782	43.85
Comm Options	93,440	6,369,061	68.16
Eastern	110,986	6,725,589	60.60
Mesa	127,808	11,483,266	89.85
Colo Bluesky	149,728	15,728,555	105.05
	817,220	63,844,820	78.12
Pathways St Contract	808,767	24,799,073	30.66
Pathways County Revenue	808,767	9,478,188	11.72
Total Pathways	808,767	34,277,261	42.38
Difference	(8,453)	(29,567,559)	(35.74)

Figure 11

It should be apparent from these tables that even when local mill levy revenues are added for these CCBs, their overall resources remain far below the levels of the comparison CCBs with equivalent populations. The conventional notion that their mill levy funds place them at advantage compared to other CCBs appears doubtful in light of these figures.

Practical Considerations: Which Local Revenues Count?

If the Division were to consider local revenues as a factor in resource distribution it would be obligated to consider all local revenues, not just those associated with mill levies. There would be no defensible reason to treat funds provided voluntarily by local citizens through a fundraising campaign differently from funds provided voluntarily by local citizens through support of a property tax mill levy. Therefore, any consideration of the role of local funds must take into account local revenues from all sources. The FY 2005 CCB audits include “Local and Other Revenue” for each board. These figures are reproduced in the table below (with Room and Board excluded), and then shown on a per capita basis as a function of the population of each CCB.

CCB	Population July 2004	Total Local & Other Rev Excl R&B	Other Revenue Per Capita
SE	19,854	85,883	4.33
Southern	24,211	598,467	24.72
Ark Valley	31,858	368,038	11.55
Blue Peaks	48,526	327,568	6.75
Horizons	56,715	492,612	8.69
Starpoint	68,219	4,358,913	63.90
Comm Conn	85,875	305,838	3.56
Comm Options	93,440	460,868	4.93
Eastern	110,986	469,791	4.23
Mtn Valley	121,516	528,854	4.35
Mesa	127,808	770,679	6.03
Colo Bluesky	149,728	1,674,131	11.18
Envision	217,781	287,069	1.32
Foothills	269,138	3,057,749	11.36
Imagine!	329,630	5,636,837	17.10
No Metro	352,408	4,103,814	11.65
Denver	568,913	8,708,360	15.31
DDRC	574,578	8,717,258	15.17
TRE	593,072	268,845	0.45
Pathways	808,767	12,291,113	15.20
Grand Total	4,653,023	53,512,687	11.50

Figure 12

If these “Local and Other Revenue” figures are included for all of the CCBs in the DDRC and Pathways comparisons above, the results are as follows:

CCB	Population July 2004	Total State and Other Revenue (Excluding R&B)	Total State & Other (Excluding R&B) Per Capita
SE	19,854	1,665,144	83.87
Southern	24,211	3,655,717	150.99
Ark Valley	31,858	4,262,309	133.79
Blue Peaks	48,526	3,626,030	74.72
Horizons	56,715	2,914,085	51.38
Starpoint	68,219	9,880,763	144.84
Comm Conn	85,875	4,071,620	47.41
Comm Options	93,440	6,829,929	73.09
Colo Bluesky	149,728	17,402,686	116.23
	578,426	54,308,283	93.89
DDRC	574,578	36,260,619	63.11
Difference	(3,848)	(18,047,664)	(30.78)

Figure 13

CCB	Population July 2004	Total State and Other Revenue (Excluding R&B)	Total State & Other (Excluding R&B) Per Capita
SE	19,854	1,665,144	83.87
Southern	24,211	3,655,717	150.99
Ark Valley	31,858	4,262,309	133.79
Blue Peaks	48,526	3,626,030	74.72
Horizons	56,715	2,914,085	51.38
Starpoint	68,219	9,880,763	144.84
Comm Conn	85,875	4,071,620	47.41
Comm Options	93,440	6,829,929	73.09
Eastern	110,986	7,195,380	64.83
Mesa	127,808	12,253,945	95.88
Colo Bluesky	149,728	17,402,686	116.23
	817,220	73,757,608	90.25
Pathways	808,767	37,090,186	45.86
Difference	(8,453)	(36,667,422)	(44.39)

Figure 14

It is apparent from these tables that there exists an enormous range in local support around the State, from a high of \$63.90 dollars per capita at Starpoint to a low of 45 cents at TRE. However, taking these figures at face value is misleading. The “Local and Other Revenue” category includes funds from a wide variety of sources. Government and

foundation grants, HUD funds, school district funds, county mill levies, city and county grants, workshop revenues, proceeds from fundraising, business revenues, in-kind donations and many other sources are combined in this category.

As a practical matter it would be very difficult and time-consuming for the Division to identify each source and distinguish which revenues should be included and which should be excluded from consideration. For example, several CCBs run ancillary local service or business operations, and the “Local and Other” line includes their gross revenues. To determine what portion of these revenues should be counted as local support would require analysis of associated expenses to determine the “net” results of the business activity that should be treated as local support. Clearly this is a task the Division should not undertake. Similar problems exist for other local revenue sources as well.

Legal Considerations: Supplantation

If practical difficulties could somehow be managed, there are legal barriers to considering local funds that are unlikely to be overcome. The central legal issue involves requiring use of local public funds to supplant State or federal funds, as illustrated conceptually in the following example:

- The State has \$1,000,000 to pay for services.
- CCB X has 100 children needing services, and has no mill levy funds.
- CCB Y has 200 children needing services, and has mill levy funds.
- Instead of allocating the funds proportionally, the State allocates \$500,000 to each CCB, in effect requiring CCB Y to use its local mill levy funds to serve their 100 extra children.
- Result: Local public funds supplant State funds.

The State has never formally adopted or endorsed a policy of supplantation, but the disproportionate allocation of resources has had a supplanting effect. CCBs that receive less than their equitable share of State and federal funds are left with no choice except to use any local funds available to compensate for the State and federal funds they would have received under proportional resource allocation. A legal argument might be made that the disproportional allocation of State and federal resources by the State over a long period of time constitutes a de facto policy of supplantation in violation of the DD statute.

The basis for such a legal claim lies in the Colorado DD Act at 27-10.5-104.5 C.R.S. This section of the Act bars the State from treating local public funds, and specifically mill levy funds, in a manner that supplants State or federal funds, as follows:

27-10.5-104.5. Service agencies - funds - rules and regulations.

(5) Nothing in this article or in any rules or regulations promulgated pursuant thereto and no actions taken by the executive director pursuant to this article shall be construed to affect the obtaining of **funds from local authorities, including those funds obtained from a mill levy** assessed by a county or municipality for the purpose of purchasing services or supports for persons with developmental disabilities, **or to require that such funds from local authorities be used to**

supplant State or federal funds available for purchasing services and supports for persons with developmental disabilities. (*Emphasis added.*)

Any consideration of local public funds in resource allocation decisions would likely constitute a violation of this statutory prohibition against supplanting funds. It is not within the legal purview of the State to dictate directly or indirectly how local public funds must be allocated in local communities, and the Division should avoid any such role. (By contrast, there is no legal prohibition against weighing local funds from sources other than local authorities as a factor in resource distribution. It is doubtful, however that any CCB would want the Division to incorporate those local funds into the resource allocation process.)

Finally, there is an important political dimension of this legal difficulty. To the extent supplanting exists in any form it undermines a core commitment that most or all CCBs who ran mill levy campaigns made to their county or city officials, namely, that supplanting would not occur because it is prohibited by law. Concerns about supplanting have already been raised by more than one county official in recent months, and they are expecting and awaiting evidence that the State is moving to correct the imbalances that currently exist. Failure to address such imbalances in State and federal allocations may also undermine future efforts that other CCBs might undertake to secure local mill levy funds.

Conclusions: Where do Local Funds Fit?

For all of the reasons above, local funds should be explicitly excluded from any consideration or influence in the distribution of resources allocated by the Division to CCBs. On both practical and legal grounds there is no appropriate basis on which these funds can be a factor in allocation of State and federal funds.

One final observation about local funding is appropriate. CCBs should take pride in the scope and creativity of their efforts to raise additional funds from many sources for services in their communities. These voluntary efforts reflect the strength of their commitment to the people they serve, and show that communities throughout Colorado recognize the importance of supporting our consumers and families. Even where mill levy campaigns have not succeeded, the dedication and effort required to undertake such a campaign deserves recognition and praise, and the hope for future success. Finally, though not reflected in the CCB audits, this same commitment is demonstrated by scores of service providers who diligently pursue additional funding to enrich the lives of the people they serve.

VIII. CONSIDERATIONS OF SCALE

Issues of scale have often been raised in discussions of equity. The most common concern expressed is that any reduction in the base of “small” CCBs will destabilize them and put their viability at risk. A corollary assertion has been that continual growth is a necessity for organizational survival of small CCBs. Additionally, larger CCBs are viewed by some as benefiting from economies of scale. And, CCBs in high growth areas sometimes raise concerns about the demands of unfunded obligations associated with growth. Each of these issues deserves consideration in the context of resource allocation.

CCB Size

Concern about the effects of reductions in base funding for “small” CCBs has long been cited as a reason that only new resources should be considered in addressing equity. It has been suggested that any such reductions will likely have destabilizing effects that could jeopardize the survival of small CCBs. There has been little discussion, however, of what constitutes “small.” Two possible standards for comparison suggest themselves, and others certainly exist as well.

One independent and objective standard is the size categorization of nonprofits by the Mountain States Employers Council (MSEC). For purposes of its compensation surveys MSEC divides Colorado nonprofits into four size categories according to budget size. MSEC does not apply names to these categories, but assigning small, medium, large, and largest seems reasonable (the MSEC standard for “small” is expansive compared to some other sources; “The Nonprofit Times” also stratifies by four categories, but with budgets of \$1,000,000 or less in its small category; some other sources use even lower thresholds). The list below shows where CCBs fall within these groups based on total support and revenue per their FY 2005 audits:

1. Small: Less than \$2,000,000
Southeastern
2. Medium: \$2,000,000 to \$5,000,000
Horizons
Southern
Blue Peaks
Community Connections
Arkansas Valley
3. Large: \$5,000,000 to \$10,000,000
Mountain Valley
Community Options
Eastern

4. Largest: More than \$10,000,000

Starpoint
Envision
Mesa
Colorado Bluesky
Foothills/Gateway
North Metro
Imagine!
The Resource Exchange
DDRC
Pathways
Denver

Southeastern is the only CCB that falls within the “small” category, with FY 2005 total support and revenue at \$1,803,975. All other CCBs are in the medium category or higher, with fifteen of the twenty CCBs falling into the large or largest groups.

A less formal approach is to compare smaller CCBs with other service agencies within the DD system. Because there are few, if any, other service agencies in their communities to purchase from, smaller CCBs expend most of their resources providing direct services. In that respect they are much like the private service agencies that exist in urban and suburban areas. If 10% is subtracted from their budgets for case management functions (all are below 10% in the June 30, 2005 Condensed Combined Financial Statements for CCBs), the remainder of their activities are comparable to service agencies.

When compared with service agencies contracting with CCBs such as North Metro, Denver Options, Pathways, and TRE, even Southeastern CCB would be among the larger service agencies. The budgets of the CCBs in the “medium” MSEC category would exceed all but a small handful of the very largest service agencies that contract with multiple CCBs. Therefore, within the overall context of agencies providing DD services in Colorado, all CCBs except Southeastern would be among the very largest agencies. Based on the MSEC categories and these comparisons with service agencies, it does not appear that any CCB, with the possible exception of Southeastern, should be characterized as a small agency.

This conclusion, however, should not be construed to suggest that their substantial size provides immunity from very difficult challenges in management of limited resources. It does, however, suggest that these are sizeable, well-established organizations, with long histories of creative and effective management. There is little reason to believe these CCBs cannot cope effectively with difficult challenges.

Continual growth is certainly a desirable trajectory for most businesses, but it is not always possible. Fluctuating revenue is a fact of life in the nonprofit and for-profit world, and it is the role and challenge of management to adjust to changing circumstances –

whether positive or negative. Most important in responding to such changes is foreknowledge of what is coming and time to adjust. These are both built into the recommendations for change in this report.

Economies of Scale

The foregoing analysis of CCB size suggests that all CCBs are large enough to experience some economies of scale. But the question of what these economies of scale are, and how CCBs achieve them, hasn't been closely considered. A review of this issue suggests some surprising results, which are described below.

There should be no surprise, however, that the percentage of the total budget that administrative costs represents is generally higher for smaller CCBs than for larger CCBs. There are certain core administrative functions that every CCB must perform, and they are likely to require a higher percentage of a smaller funding base than a larger one. This is borne out statistically by the fact that the audits of the ten smallest CCBs show an average administrative cost of 9.9%, while the largest ten show an average of 7.3%. It should be noted that both of these figures are at the low end of typical nonprofit administrative expenditures.

Within those average ranges there are significant variations, attributable in part to the varied challenges and expectations that differ from one community to another. For instance, a CCB that sticks close to its basic mission to provide core services and supports may show lower administrative costs than a CCB of comparable size that takes on other community services, such as child care or services for community seniors. In each case the CCB is responding to its community's unique needs and the role envisioned by its Board of Directors.

Unexpectedly, however, the conventional wisdom that other economies of scale increase proportionally as CCBs and service agencies grow is largely a myth. There are several reasons for this, but two stand out.

The first relates to a core value of the system, namely that in order to foster community integration and participation individuals should receive services and supports in small settings dispersed throughout the community. This is a philosophy and model that stands in direct conflict with practices that would achieve economies of scale. The day is long past when clients in the community were served in large congregate residential and day settings. The move to smaller, more integrated settings is one that has been embraced by all system stakeholders including clients, families, advocates, providers, CCBs, and State agencies. Further movement in that direction would be preferred by everyone if funding were sufficient to support it.

By their very nature such settings do not lend themselves to economies of scale. As an agency serves more individuals it must replicate more of these small settings rather than congregate individuals in larger groups that could create economies of scale. Everyone favors small settings, but in a purely business sense these settings represent a deliberate inefficiency that exists for large and small agencies alike.

The second reason relates to the unitary basis on which services and supports are organized in the DD system. As a general rule as a CCB enrolls more individuals and families it addresses the growth by adding some form of unit of service or management. For instance, if a case manager has a caseload of 60, an additional 60 individuals will require another case manager. The first case manager can't simply absorb another 60 individuals and still perform the required case management functions.

The need to add another case manager exists regardless of the size of the CCB. Of course these units aren't standardized across CCBs; case management caseloads vary for many reasons. And in the example above the first case manager may be required to absorb another ten or twenty individuals temporarily until the growth can support another case manager. But the principle remains: at some point another case manager "unit" must be added, no matter the size of the CCB.

Case management is an example where larger CCBs with high population growth may actually experience higher unit costs than smaller CCBs. Every CCB must have a case management director, and all CCBs are large enough to employ such a position. Conceptually, if the maximum manageable supervisory span of control is eight case managers, every CCB is in the same boat until their enrollments require a ninth case manager. At that point another supervisor is needed, but the cost of an additional supervisory position is not recognized or addressed in the way case management is funded. Therefore, the larger CCB must either increase caseloads for the existing case managers in order to avoid hiring the ninth case manager, or find alternative funds for the new supervisory position.

This unitary principle applies in nearly all service and support categories. Staff of one group home cannot supervise individuals living in another group home; an additional staff "unit" is required. A nurse assigned to five group homes cannot add three more and still address health issues adequately. A van and driver already spending eight hours a day transporting individuals to jobs and programs cannot add ten more people to the route. These examples illustrate how, as a rule, we work in a world of ratios and units that constitute barriers to economies of scale. In accordance with our core value of integration and small settings, that's as it should be.

Another area where larger size drives higher costs relates to service agencies. As a rule the larger a CCB becomes the more it relies on service agencies to provide services and to ensure choices for individuals and families. The graph below shows the number of Program Approved Service Agencies in each CCB service area.

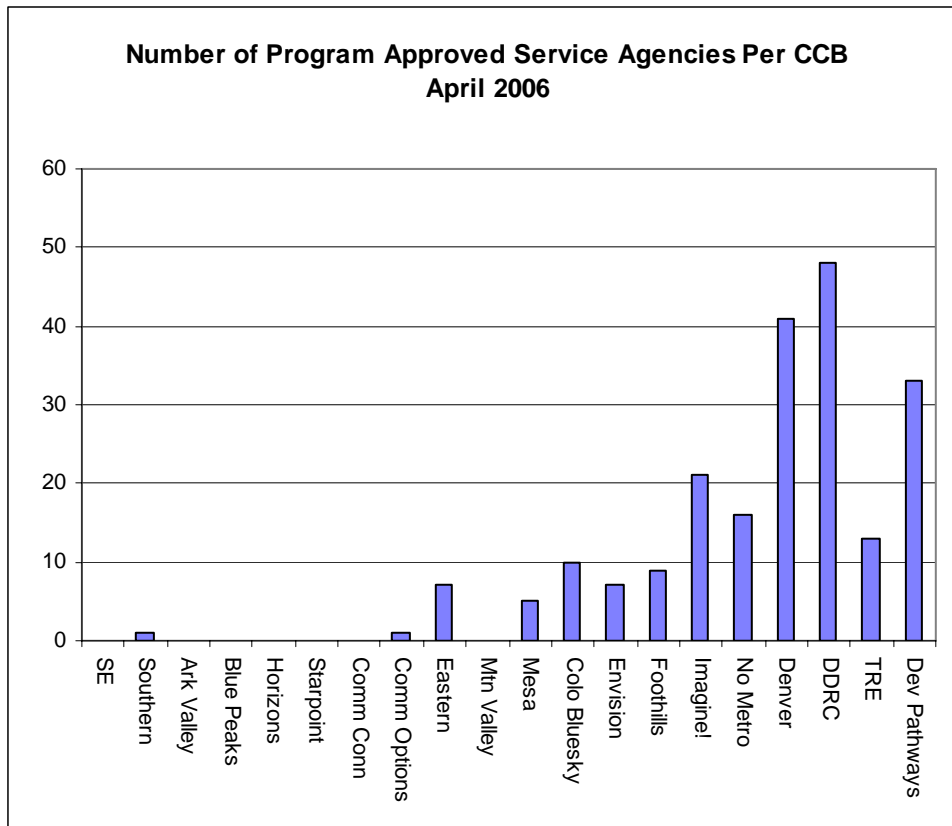


Figure 15

It is well understood why rural CCBs have few if any contract service agencies. The reason most rural CCBs were first established was because no DD services were available in their areas, and even today there are few economic incentives for contract service agencies to locate in rural communities.

For CCBs with multiple service agencies the requirements and costs to support and monitor these agencies are substantial, and again funding is not allocated for this purpose in a way that accounts for the scope and intensity of the work involved. The tasks CCBs must perform related to service agencies are extensive and time-consuming. A partial list includes:

- a. Evaluation and approval of Program Approved Service Agency applications
- b. Contract development and negotiation
- c. Developing and distributing individual RFPs for services
- d. Receiving and reviewing letters of interest from service agencies
- e. Arranging and coordinating individual/family visits to service agencies
- f. Revising contracts when a service agency is chosen
- g. Reviewing service agency billings
- h. Monitoring service agency programs
- i. Responding to individual/family complaints against service agencies
- j. Monitoring incident reports from service agencies and following up as needed
- k. Placement and enrollment activities
- l. Assisting individuals/families to change service agencies when they so desire

This list is not exhaustive, but it does suggest the huge workload associated with contracting with multiple service agencies. Consider the demands on DDRRC and Denver Options to perform these functions for more than forty service agencies. State funding for administration is allocated at a standard rate, and makes no allowances for this added workload.

In summary, contrary to what one would expect intuitively, larger CCBs may incur higher proportional costs in some areas, not lower. The universal commitment to small settings and the unitary basis on which services are organized apply equally to large and small CCBs. But larger CCBs are more likely to incur substantial costs associated with the need for more middle management and with management and support of contract service agencies.

Unfunded Costs Associated with Population Growth

A corollary issue related to scale is population growth. Although population growth is generally associated with large urban CCBs, smaller rural CCBs such as Horizons and Mountain Valley and middle range CCBs such as Foothills Gateway and Envision have experienced extensive growth as well. Mountain Valley, for example, has grown by 230% since 1970, and is second only to Pathways in rate of population growth over that period.

The costs most affected by such growth are in the case management arena. CCBs receive case management funding only when an individual is enrolled in a service. If population growth is high and new program resources are low or nonexistent, as has been the case for many years, CCBs nonetheless must fulfill multiple statutory case management responsibilities for all individuals even though they receive no funding for this purpose. Three of these unfunded responsibilities, Intake (including Eligibility Determination), Waiting List Management, and Crisis Management are described below.

1. **Intake and Eligibility Determination.** All CCBs are aware that intake and eligibility determination are demanding and time consuming activities, but others may not realize the demands and workload involved. Once contact is made with an individual and/or family many tasks must be performed. They vary somewhat by age and circumstance, and in some cases there may not be time for desired steps such as home visits, but in general the process involves:
 - a. Assisting the individual/family to complete an application for services
 - b. A home or office visit and interview to talk about needs and learn what services and supports are being sought
 - c. Collection of records from schools and other agencies regarding eligibility
 - d. Review and analysis of those records
 - e. Arranging for testing as needed for eligibility determination
 - f. Convening and staffing an eligibility review committee including outside representation
 - g. Seeking supplemental information or testing if the committee cannot make a finding on eligibility

- h. Informing the individual/family of their appeal rights if eligibility is denied, and assisting them to file an appeal if they so desire
- i. Conducting the appeal process, which is by nature complicated and time consuming since appeals usually arise because the issues are not clear cut
- j. Entering extensive information into the State's database if the person is found eligible
- k. Providing information and assisting the individual/family to apply for Medicaid eligibility determination
- l. Creating a master record in accordance with State requirements
- m. Convening an interdisciplinary team within 30 days to meet with the individual/family and develop an Individualized Plan (IP)

It should be evident from this information that the time and cost of completing this process for every applicant for services is substantial. None of these activities are funded by the State unless a resource is provided for enrollment into a program. An idea of the impact and relative cost of these unfunded demands on each CCB can be derived from the volume of intakes each CCB performs. The table below provides a comparative view by showing:

- a. The total number of individuals determined eligible by each CCB over the past ten years (per CCMS eligibility date information)
- b. The total number of program resources currently included in each CCB's contract with the State.
- c. The difference, which should approximate the number of unfunded intakes performed by each CCB. This number will not be precise because it cannot account for all circumstances such as transfers from one CCB to another. However, it does reflect the general differences in magnitude of these unfunded intake and eligibility determination requirements from one CCB to another.
- d. This difference expressed as an average number of unfunded intakes performed annually by each CCB.

CCB Name	Intake July 95 to Feb 06	FY 06 State Contract	Unfunded Intake July 95 to Feb 06	Average Unfunded Eligibility Per Year
SE	301	74	227	21
Southern	195	154	41	4
Ark Valley	283	157	126	12
Blue Peaks	263	125	138	13
Horizons	428	102	326	31
Starpoint	800	230	570	53
Comm Conn	382	149	233	22
Comm Options	551	269	282	26
Eastern	938	289	649	61
Mtn Valley	695	195	500	47
Mesa	1,557	386	1,171	110
Colo Bluesky	1,113	610	503	47
Envision	1,481	448	1,033	97
Foothills	1,192	586	606	57
Imagine!	2,370	654	1,716	161
No Metro	3,009	720	2,289	215
Denver	4,482	1,412	3,070	288
DDRC	3,022	1,071	1,951	183
TRE	3,715	1,079	2,636	247
Dev Pathways	5,430	1,054	4,376	410
	32,207	9,764	22,443	2,104

Figure 16

The last column of this table is shown graphically below.

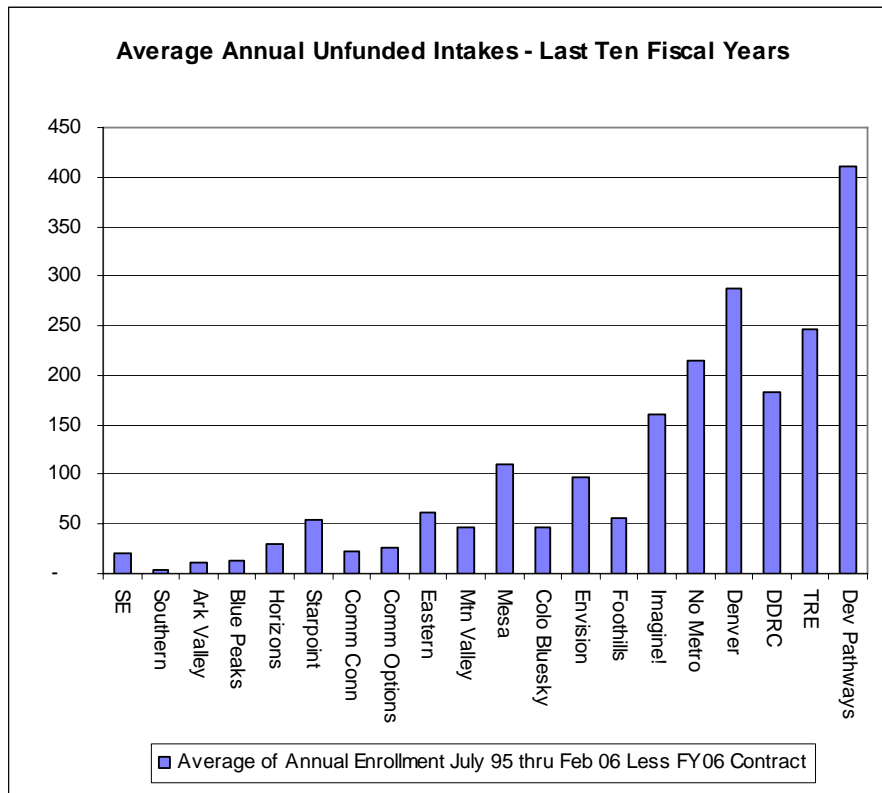


Figure 17

CCBs performing smaller numbers of unfunded intakes may be able to complete them within existing resources. CCBs with a high volume of unfunded intakes clearly cannot add these tasks to existing workloads, and must incur the staff costs and associated expenses for this high volume of work. It should be noted that these numbers do not include individuals/families determined ineligible after going through the entire process, including multiple levels of appeals that require many hours of agency time. That additional number is known to be substantial for some of the high-growth CCBs, but there is no data available that permits comparisons across all CCBs.

2. **Waiting List Management.** Once persons are determined eligible and placed on waiting lists there are ongoing requirements that must be performed, and these are also not funded. These requirements include annual updates of IPs and periodic contacts to determine changes in waiting list status, among others. Once again, these tasks drive substantial expenses for CCBs with large waiting lists.
3. **Crisis Management.** This factor cannot be quantified with actual data for purposes of comparison, but it is real nonetheless. On a purely statistical basis a CCB with a waiting list of 1500 is likely to experience ten times as many crises among individuals/families on their waiting list compared to a CCB with a waiting list of 150. Conceptually, if the latter CCB experiences four crises in a year from their waiting list, the larger CCB will experience forty. Also, CCBs with the largest waiting lists tend to be those with the fewest proportional resources. The combination of many more crises and a smaller proportional resource base greatly magnifies the strains and costs for the CCB with the large waiting list.

Geographical Considerations

Another cost factor deserving consideration relates to the large geographical areas served by several rural CCBs. The distances traveled and the extra time and expense associated with covering such large areas are frequently cited as cost concerns among rural CCBs. Such costs also may be affected by additional factors such as terrain and how spread out towns and settlements are, but there appears to be no readily available information that captures and quantifies such costs. The size of each CCB service area may provide a starting point for consideration of related cost factors, and the table below shows the total square miles in each CCB service area and the overall population density.

CCB	Sq Miles	Population July 2004	Density (People per Square Mile)
SE	5,989	19,854	3
Southern	6,365	24,211	4
Ark Valley	3,609	31,858	9
Blue Peaks	8,201	48,526	6
Horizons	13,833	56,715	4
Starpoint	3,286	68,219	21
Comm Conn	6,557	85,875	13
Comm Options	9,610	93,440	10
Eastern	17,647	110,986	6
Mtn Valley	6,013	121,516	20
Mesa	3,346	127,808	38
Colo Bluesky	2,397	149,728	62
Envision	4,014	217,781	54
Foothills	2,632	269,138	102
Imagine!	774	329,630	426
No Metro	1,182	352,408	298
Denver	156	568,913	3,647
DDRC	1,939	574,578	296
TRE	4,897	593,072	121
Dev Pathways	1,646	808,767	491
Total	104,093	4,653,023	45

Figure 18

It should surprise no one that Eastern serves by far the largest area, or that Horizons is second by a substantial margin. The average size across all CCBs is 5,205 square miles. It is hoped that this information can spark efforts to identify and quantify exceptional costs related to service area size so that they can be considered objectively as a factor relating to determination of rates.

IX. WAITING LISTS AND KNOWN NEED

The information in this section focuses on two factors for comparison purposes:

1. Waiting lists for each CCB service area
2. How much of each CCBs' verified needs are covered by State contract funds

Under a proportional distribution of system resources one would expect that all CCBs would be serving similar percentages of local known need. There would certainly be differences based on local circumstances, but statistical assumptions of a similar prevalence of disabilities across the State should permit a statistical range to be established. For purposes of discussion only, differences in the 5% - 10% range would seem to be a reasonable level of variance that would account for most demographic and statistical anomalies.

In the category of Comprehensive Services there are historical factors that must be acknowledged and accounted for in any analysis of allocations, notably the wave of deinstitutionalization that began in Colorado in the late 1970s. Those historical factors are addressed in a separate section of this report, and the Comprehensive Services figures below must be viewed in the context of that information.

Waiting lists reflect key information that must be understood and analyzed in the context of addressing overall system needs, and also for perspective on equity issues. Waiting lists should not, however, replace CCB service area population or child count data as the basis for calculating resource allocations. Waiting lists provide useful and powerful information on the scope and location of unmet service needs, but they are affected by variables that are difficult to control or objectify. For instance, some differences in waiting lists may relate less to differences in prevalence and more to factors such as differences in efforts to identify persons in need, agency visibility, or variations among school districts in their attention to referring students and families for CCB waiting list enrollment at age fourteen. For these and other reasons waiting list data should be viewed as providing invaluable information, but not for the purpose of resource allocation.

The charts and graphs which follow are largely self-explanatory. The first group shows statewide waiting list information, including the percentage of statewide need currently being met by State contract allocations in each service category. It should be noted that if recent figure-setting actions by the JBC are adopted in the Long Bill, the percentage figures in the Early Intervention category will change dramatically. It should also be noted that the known need column for statewide Comp Services reflects only persons currently in services and those requesting services *within the next two years*. Persons on the Comp Services waiting list for services beyond that period are placed in the "Future Planning Needs" category, sometimes referred to as the "safety net." If persons in this category are added, the number increases.

The second group of charts and graphs reflects data for each CCB. The numbers of individuals on waiting lists at each CCB are shown for services overall, and for each category of service. These figures are then combined with the number of individuals for whom the CCB receives State contract funding, to provide a picture of the variations that

exist in the percentage of known need that is met by State contract funds in each CCB service area.

It is evident from the data that the variations are very large, ranging from highs of 96% of local needs met at Arkansas Valley and 90% at Starpoint, to lows of 28% of local needs met at Pathways and 38% at DDRC. This broad range is a powerful indicator of how far Colorado’s DD system has strayed from proportional and equitable distribution of resources for individuals and families across the State.

Statewide Waiting List and Known Need Data

1. Pie chart – total waiting list statewide by CCB

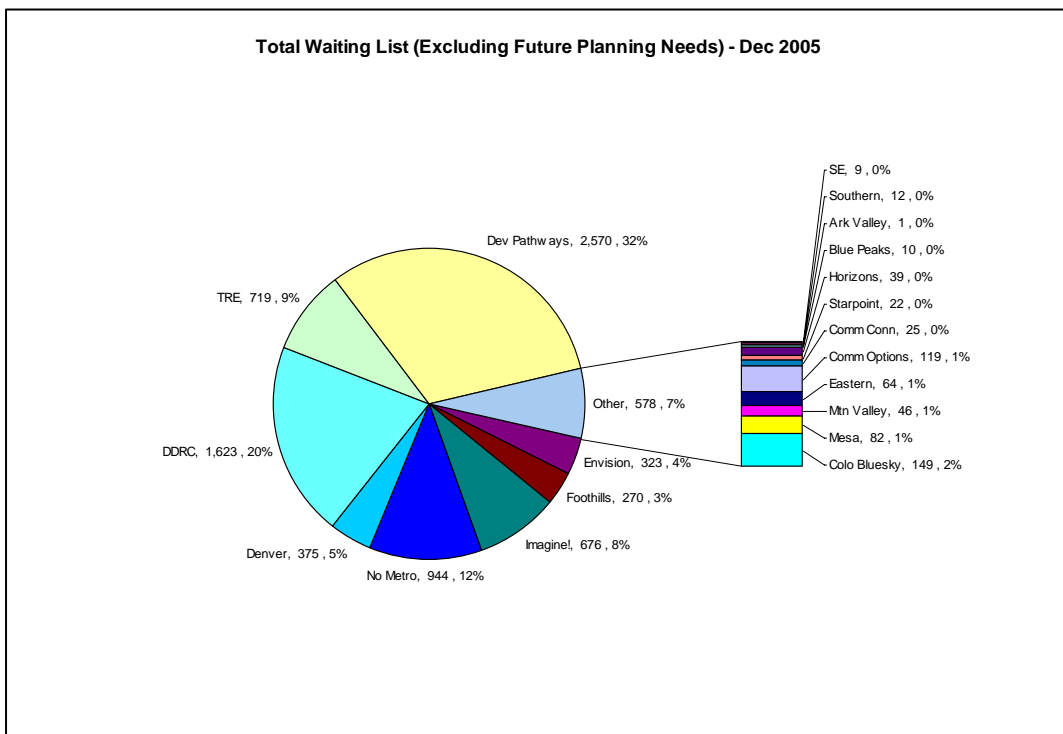


Figure 19

2. Bar Graph – total contract slots vs. total known need

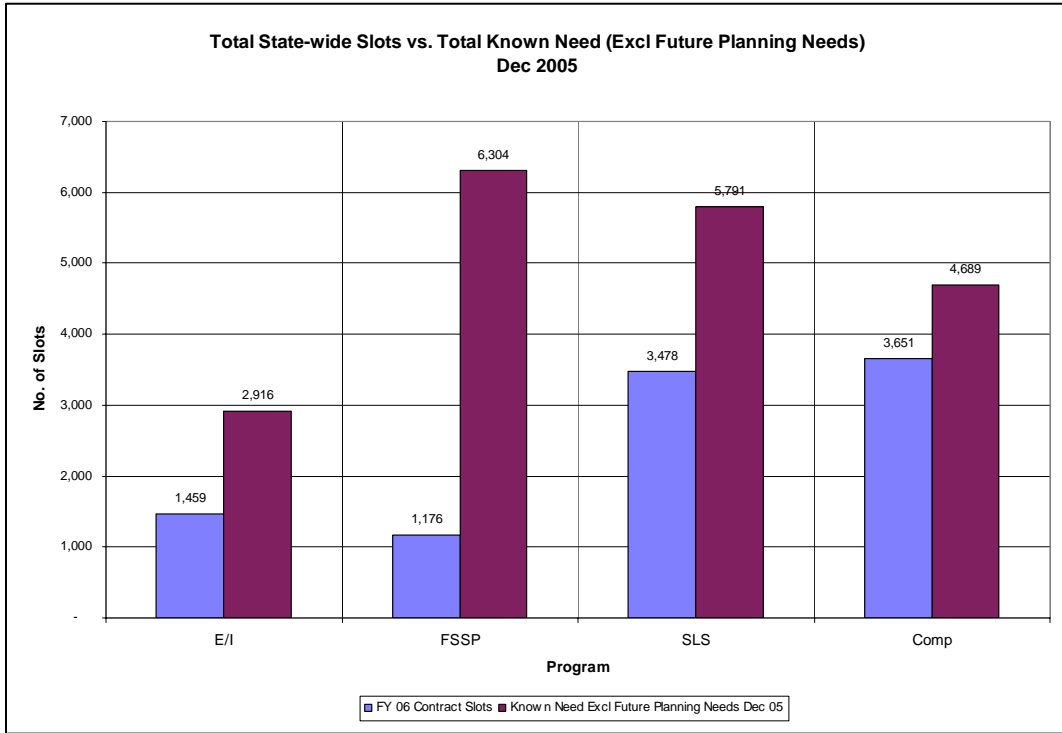


Figure 20

Waiting List and Known Need Data by CCB and Service Category

1. Table – Waiting list numbers by CCB and by service category.

CCB Name	Comp (Not Incl Future Planning Needs)	Comp - Future Planning Needs	Total Comp	SLS (Not Incl Future Planning Needs)	SLS - Future Planning Needs	Total SLS	E/I	FSSP	Total (Not Incl Future Planning Needs)	Percent State-wide Total W/L
SE	2	5	7	5	-	5		2	9	0%
Southern	3	21	24	7	3	10		2	12	0%
Ark Valley		6	6	1	-	1			1	0%
Blue Peaks	2	26	28	8	6	14			10	0%
Horizons	16	19	35	23	8	31			39	0%
Starpoint	4	8	12	17	5	22		1	22	0%
Comm Conn	15	20	35	10	3	13			25	0%
Comm Options	8	20	28	49	11	60		62	119	1%
Eastern	23	67	90	39	18	57		2	64	1%
Mtn Valley	21	56	77	25	19	44			46	1%
Mesa	13	38	51	42	14	56	9	18	82	1%
Colo Bluesky	13	52	65	92	39	131		44	149	2%
Envision	67	108	175	131	29	160	14	111	323	4%
Foothills	60	236	296	114	60	174	9	87	270	3%
Imagine!	67	279	346	131	45	176	107	371	676	8%
No Metro	162	247	409	184	54	238	105	493	944	12%
Denver	88	522	610	287	74	361			375	5%
DDRC	166	345	511	239	55	294	60	1,158	1,623	20%
TRE	243	630	873	467	118	585	1	8	719	9%
Dev Pathways	146	570	716	305	104	409	173	1,946	2,570	32%
	1,119	3,275	4,394	2,176	665	2,841	478	4,305	8,078	100%

Figure 21

2. Bar graph showing waiting list by service combined

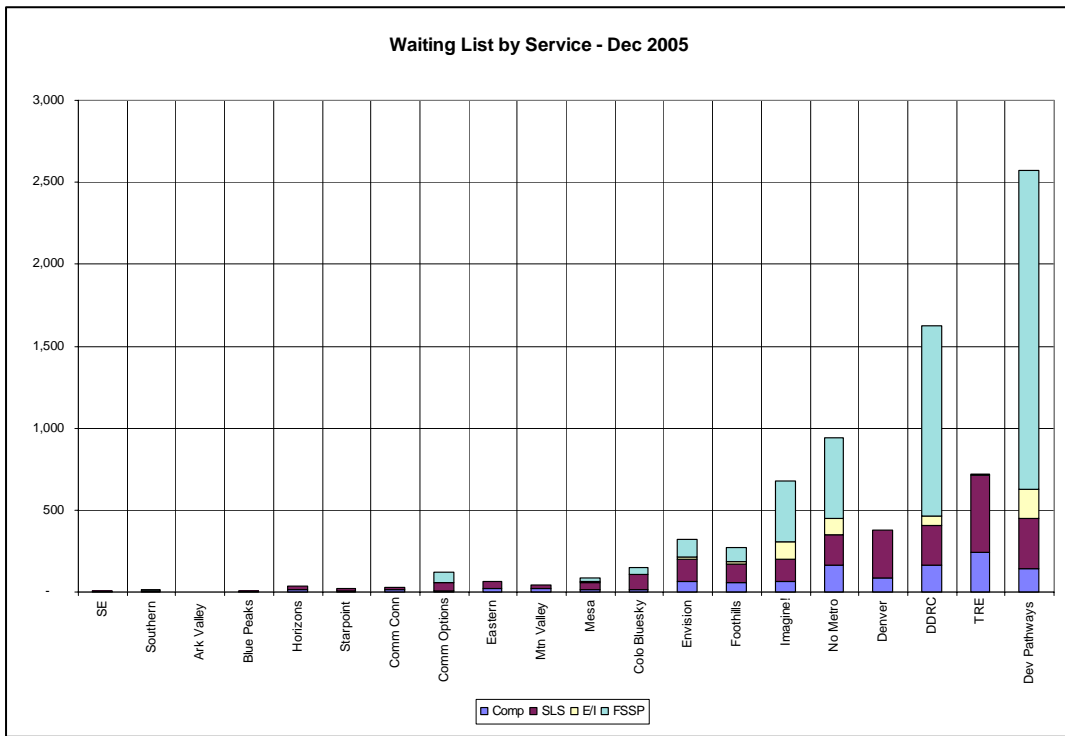


Figure 22

3. Line graph – percent State contract v. total known need by CCB

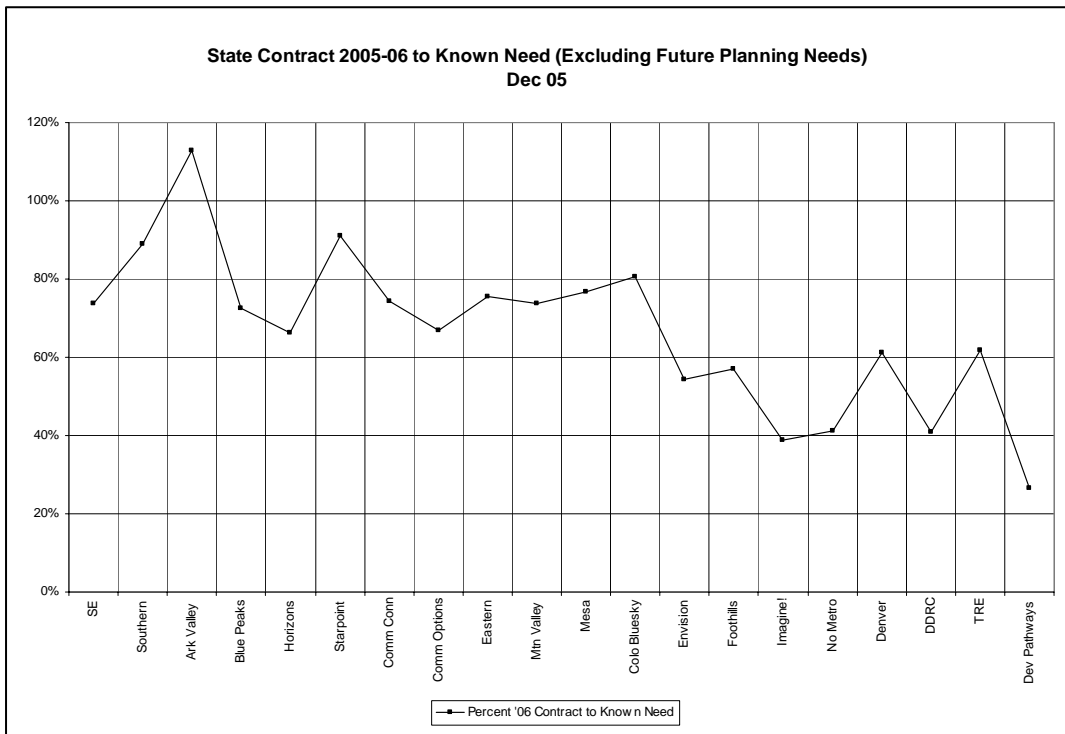


Figure 23

X. ACHIEVING EQUITY THROUGH NEW RESOURCES

There is one point in the equity discussion on which there is surely unanimous agreement: the best way to achieve equity would be through appropriation of new resources so that no CCB loses funding from its current base. That gives rise to the obvious question of what would be required to achieve that result.

A logical and data-based way to approach this is through the percentage of known need met by each CCB across the State. This data is presented in Section IX on waiting lists and known need. The CCBs at the high end in each service category are meeting 80% or more of their known local needs. At the low end less than 30% of known local needs are being met. Achieving equity with new resources while avoiding reductions in current base contract funding would require that all CCBs rise to the level of meeting 90% of their local known needs. Lower percentages would still require some reallocation of base contract resources.

The charts below show the new funding that would be required for each program at two levels of meeting known need: 80% and 60%.

Early Intervention						
CCB Name	Part C Dec 1, 05 Child Count	FY 06 State Contract	Non-Funded Slots	Cost to Fund at \$5,735	Cost to Meet 80% of Need	Cost to Meet 60% of Need
SE	31	15	16	91,760	73,408	55,056
Southern	16	12	4	22,940	18,352	13,764
Ark Valley	20	14	6	34,410	27,528	20,646
Blue Peaks	41	19	22	126,170	100,936	75,702
Horizons	42	26	16	91,760	73,408	55,056
Starpoint	111	43	68	389,980	311,984	233,988
Comm Conn	33	20	13	74,555	59,644	44,733
Comm Options	70	41	29	166,315	133,052	99,789
Eastern	83	47	36	206,460	165,168	123,876
Mtn Valley	100	54	46	263,810	211,048	158,286
Mesa	103	60	43	246,605	197,284	147,963
Colo Bluesky	120	78	42	240,870	192,696	144,522
Envision	176	55	121	693,935	555,148	416,361
Foothills	155	63	92	527,620	422,096	316,572
Imagine!	374	122	252	1,445,220	1,156,176	867,132
No Metro	419	104	315	1,806,525	1,445,220	1,083,915
Denver	638	243	395	2,265,325	1,812,260	1,359,195
DDRC	444	148	296	1,697,560	1,358,048	1,018,536
TRE	429	137	292	1,674,620	1,339,696	1,004,772
Dev Pathways	882	158	724	4,152,140	3,321,712	2,491,284
	4,287	1,459	2,828	16,218,580	12,974,864	9,731,148

Figure 24

Unfortunately, the figures in these charts show conclusively that there is no realistic prospect of achieving equity through new resources alone, since it is very unlikely that such a large increase in appropriations would be possible given the tight controls on growth in State expenditures in Colorado (i.e., Tabor and the 6% growth limitation).

XI. THE DEINSTITUTIONALIZATION FACTOR

A legitimate factor often raised in explanation of disproportionate distribution of Comprehensive Services resources involves Colorado's history of deinstitutionalization (DI). Review of the history of DI in our State confirms this, and analysis of equity issues must consider this history and how it fits into the equity landscape today.

History

In the middle and late 1970s the federal government undertook extensive state-by-state surveys of institutions housing persons with mental retardation. These surveys came about in large part because of a 1972 WABC television expose' and resulting national scandal about deplorable conditions at New York's Willowbrook State School on Staten Island. These events also helped spark a powerful national movement toward deinstitutionalization, which was strongly embraced by Colorado's DD community including Division leadership, CCBs, service agencies, advocacy organizations, most families, and many others as well.

In this philosophical and regulatory context the Division hired consultants to assist with assessment and planning for Colorado's three State Home and Training Schools (renamed "Regional Centers") in Wheat Ridge, Pueblo, and Grand Junction. The outcome of this process was a far-reaching plan that made Colorado a leader in the national deinstitutionalization movement. It included three core components:

1. Downsizing campus-based facilities to a minimal level, based on a process of identifying core services that required congregate campus settings (such as high medical or behavioral needs, based on current knowledge and views at that time), and systematic evaluation of residents to determine who needed to remain on campus to receive such services. The commitment to deinstitutionalization and the projected high expense of renovating or replacing deteriorated and obsolete Regional Center campus buildings combined to motivate this decision.
2. Construction of 38 State-operated "satellite group homes" and three day program facilities in areas near the three Regional Centers. There was substantial support in the DD system at that time for moving all residents not requiring campus services into community services operated by and through CCBs. However, the satellite approach was adopted by the State for three primary reasons.
 - a. One was the need to preserve State jobs in a political climate where public employee unions were strong and Regional Center employees faced substantial pay cuts if they moved to community provider jobs.
 - b. Another was the State's need to move promptly and decisively to satisfy federal concerns. Legitimate questions existed about the capacity of the nascent community residential system to establish facilities on a pace and scale necessary to satisfy federal requirements, and whether community

providers were prepared for some of the challenging residents moving to the satellites without the specialized support services available through the campus programs.

- c. Third was an internal debate among Division staff that led to a decision to discard the original plans for new facilities of sixteen or more beds, and adopt instead an eight-bed group home model in R-1 zoned neighborhoods. This model mirrored the dominant community residential model in place at that time, and assured a level of community integration that would not have been possible in the larger facilities that would have been zoned out of single family residential areas.
3. An aggressive and highly successful process of deinstitutionalization into community programs for hundreds of residents who were identified as requiring neither campus nor satellite levels of service.

It is this third component that significantly influenced the distribution of residential resources among CCBs. The State's interest at that time was to move Regional Center residents into local community-operated programs as rapidly as services could be developed and licensed. Placements were made primarily into eight-bed group homes, and into large privately-operated ICF/MR and nursing facilities that existed in several communities (all have long since been closed). All CCBs were fully committed to deinstitutionalization, and local communities stepped up in many ways and for varied reasons.

- Some rural CCBs such as Starpoint and Community Options looked to the future and saw additional local benefits in their commitment to deinstitutionalization, by providing a means to build long-term capacities and infrastructure so they could better serve their local communities.
- Mesa (Grand Junction) and Colorado Bluesky (Pueblo) took on many difficult placements because they were committed to honoring the choices of Regional Center residents who wanted to remain in what they regarded as their home communities.
- Large ICF/MR facilities in three CCB service areas, and a specialized skilled nursing facility in another, contributed to high numbers of placements in those areas.
- Others saw opportunities for innovation. Some CCBs moved Regional Center residents directly into apartments, defying conventional wisdom that such individuals could live only in highly contained and supervised settings.
- Pathways opened the Therapeutic Intervention Model (TIM) project in an old East Colfax mansion in the belief that Regional Center residents with dual diagnoses of MR/MI could be served in a community setting.

In the Denver metro environs all CCBs made substantial numbers of placements. Envision, DDRC, and Pathways placed the most individuals partly because of large ICF/MR facilities in their service areas. In addition to group home development: Envision had two private ICF/MR facilities of forty or more beds each in its area, Country View and New Life; DDRC opened the forty-bed Johnstone Center; and Pathways had the fifteen-bed TIM program and Good Shepherd's new forty-bed ICF/MR facility with nearly all residents coming from the Regional Centers. On the west slope Community Options also placed a large number, with many entering the San Juan Living Center, a large skilled nursing facility in Montrose that specialized in serving people with developmental disabilities.

Statewide nearly all CCBs contributed to the deinstitutionalization of Regional Center residents in that period. Reconstruction of the exact numbers would be difficult or impossible after all these years, but overall the six CCBs that placed the largest numbers of Regional Center residents are Pueblo, Mesa, Envision, Community Options, DDRC, and Pathways.

The DI Factor Today

Clearly this history of deinstitutionalization significantly affects the distribution of Comprehensive Services resources that exists today. The process followed at that time had its own imperatives, and was not expected or intended to produce proportional resource allocation. The question to be answered now is what bearing, if any, this has on addressing the equity issues the system faces today.

There appears to be no feasible way to make an objective assessment of the comparative effects of this deinstitutionalization across CCBs. It can be argued that for the most part all CCBs who participated in DI benefited in important ways. CCBs were able to expand their capacities and infrastructures, and certain benefits of scale became available to some smaller CCBs that might otherwise not have been possible. More local residential beds of any kind benefit community residents awaiting placement when turnover occurs. On the downside, the rates received for many of these Regional Center residents turned out to be too low to meet their needs adequately, and some were never increased to the levels needed. These low historical rates have contributed to financial strains for some CCBs and providers that persist to this day.

In terms of equity issues today it is difficult to identify a basis for bringing historical DI into the discussion. There has never been a suggestion that high levels of participation in DI was anything but laudable, or that any CCB should now be penalized for such past DI efforts. The benefits and effects of DI noted above occurred for CCBs without regard to where they now stand in terms of proportional allocations.

There might be an argument for considering DI placements in the equity arena if by making more RC placements a CCB somehow caused persons from local communities to be displaced, and it could be shown that as a result the CCB now had an exceptionally long community waiting list for Comprehensive Services. This is not the case, however, as today's largest waiting lists correlate with growth and not with how many DI placements were made in the past. Also, if all such DI placements could be documented and factored into allocations it would likely increase the proportional allocations for

CCBs with a combination of high growth and high DI, such as Envision, DDRC, and Pathways. There was also no such actual displacement at any CCB because the resources available at that time for Regional Center downsizing were reserved for that purpose exclusively, and could not have been used to serve anyone else.

Finally, inherent in placement of individuals from Regional Centers was an invitation to become part of a local community. After more than twenty years in a local community such individuals should cease to be regarded as anything more or less than people living their lives in their home community.

XII. ALLOCATIONS DATA AND RECOMMENDATIONS

This section of the report addresses current allocations of system resources by service category, and makes recommendations for policies and practices for establishing equitable and proportional distribution of system resources over time.

In line with the premise stated in the introduction of this report, all recommendations reflect an attempt to find methods that provide system corrections while minimizing impacts on individuals and families currently receiving services. Recommendations vary from one service category to another by virtue of differing circumstances in each, but all reflect the conclusion that reductions in some current base CCB contract allocations will need to occur in order to achieve equity across the system. The degree to which new resources plus attrition and reassignment of vacated resources provides correction to the imbalances in resource distribution, and the pace at which it occurs, must be monitored to determine if reasonable progress toward proportional distribution is occurring.

Early Intervention

Early Intervention is the one category of services where equity in resource distribution can and should be achieved in the immediate future. The transfer of administration of Part C funding to the Division, combined with new State EI funding appropriated in the Long Bill, provides a rare opportunity to make a wholesale system correction to establish proportional Early Intervention funding for children in all CCB service areas throughout the State.

Early Intervention is the only service category where a reliable alternative to population exists as a basis for resource allocation. The December 2005 Part C child count reflects inclusive and comprehensive data on EI service needs in each CCB service area. These data, collected and assembled by the JFK Child Development Center at the University of Colorado Health Sciences Center, include all children being served by the local CCB and/or local Part C agencies. Division data on children served include only those children receiving services through CCBs, and may not include substantial numbers of children who are served only through Part C funding. With the transfer of Part C funding to the DD system all of these children now fall under the responsibility of the Division and CCBs, which now must assume Part C Service Coordination and Payor of Last Resort responsibilities. Therefore, it is important to utilize the most inclusive data available.

The key difference between Early Intervention and other services is that the Division and CCBs now face an obligation to serve every child under Part C Payor of Last Resort requirements. Therefore, a reliable count that reflects actual numbers of children is important. As with other services the number of children actually identified may also be affected by case-finding, and for most CCBs this occurs for EI through school district Child Find. If one assumes statistical parity in prevalence, it would be expected that Child Find differences would result in some variances from population in actual numbers of children identified.

The table and graph below reflect actual variances by showing the recently revised December 2005 Part C child count for each CCB as a percentage of the local birth-to-three population. The average percentage across all CCBs is 2.1%, and the data show a generally consistent pattern. 15 CCBs fall within a half percentage point of the average, and 18 fall within one point.

CCB	Population Birth to 3	Part C Dec 1, 05 Child Count	Percent of Child Find Census to Population
SE	910	31	3.4%
Southern	803	16	2.0%
Ark Valley	1,235	20	1.6%
Blue Peaks	2,073	41	2.0%
Horizons	2,084	42	2.0%
Starpoint	1,841	111	6.0%
Comm Conn	3,034	33	1.1%
Comm Options	3,404	70	2.1%
Eastern	4,535	83	1.8%
Mtn Valley	5,681	100	1.8%
Mesa	5,078	103	2.0%
Colo Bluesky	6,017	120	2.0%
Envision	11,014	176	1.6%
Foothills	10,186	155	1.5%
Imagine	13,209	374	2.8%
No Metro	17,403	419	2.4%
Denver	35,382	638	1.8%
DDRC	21,100	444	2.1%
TRE	26,936	429	1.6%
Pathways	36,124	882	2.4%
Total	208,049	4,287	2.1%

Figure 27

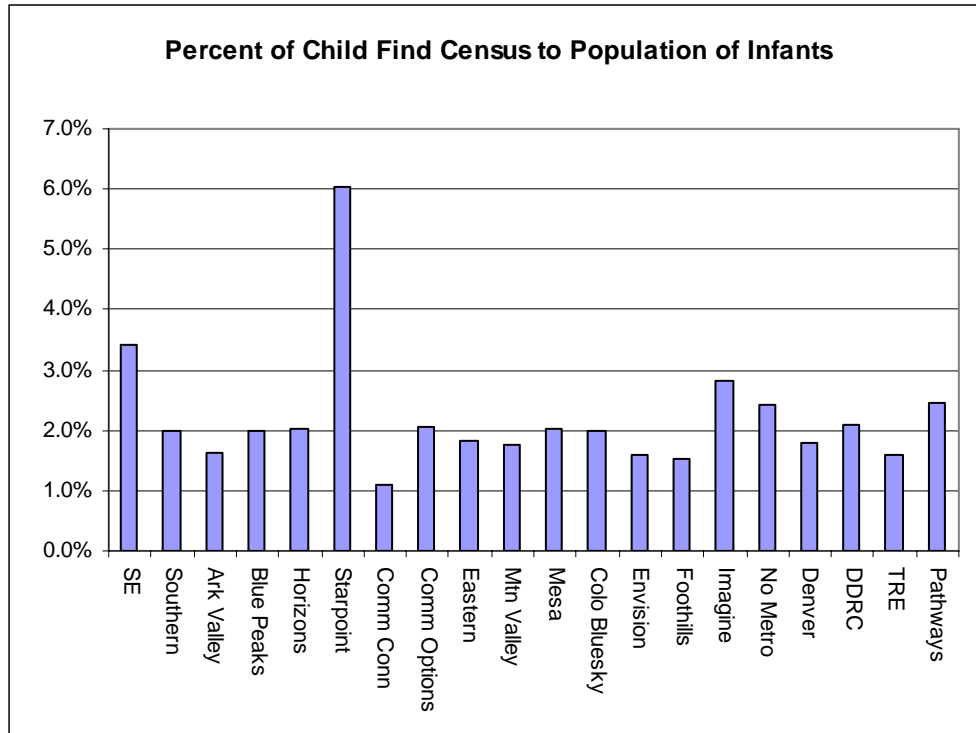


Figure 28

The next table below shows current per-child funding for each CCB based on the Part C December 2005 child count. It includes both State contract funding and Part C funding for FY 2005. Where multiple Part C agencies exist in a CCB service area their funding is combined and shown in the Part C column. The results show large disparities. For example, the average per-child funding of the four CCBs receiving the highest per-child allocations is 2½ times greater (\$6329) than the average for the four CCBs with the lowest per-child funding (\$2535).

Table 1: Current Distribution of Early Intervention Resources

CCB	E/I Contract 05 ("Base")	Total State Contract Funds @\$5,735	2005 Reported Part C Dollars to CCB Catchment Area	Total State and Part C Funds	Part C Dec 1, 05 Child Count	Funds Per Child
SE	15	86,025	31,623	117,648	31	3,795
Southern	12	68,820	20,752	89,572	16	5,598
Ark Valley	14	80,290	52,051	132,341	20	6,617
Blue Peaks	19	108,965	101,755	210,720	41	5,140
Horizons	26	149,110	60,333	209,443	42	4,987
Starpoint	43	246,605	107,307	353,912	111	3,188
Comm Conn	20	114,700	133,670	248,370	33	7,526
Comm Options	41	235,135	100,565	335,700	70	4,796
Eastern	47	269,545	193,251	462,796	83	5,576
Mtn Valley	54	309,690	179,658	489,348	100	4,893
Mesa	60	344,100	124,688	468,788	103	4,551
Colo Bluesky	78	447,330	157,737	605,067	120	5,042
Envision	55	315,425	277,864	593,289	176	3,371
Foothills	63	361,305	239,101	600,406	155	3,874
Imagine	122	699,670	386,767	1,086,437	374	2,905
No Metro	104	596,440	442,248	1,038,688	433	2,399
Denver	243	1,393,605	399,750	1,793,355	638	2,811
DDRC	148	848,780	526,932	1,375,712	444	3,098
TRE	137	785,695	657,085	1,442,780	429	3,363
Pathways	158	906,130	812,369	1,718,499	868	1,980
Total	1,459	8,367,365	5,005,506	13,372,871	4,287	3,119

Figure 29

The total combined EI resources available for FY 2007 provide the opportunity to establish proportionality, but they may not be sufficient to assure full EI funding for all children identified in the December 2005 Part C child count. However, a significant portion of these unfunded needs may be offset by third party payments such as private insurance and Medicaid under the Early Intervention Hierarchy of Needs.

To provide consistency and comparability the table below shows current State contract resources, converts Part C funds to State contract equivalents, and compares those combined resource figures with the Part C December 1, 2005 child count.

CCB	E/I Contract 05 ("Base")	2005 Reported Part C Dollars to CCB Catchment Area	Part C Funds Converted to Equivalent E/I State Resources @ \$5,735	Total E/I Resources Shown as State Contract Resources	Part C Dec 1, 05 Child Count	Difference: E/I Contract Resources Above (Below) Part C Dec 05 Count
SE	15	31,623	6	21	31	(10)
Southern	12	20,752	4	16	16	-
Ark Valley	14	52,051	9	23	20	3
Blue Peaks	19	101,755	18	37	41	(4)
Horizons	26	60,333	11	37	42	(5)
Starpoint	43	107,307	19	62	111	(49)
Comm Conn	20	133,670	23	43	33	10
Comm Options	41	100,565	18	59	70	(11)
Eastern	47	193,251	34	81	83	(2)
Mtn Valley	54	179,658	31	85	100	(15)
Mesa	60	124,688	22	82	103	(21)
Colo Bluesky	78	157,737	28	106	120	(14)
Envision	55	277,864	48	103	176	(73)
Foothills	63	239,101	42	105	155	(50)
Imagine	122	386,767	67	189	374	(185)
No Metro	104	442,248	77	181	433	(252)
Denver	243	399,750	70	313	638	(325)
DDRC	148	526,932	92	240	444	(204)
TRE	137	657,085	115	252	429	(177)
Pathways	158	812,369	142	300	868	(568)
Total	1,459	5,005,506	876	2,335	4,287	(1,952)

Figure 30

Looking forward, for the reasons noted above it is recommended that the Part C December 1, 2005 child count represents the best basis for resource allocation. It also has the advantage of being a proven method administered by an independent and reliable agency, and it is well understood and accepted by the federal Office of Special Education Programs.

The chart below estimates the combined EI funds projected for FY 2007 and allocates them proportionally according to the December 2005 Part C child count figures. The estimate of these funds is calculated as follows:

\$ 8,367,365 – Current FY 2006 EI State contract funds

\$ 5,005,506 – Total FY '06 Part C funds allocated to CCBs carried over for FY 07

\$ 3,400,000 – Projected appropriation of new EI funds for FY 07

\$16,772,871 – Total estimated funds for FY 07 allocation to CCBs

Proportional allocation of these total estimated FY 2007 funds based on the December 2005 Part C child count is shown in the table below. **These figures must be viewed as approximations only. In addition to relying on an estimated total, other factors may affect the method of distribution such as adjustments relating to private and Medicaid insurance factors and Part C Service Coordination requirements.**

CCB	Part C Dec 1, 05 Child Count	Percent of Total Child Count	Proportional Allocation of All Funds by Percent	Equivalent Number of Resources @\$5,735	Current Total State Contract Plus Part C Funds (2005 Alloc)	Total Amount Above or (Below) FY 2006 Allocation
SE	31	0.7%	121,287	21	117,648	3,639
Southern	16	0.4%	62,600	11	89,572	(26,972)
Ark Valley	20	0.5%	78,250	14	132,341	(54,091)
Blue Peaks	41	1.0%	160,412	28	210,720	(50,308)
Horizons	42	1.0%	164,325	29	209,443	(45,118)
Starpoint	111	2.6%	434,287	76	353,912	80,375
Comm Conn	33	0.8%	129,112	23	248,370	(119,258)
Comm Options	70	1.6%	273,875	48	335,700	(61,825)
Eastern	83	1.9%	324,737	57	462,796	(138,059)
Mtn Valley	100	2.3%	391,250	68	489,348	(98,098)
Mesa	103	2.4%	402,987	70	468,788	(65,801)
Colo Bluesky	120	2.8%	469,500	82	605,067	(135,567)
Envision	176	4.1%	688,599	120	593,289	95,310
Foothills	155	3.6%	606,437	106	600,406	6,031
Imagine	374	8.7%	1,463,274	255	1,086,437	376,837
No Metro *	433	10.1%	1,694,111	295	1,038,688	655,423
Denver	638	14.9%	2,496,173	435	1,793,355	702,818
DDRC	444	10.4%	1,737,148	303	1,375,712	361,436
TRE	429	10.0%	1,678,461	293	1,442,780	235,681
Pathways *	868	20.2%	3,396,047	592	1,718,499	1,677,548
Total	4,287	100.0%	16,772,871	2,926	13,372,871	3,400,000

Figure 31

Allocations that approximate the figures above clearly will require some significant and difficult adjustments for several CCBs. The fact that they have enjoyed disproportionately high funding for many years will be small consolation in the face of some of the changes that will be necessary. There is, however, ample evidence that such changes can be managed. Envision and The Resource Exchange are examples of CCBs whose per-child funding has been much less than funding for many other CCBs, and who have little or no supplemental local funding. They nonetheless have been able to meet their local obligations under the State contract and Part C requirements.

The turnover in all early childhood programs statewide is approximately one-third each year, since children age out of the program when they turn three. This turnover factor means reductions in allocations can be managed with minimal effects on enrolled children who are not aging out and remain in the program. CCBs with reduced funding will need to seek a balance between sustaining all services for the children who are not

aging out and funding new children at lower levels; or, reducing some services for those who remain in order to provide a more comparable level of services to new children who enroll in the coming year. These are not easy or desirable choices, but they are manageable. Such choices have been a difficult necessity for years for other CCBs whose low funding levels have required per-child services to be reduced in order to serve more children as population increased.

Once proportional distribution of Early Intervention resources is established as recommended above, all future appropriations of new EI resources should be distributed according to the Part C child count.

Family Support (FSSP)

The current distribution of State contract resources for the FSSP program is shown in the table below. The population figures shown are for individuals from three to twenty-one years old, which is the predominant age group served by FSSP.

Table 1: Current Distribution of FSSP Resources

CCB	Total School Age #	FSSP contract 05	Total State Contract Funds @ \$5,665	Per Capita State Contract Funds
SE	5,389	11	62,315	11.56
Southern	5,624	18	101,970	18.13
Ark Valley	7,529	15	84,975	11.29
Blue Peaks	13,631	13	73,645	5.40
Horizons	13,674	21	118,965	8.70
Starpoint	14,263	23	130,295	9.14
Comm Conn	21,753	21	118,965	5.47
Comm Options	23,176	28	158,620	6.84
Eastern	29,791	28	158,620	5.32
Mtn Valley	30,055	33	186,945	6.22
Mesa	32,734	38	215,270	6.58
Colo Bluesky	39,742	44	249,260	6.27
Envision	62,355	49	277,585	4.45
Foothills	69,102	63	356,895	5.16
Imagine	85,567	71	402,215	4.70
No Metro	98,953	85	481,525	4.87
Denver	132,262	151	855,415	6.47
DDRC	138,635	151	855,415	6.17
TRE	161,204	148	838,420	5.20
Pathways	216,704	165	934,725	4.31
Total	1,202,143	1,176	6,662,040	5.54

Figure 32

The table below shows the total amount of State contract FSSP funds allocated according to population, and compares the results with current allocations.

Table 2: Proportional Allocation of FSSP Funds Compared to Existing Allocation

CCB	Total School Age #	Resources Allocated by Population	Current Contract Amount	Proportional Allocated Gain (Loss)
SE	5,389	29,865	62,315	(32,450)
Southern	5,624	31,167	101,970	(70,803)
Ark Valley	7,529	41,724	84,975	(43,251)
Blue Peaks	13,631	75,540	73,645	1,895
Horizons	13,674	75,779	118,965	(43,186)
Starpoint	14,263	79,043	130,295	(51,252)
Comm Conn	21,753	120,551	118,965	1,586
Comm Options	23,176	128,437	158,620	(30,183)
Eastern	29,791	165,096	158,620	6,476
Mtn Valley	30,055	166,559	186,945	(20,386)
Mesa	32,734	181,405	215,270	(33,865)
Colo Bluesky	39,742	220,242	249,260	(29,018)
Envision	62,355	345,559	277,585	67,974
Foothills	69,102	382,950	356,895	26,055
Imagine	85,567	474,195	402,215	71,980
No Metro	98,953	548,378	481,525	66,853
Denver	132,262	732,970	855,415	(122,445)
DDRC	138,635	768,288	855,415	(87,127)
TRE	161,204	893,361	838,420	54,941
Pathways	216,704	1,200,931	934,725	266,206
Total	1,202,143	6,662,040	6,662,040	-

Figure 33

It is proposed that as FSSP resources are vacated at CCBs with disproportionately high current allocations, those resources be reassigned to CCBs below proportional allocation. The statewide allocation of FSSP resources covers only 20% of identified need, so the total number of resources to be reallocated is small compared with other service categories. It is reasonable to expect that equitable distribution might be achieved in two or three years, and sooner if additional FSSP resources are appropriated. Until proportional allocation is achieved statewide, all new FSSP resources should be allocated to correct disproportional distribution.

The proposed method for assigning vacated and new FSSP resources is that they be assigned to the CCB with the lowest proportional allocation until its allocation level matches that of the next lowest. Thereafter resources would be assigned alternately between the two until they reached the level of the third, after which resource assignment would alternate three ways, and so on until proportional allocation is achieved statewide.

Supported Living Services (SLS)

The current distribution of State contract resources for the SLS program is shown in the table below. The population figures shown are for adults over twenty-one years old, which is the age group served by SLS.

Table 1: Current Distribution of SLS Resources

CCB	Total Adults	Adult SLS Contract 05	Total State Contract Funds @\$15,886	Per Capita State Contract Funds
SE	13,679	27	428,922	31.36
Southern	18,798	85	1,350,310	71.83
Ark Valley	23,153	61	969,046	41.85
Blue Peaks	33,200	41	651,326	19.62
Horizons	42,008	17	270,062	6.43
Starpoint	53,773	75	1,191,450	22.16
Comm Conn	63,399	51	810,186	12.78
Comm Options	68,829	93	1,477,398	21.46
Eastern	79,955	112	1,779,232	22.25
Mtn Valley	89,087	37	587,782	6.60
Mesa	92,165	120	1,906,320	20.68
Colo Bluesky	107,474	253	4,019,158	37.40
Envision	146,756	168	2,668,848	18.19
Foothills	190,839	203	3,224,858	16.90
Imagine	236,363	198	3,145,428	13.31
No Metro	243,941	270	4,289,220	17.58
Denver	405,606	499	7,927,114	19.54
DDRC	418,517	390	6,195,540	14.80
TRE	413,709	395	6,274,970	15.17
Pathways	555,310	383	6,084,338	10.96
Total	3,296,561	3,478	55,251,508	16.76

Figure 34

The table below shows the total amount of State contract SLS funds allocated according to population, and compares the results with current allocations.

Table 2: Proportional Allocation of SLS Funds Compared to Existing Allocation

CCB	Total Adults	Resources Allocated by Population	Current Contract Amount	Proportional Allocated Gain (Loss)
SE	13,679	229,265	428,922	(199,657)
Southern	18,798	315,061	1,350,310	(1,035,249)
Ark Valley	23,153	388,052	969,046	(580,994)
Blue Peaks	33,200	556,444	651,326	(94,882)
Horizons	42,008	704,069	270,062	434,007
Starpoint	53,773	901,254	1,191,450	(290,196)
Comm Conn	63,399	1,062,589	810,186	252,403
Comm Options	68,829	1,153,598	1,477,398	(323,800)
Eastern	79,955	1,340,074	1,779,232	(439,158)
Mtn Valley	89,087	1,493,129	587,782	905,347
Mesa	92,165	1,544,717	1,906,320	(361,603)
Colo Bluesky	107,474	1,801,302	4,019,158	(2,217,856)
Envision	146,756	2,459,682	2,668,848	(209,166)
Foothills	190,839	3,198,528	3,224,858	(26,330)
Imagine	236,363	3,961,526	3,145,428	816,098
No Metro	243,941	4,088,536	4,289,220	(200,684)
Denver	405,606	6,798,098	7,927,114	(1,129,016)
DDRC	418,517	7,014,490	6,195,540	818,950
TRE	413,709	6,933,907	6,274,970	658,937
Pathways	555,310	9,307,189	6,084,338	3,222,851
Total	3,296,561	55,251,508	55,251,508	-

Figure 35

As with FSSP resources it is proposed that as SLS resources are vacated at CCBs with disproportionately high current allocations, those resources be reassigned to CCBs below proportional allocation. The attrition rates for SLS will need to be evaluated to determine whether this method will achieve proportional distribution of SLS resources in a reasonable time period. Until proportional allocation is achieved statewide, all new SLS resources should be allocated to correct disproportional distribution.

As with FSSP resources, the proposed method for assigning vacated and new FSSP resources is that they be assigned to the CCB with the lowest proportional allocation until its allocation level matches that of the next lowest. Thereafter resources would be assigned alternately between the two until they reached the level of the third, after which resource assignment would alternate three ways, and so on until proportional allocation is achieved statewide.

Comprehensive Services

The current distribution of State contract resources for the Comprehensive Services (CS) program is shown in the table below. The population figures shown are for adults over twenty-one years old, which is the age group served by CS.

Table 1: Current Distribution of CS Resources

CCB	Total Adults	Medicaid Comp Contract 05	Total Comp Medicaid Funds Per Audit (Including Fed Match of Local Funds)	Per Capita Comp Medicaid Funds
SE	13,679	21	1,029,039	75.23
Southern	18,798	39	1,760,631	93.66
Ark Valley	23,153	67	3,015,965	130.26
Blue Peaks	33,200	52	2,498,195	75.25
Horizons	42,008	38	1,952,834	46.49
Starpoint	53,773	89	4,206,910	78.23
Comm Conn	63,399	57	2,871,051	45.29
Comm Options	68,829	107	4,781,140	69.46
Eastern	79,955	102	4,913,846	61.46
Mtn Valley	89,087	71	3,616,208	40.59
Mesa	92,165	167	8,914,980	96.73
Colo Bluesky	107,474	235	11,494,385	106.95
Envision	146,756	176	8,963,445	61.08
Foothills	190,839	257	12,801,968	67.08
Imagine	236,363	257	13,626,810	57.65
No Metro	243,941	259	13,519,929	55.42
Denver	405,606	496	26,647,126	65.70
DDRC	418,517	375	19,003,370	45.41
TRE	413,709	391	19,011,411	45.95
Pathways	555,310	329	20,058,716	36.12
Total	3,296,561	3,585	184,687,959	56.02

Figure 36

The table below shows the total amount of State contract CS funds allocated according to population, and compares the results with current allocations.

Table 2: Proportional Allocation of CS Funds Compared to Existing Allocation

CCB	Total Adults	Resources Allocated by Population	Current Contract Amount	Proportional Allocated Gain (Loss)
SE	13,679	766,358	1,029,039	(262,681)
Southern	18,798	1,053,147	1,760,631	(707,484)
Ark Valley	23,153	1,297,134	3,015,965	(1,718,831)
Blue Peaks	33,200	1,860,011	2,498,195	(638,184)
Horizons	42,008	2,353,474	1,952,834	400,640
Starpoint	53,773	3,012,602	4,206,910	(1,194,308)
Comm Conn	63,399	3,551,893	2,871,051	680,842
Comm Options	68,829	3,856,106	4,781,140	(925,034)
Eastern	79,955	4,479,433	4,913,846	(434,413)
Mtn Valley	89,087	4,991,049	3,616,208	1,374,841
Mesa	92,165	5,163,492	8,914,980	(3,751,488)
Colo Bluesky	107,474	6,021,170	11,494,385	(5,473,215)
Envision	146,756	8,221,922	8,963,445	(741,523)
Foothills	190,839	10,691,647	12,801,968	(2,110,321)
Imagine	236,363	13,242,103	13,626,810	(384,707)
No Metro	243,941	13,666,656	13,519,929	146,727
Denver	405,606	22,723,846	26,647,126	(3,923,280)
DDRC	418,517	23,447,177	19,003,370	4,443,807
TRE	413,709	23,177,812	19,011,411	4,166,401
Pathways	555,310	31,110,928	20,058,716	11,052,212
Total	3,296,561	184,687,959	184,687,959	-

Figure 37

As with FSSP and SLS resources it is proposed that as CS resources are vacated at CCBs with disproportionately high current allocations, those resources be reassigned to CCBs below proportional allocation. The attrition rates for CS will need to be evaluated to determine whether this method will achieve proportional distribution of CS resources in a reasonable time period.

As with FSSP and SLS resources, the proposed method for assigning vacated and new CS resources is that they be assigned to the CCB with the lowest proportional allocation until its allocation level matches that of the next lowest. Thereafter resources would be assigned alternately between the two until they reached the level of the third, after which resource assignment would alternate three ways, and so on until proportional allocation is achieved statewide.

However, there are several important additional considerations unique to Comprehensive Services that must be accounted for with regard to CS resource allocations.

1. Emergency Allocations. Crises will inevitably arise in CCB service areas with high proportional allocations, and the State must have the latitude to assign resources to meet such crises. If a CCB is at or above its proportional share of CS

resources when this occurs, its next vacancy should return to the State for reassignment.

2. Foster Care Transition Allocations – Children placed in foster care homes become ineligible for that service when they turn 21 years of age. New CS resources are requested each year to provide a transition for these individuals into the adult DD service system. These special resources must continue to be allocated to individuals transitioning out of the foster care system rather than by population proportion.
3. Group Homes. When a vacancy occurs in a group home the stability of the setting for the other residents may be jeopardized if the resource is withdrawn. When such vacancies occur the State should evaluate the specific circumstances in each instance to determine whether the resource can be reassigned to another CCB without undue risk to residents remaining in the home. (This same difficulty exists today with regard to portability of resources when a resident moves voluntarily to another CCB service area.)
4. Capacity to Utilize Resources. When new CS resources are appropriated in significant numbers a CCB entitled to a large share of such resources may not have the capacity to develop them all within the fiscal year in which they are appropriated. In such cases the CCB should be allowed to release some portion of those resources to be distributed to the next CCB in line for allocations.
5. OBRA – there are some CS allocations that are managed at the State level to address placements out of nursing facilities. These OBRA resources are within a CCB contract, but when turnover occurs, those resources are returned to the State level and reallocated when another placement from a nursing home occurs. So, these OBRA resources should be ‘backed out’ of existing resources in a CCB contract for the final analysis.

The allocation policies and procedures above are recommended for adoption by the Division for Developmental Disabilities. As noted in the introduction to this report, the recommendations are designed to minimize impact on consumers and families currently receiving services by relying on attrition and new resources. Adoption of the recommendations for achieving full equity in EI resource distribution as of July 1, 2006 will demonstrate a serious commitment on the part of the State to rectify the imbalances that exist today. The effectiveness of the recommended policies in establishing equity in other service categories will need to be continually evaluated to determine whether they are progressing toward equity within a reasonable timeframe.

XIII. RATES DATA AND RECOMMENDATIONS

Past discussions among CCBS about equity in resource distribution have almost always turned at some point to the second key element of equity: rates. There has long been consensus among CCBs that consideration of equity required equal attention to rate differentials along with distribution of resources. Debates about what factors should be considered in rate differentials have been lively, and nearly every CCB can point to some unique local factors that drive higher costs in their area.

CCBs away from major population centers cite travel expenses required to access professional services. CCBs in areas with high housing costs contrast them with other areas with low housing costs. Some CCBs must pay higher wages to attract employees, and they point to other parts of the State with lower wages. Some CCBs cover large geographical areas, and they contrast their transportation demands versus CCBs with more compact service areas. No CCB or group of CCBs ever prevailed in these debates because there were too many factors and too little basis for weighing them against one another.

In 2002 the twenty CCBs finally recognized the futility of the debate and agreed that the best and fairest approach was to utilize cost of living data. Cost of living data, by definition, is intended to take many variables into account to arrive at a basis for comparing one community to another across multiple factors. After thorough research and analysis it was agreed that the best data available was the cost of living data from the Colorado Legislative Council, and it was adopted by the Colorado Association of Community Centered Boards (CACCB). This was reflected in the “CACCB Equity Proposal for the Allocation of New FY '03 Funding,” as follows:

“To begin addressing cost of living inequity, differences in the cost of living should be calculated using the data generated every two years by the Legislative Council as part of the School Finance funding formula, and this information should be updated every two years as new figures become available.”

The primary focus of the CACCB proposal was to determine differential rates for newly appropriated Comprehensive Services (CS) resources and for distribution of that year's 2% base rate increase. The cost of living factors were not applied to existing CS resources because cost of living is only one of two major factors upon which rate differentials should be based, the other being case mix differences (i.e. differences in proportions of individuals who have highly challenging needs and are thus more costly to serve). There was no basis or method for assessing differences in the base relative to case mix differences from one CCB to another.

Today the case mix information is still unavailable, and other prospective changes in Comprehensive Services suggest that consideration of rate differentials in that program should be postponed. Differences in consumer attributes affecting the cost of services, and geographic differences in costs in different regions in the State, are both factors under consideration by HCPF and the Division as they develop a new uniform rate setting process. The Legislative Council index is already understood and accepted by all CCBs, and should be an integral factor in any rate-setting methodology.

The Legislative Council cost of living index can, however, be applied to other services that are funded at uniform rates for all CCBs. The tables below apply the updated (2005) Legislative Council cost of living factors to rates for Early Intervention, Family Support, and Supported Living Services. This is easily done since the State allocates resources based on a standard rate for each of these programs. Each table reflects both the adjusted rate and the estimated change in the total allocation for each CCB.

Table 1: Early Intervention

CCB	COLI Factor	EI FY 05 Rates per State	COLI Factor Applied to Avg Rate	Difference in Rates	Contract FPE	Contract Amount	Pro-forma Contract with COLI Adjusted Rates	Difference in Contract Total
SE	0.860	5,735	4,932	(803)	15	86,025	73,982	(12,044)
Southern	0.867	5,735	4,972	(763)	12	68,820	59,667	(9,153)
Ark Valley	0.856	5,735	4,909	(826)	14	80,290	68,728	(11,562)
Blue Peaks	0.872	5,735	5,001	(734)	19	108,965	95,017	(13,948)
Horizons	1.030	5,735	5,907	172	26	149,110	153,583	4,473
Starpoint	0.911	5,735	5,225	(510)	43	246,605	224,657	(21,948)
Comm Conn	0.957	5,735	5,488	(247)	20	114,700	109,768	(4,932)
Comm Options	0.982	5,735	5,632	(103)	41	235,135	230,903	(4,232)
Eastern	0.933	5,735	5,351	(384)	47	269,545	251,485	(18,060)
Mtn Valley	1.200	5,735	6,882	1,147	54	309,690	371,628	61,938
Mesa	0.915	5,735	5,248	(487)	60	344,100	314,852	(29,248)
Colo Bluesky	0.906	5,735	5,196	(539)	78	447,330	405,281	(42,049)
Envision	0.973	5,735	5,580	(155)	55	315,425	306,909	(8,516)
Foothills	0.979	5,735	5,615	(120)	63	361,305	353,718	(7,587)
Imagine!	1.064	5,735	6,102	367	122	699,670	744,449	44,779
No Metro	1.014	5,735	5,815	80	104	596,440	604,790	8,350
Denver	1.024	5,735	5,873	138	243	1,393,605	1,427,052	33,447
DDRC	1.026	5,735	5,884	149	148	848,780	870,848	22,068
TRE	1.004	5,735	5,758	23	137	785,695	788,838	3,143
Pathways	1.014	5,735	5,815	80	158	906,130	918,816	12,686

Figure 38

Table 2: Family Support

CCB	COLI Factor	FSSP FY 05 Rates per State	COLI Factor Applied to Rate	Difference in Rates	Contract FPE	Contract Amount	Pro-forma Contract with COLI Adjusted Rates	Difference in Contract Total
SE	0.860	5,665	4,872	(793)	11	62,315	53,590.90	(8,724)
Southern	0.867	5,665	4,912	(753)	18	101,970	88,408	(13,562)
Ark Valley	0.856	5,665	4,849	(816)	15	84,975	72,739	(12,236)
Blue Peaks	0.872	5,665	4,940	(725)	13	73,645	64,218	(9,427)
Horizons	1.030	5,665	5,835	170	21	118,965	122,534	3,569
Starpoint	0.911	5,665	5,161	(504)	23	130,295	118,699	(11,596)
Comm Conn	0.957	5,665	5,421	(244)	21	118,965	113,850	(5,115)
Comm Options	0.982	5,665	5,563	(102)	28	158,620	155,765	(2,855)
Eastern	0.933	5,665	5,285	(380)	28	158,620	147,992	(10,628)
Mtn Valley	1.200	5,665	6,798	1,133	33	186,945	224,334	37,389
Mesa	0.915	5,665	5,183	(482)	38	215,270	196,972	(18,298)
Colo Bluesky	0.906	5,665	5,132	(533)	44	249,260	225,830	(23,430)
Envision	0.973	5,665	5,512	(153)	49	277,585	270,090	(7,495)
Foothills	0.979	5,665	5,546	(119)	63	356,895	349,400	(7,495)
Imagine!	1.064	5,665	6,028	363	71	402,215	427,957	25,742
No Metro	1.014	5,665	5,744	79	85	481,525	488,266	6,741
Denver	1.024	5,665	5,801	136	151	855,415	875,945	20,530
DDRC	1.026	5,665	5,812	147	151	855,415	877,656	22,241
TRE	1.004	5,665	5,688	23	148	838,420	841,774	3,354
Pathways	1.014	5,665	5,744	79	165	934,725	947,811	13,086

Figure 39

Table 3: Supported Living Services

CCB	COLI Factor	SLS FY 05 Rates per State	COLI Factor Applied to Rate	Difference in Rates	Contract FPE	Contract Amount	Pro-forma Contract with COLI Adjusted Rates	Difference in Contract Total
SE	0.860	15,886	13,662	(2,224)	25	397,150	341,549	(55,601)
Southern	0.867	15,886	13,773	(2,113)	67	1,064,362	922,802	(141,560)
Ark Valley	0.856	15,886	13,598	(2,288)	43	683,098	584,732	(98,366)
Blue Peaks	0.872	15,886	13,853	(2,033)	36	571,896	498,693	(73,203)
Horizons	1.030	15,886	16,363	477	13	206,518	212,714	6,196
Starpoint	0.911	15,886	14,472	(1,414)	58	921,388	839,384	(82,004)
Comm Conn	0.957	15,886	15,203	(683)	34	540,124	516,899	(23,225)
Comm Options	0.982	15,886	15,600	(286)	67	1,064,362	1,045,203	(19,159)
Eastern	0.933	15,886	14,822	(1,064)	87	1,380,758	1,288,247	(92,511)
Mtn Valley	1.200	15,886	19,063	3,177	31	492,466	590,959	98,493
Mesa	0.915	15,886	14,536	(1,350)	100	1,580,657	1,446,301	(134,356)
Colo Bluesky	0.906	15,886	14,393	(1,493)	218	3,463,148	3,137,612	(325,536)
Envision	0.973	15,886	15,457	(429)	131	2,081,066	2,024,877	(56,189)
Foothills	0.979	15,886	15,552	(334)	156	2,478,216	2,426,173	(52,043)
Imagine!	1.064	15,886	16,903	1,017	165	2,627,809	2,795,989	168,180
No Metro	1.014	15,886	16,108	222	215	3,418,138	3,465,992	47,854
Denver	1.024	15,886	16,267	381	361	5,736,170	5,873,838	137,668
DDRC	1.026	15,886	16,299	413	322	5,108,673	5,241,498	132,825
TRE	1.004	15,886	15,950	64	314	4,986,880	5,006,828	19,948
Pathways	1.014	15,886	16,108	222	327	5,188,103	5,260,736	72,633

Figure 40

Adjustment of CCB contracts to reflect these changes can easily be done. However, SLS rate-setting will eventually follow a methodology similar to that which is now being developed for Comprehensive Services, so there would be little point in cost of living adjustments for SLS rates at this time.

XIV. ALLOCATION OF UNEXPENDED FUNDS

Sometimes during the course of a year, and often at the end of each fiscal year, there are varying amounts of unexpended funds available for reallocation by the State. There are various reasons for this. The State may delay allocation of some resources for contingencies that do not materialize, and can then allocate the funds for services. Or, a CCB may not earn all of its contract funds in a particular program category due to turnover in consumers and time required to fill vacancies.

At year end the State generally reallocates such unexpended funds to other CCBs based on the concept of “overservice.” The State collects such unexpended funds into a pool and then reallocates these funds to CCBs which have served more individuals than they have been paid for in their contracts. One result of this practice is that resources have often been withdrawn from CCBs with low allocation levels and given to CCBs with high allocation levels, thereby exacerbating inequitable distribution of resources. Requests from CCBs with low allocations to retain unexpended funds for use in another qualifying service category have been denied in the past, and this policy should also be reconsidered.

It is recommended that the State adopt equity as the determining factor in distribution of unallocated and unexpended funds. Specifically:

1. All unallocated and unexpended funds should be directed to the purpose of correcting unequal resource distribution among CCB service areas in a manner similar to the recommendations for assignment of resources outlined in the allocations section of this report. Exceptions should be made only for funds set aside for emergency allocations.
2. CCBs with low allocation levels should be permitted to retain unexpended funds from one service category to apply to another when it can be justified by utilization levels and there is no regulatory barrier to the shift.

These recommendations should be adopted and utilized for unexpended and unallocated funds in the current fiscal year as well as subsequent years.

XV. CONCLUSIONS

Our concluding comments are simple and straightforward:

- Equitable distribution of resources in Colorado's DD system is an issue that must be confronted and addressed now.
- Equal protection requires that individuals with developmental disabilities and their families have equitable access to services and supports wherever they may live in Colorado.
- Equity issues can and should be addressed through administrative and policy avenues.
- The State, CCBs, and service agencies are capable of managing the difficult challenges involved in moving toward equitable distribution of resources.

Exhibit 1 – Sources

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8. Part C Data – Various Reports from the Division for Developmental Disabilities
9. Bickel, Amanda, JBC Staff “FY 2005-06 Staff Budget Briefing: Department of Human Services, Office of Operations, Services for People with Disabilities, Child Care,” December 21, 2005
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11. Colorado Developmental Disabilities Act, C.R.S. 27-10.5-104.5
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