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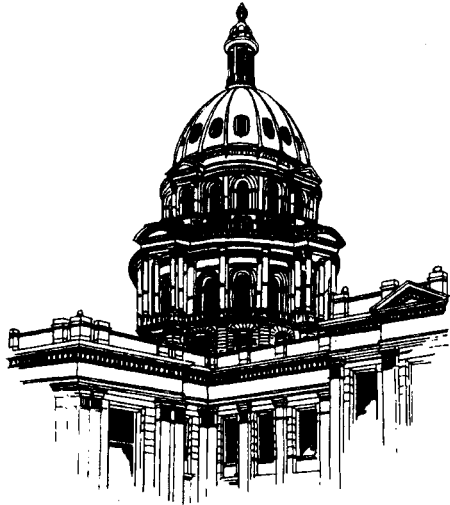
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0423 Legislative Restructuring Oversight Committee



**Legislative
Restructuring
Oversight
Committee**

**Report to the
COLORADO
GENERAL ASSEMBLY**

**Colorado Legislative Council
Research Publication No. 423
November 1996**

RECOMMENDATIONS FOR 1997

**LEGISLATIVE RESTRUCTURING
OVERSIGHT COMMITTEE**

**Report to the
Colorado General Assembly**

**Research Publication No. 423
November 1996**

COLORADO GENERAL ASSEMBLY

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Rep. Chuck Berry, Vice Chairman
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November 14, 1996

To Members of the Sixty-first General Assembly:

Submitted herewith is the final report of the Legislative Restructuring Oversight Committee. This committee was created pursuant to 24-1.7-104, C.R.S., to oversee the restructuring of human services delivery at the state and local level.

At its meeting on October 10, 1996, the Legislative Council reviewed the report of this committee. A motion to forward this report and the bills therein for consideration in the 1997 session was approved.

Respectfully submitted,

/s/ Senator Tom Norton
Chairman
Legislative Council

TN/LD/mm

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LEGISLATIVE RESTRUCTURING OVERSIGHT COMMITTEE

Members of the Committee

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Chairman
Senator James Rizzuto,
Vice Chairman

Senator Mike Coffman
Senator Dottie Wham
Representative Bill Martin
Representative Dan Prinster

Legislative Council Staff

Lorraine Dixon-Jones
Research Associate

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Debbie Haskins
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EXECUTIVE SUMMARY

Committee Charge

Pursuant to Section 24-1.7-104, C.R.S., the Legislative Restructuring Oversight Committee was created to oversee the restructuring of human services delivery at the state and local levels. The committee was required to review a statewide plan for local restructuring developed by the Department of Human Services, the Department of Health Care Policy and Financing, and the Department of Public Health and Environment (known together as the "joint departments").

Committee Activities

The committee held 11 meetings between 1993 and 1996 and received testimony on state and local restructuring issues mainly from representatives of the Department of Human Services and the Restructuring Steering Committee. During this period, three committee bills were recommended and enacted.

House Bill 94-1029 — Established budgetary savings that must result from state level restructuring.

Senate Bill 94-133 — Created the rule-making board within the Department of Health Care Policy and Financing.

House Bill 94-1005 — Created a process for communities to assess the human services delivery systems and recommend reforms.

Committee Recommendations

The committee has fulfilled its charge concerning an overview of the state restructuring process. The committee expects to review the statewide local restructuring plan developed by the joint departments at the end of 1996 or the beginning of 1997. At its September 26 meeting, the committee recommended the following bill that may be amended after introduction to incorporate substantive local restructuring reforms.

Bill A — Concerning Restructuring of Human Services Delivery Systems. Bill A repeals various committees charged with overseeing the restructuring process, creates local advisory boards to create an ongoing forum for local restructuring, and abolishes the state merit system within the Department of Human Services for county employees.

COMMITTEE REPORT

Statutory Authority, Background, and Responsibility

The Legislative Restructuring Oversight Committee (LROC) was created by legislation (House Bill 93-1317) to oversee the restructuring of human services at the state and local level. The impetus for the restructuring process came from the Governor's office and was intended to increase the efficiency and effectiveness of the services delivered. Specifically, the rationale for restructuring included the following:

- a constant fiscal crisis requiring that service delivery be examined to ensure that human service dollars were maximized;
- fragmentation and duplication of services across executive and local government agencies. (An inventory conducted in 1992 showed that 121 programs were offered through agencies in nine state departments.) Families and individuals needing services were often confused about where to go for help and what benefits were available; and
- several studies of the social services system, including one submitted to the Joint Budget Committee, which showed that consolidation, collaboration, and coordination within the health and human services area were necessary to achieve better outcomes for the individuals served.

In Colorado, human services are supervised at the state level and delivered locally by the counties. Consequently, the state is responsible for planning and policy development, while counties are responsible for providing services to the citizens who need them. This restructuring is to occur at the state level followed by local level reform. Essentially, the purpose of the state restructuring is to create the environment for supporting local reforms.

This report discusses the restructuring process at the following levels:

- the state level, which began in 1993 and continues to be fine-tuned; and
- the local level, at which planning began in 1994 and for which final recommendations will be proposed during the 1997 legislative session.

STATE LEVEL RESTRUCTURING

Goals of State Level Restructuring

The goals proposed by the Governor for state level restructuring were to improve the effectiveness, efficiency, and accountability of the health and human services system by reorganizing the functions of the Departments of Social Services, Institutions, and Health. The Department of Social Services (DSS) was responsible for services to families and children, the elderly, certain disabled persons, and refugees. The Department of Institutions (DOI) was responsible for troubled youth, the developmentally disabled, and the mentally ill. The Department of Health was responsible for public health programs and environmental regulation. One of the major thrusts of state level restructuring was that DSS and DOI should be combined because the populations they served often overlapped. In addition, spiraling Medicaid costs necessitated the creation of a department devoted to developing a coherent policy for Medicaid and other medical assistance programs.

Legislation Enacted Concerning State Level Restructuring

The table below outlines the three bills concerning state level restructuring that have been enacted. These bills are discussed in more detail in the following narrative.

<i>Bill Number</i>	<i>Description</i>
HB 93-1317	Created the framework for the restructuring of three executive departments. Created the Legislative Restructuring Oversight Committee.
HB 94-1029	Established the amount of budgetary savings that must result from restructuring.
SB 94-133	Created the rule-making board within the Department of Health Care Policy and Financing.

House Bill 93-1317

This bill does the following:

- restructured three executive departments;
- created two oversight committees (including the LROC);

- created deadlines for the restructuring process;
- limited county liability for social services costs; and
- required executive departments affected by restructuring to conduct a feasibility study concerning additional restructuring process.

Restructuring of departments. House Bill 93-1317 abolished the Departments of Social Services and Institutions. The services provided by these departments were consolidated into the newly created Department of Human Services. Under this legislation, the new department is responsible for public assistance programs, mental health services, developmental disabilities, alcohol and drug abuse, child welfare, and youth services. In addition, the department is still responsible for overseeing the delivery of Medicaid services at the local level.

The Department of Health Care Policy and Financing was created to consolidate policy determinations regarding medical assistance programs which were distributed among five departments. As such, the following functions were transferred to the new department:

- Medicaid and Long-Term Care financing, and the Home Care Allowance and Adult Foster Care administration from the Department of Social Services;
- the Health Data Commission from the Department of Local Affairs¹;
- the treatment program for high risk pregnant women from the Department of Health;
- the Colorado Care insurance study from the Department of Regulatory Agencies; and
- the Medically Indigent program from the University of Colorado Health Sciences Center, Department of Higher Education.

The Department of Public Health and Environment retained the same functions as the Department of Health, except that the Division of Alcohol and Drug Abuse was transferred to the Department of Human Services. The organizational structure of the executive departments prior to and after restructuring are shown in Appendix A.

Oversight committees. The bill created the following two oversight committees: the LROC, and the Restructuring Steering Committee (RSC). The six-member LROC

1. The Health Data Commission was repealed as of July 1, 1995.

is charged with overseeing the restructuring process at the state and local levels. The LROC was required to approve recommendations made by the three departments concerning the composition of boards and committees within the new departments. The 21-member RSC was composed of representatives from state and local government, service providers, and consumers. The RSC functioned as an advisory group to the Departments of Social Services, Institutions, and Health in formulating a restructuring plan at the state and local levels.

Deadlines for restructuring. By September 1, 1993, the restructuring plan was to be submitted to the LROC. By November 1, 1993, the departments and the LROC were to review and distribute the plan to stakeholder groups for comment and then prepare a final report recommending legislation to implement the plan. Such legislation was to be introduced by January 31, 1994. Pursuant to the legislation, the restructuring of the departments was to be effective on or after July 1, 1994.

Limited county liability for social services costs. Social services are financed through a mixture of 80 percent federal and state funds and 20 percent county funding. Counties raise this funding through property tax levies. House Bill 93-1317 established a limit on the amount that counties would be required to contribute for social services programs for calendar years 1994-97 as a way of alleviating their increasing financial burden. As a condition of receiving funds, any counties which received funds pursuant to the limitation formula under the bill agreed not to exercise their rights under Article 10, Section 20, Subsection (9) of the Colorado Constitution to relinquish the delivery and financing of social services to the state (a process called "county turnback"). In 1995, the Colorado Supreme Court decided that a county was not authorized to turnback social services under this constitutional provision.

Feasibility study. House Bill 93-1317 required the three departments, in consultation with the RSC, to conduct a feasibility study of methods of restructuring state and local governments to increase efficiency, enhance consumer access to health and human services, and eliminate duplicative administrative functions. The departments submitted a preliminary status report to the LROC by July 1, 1994, and a final report by January 1, 1995.

House Bill 94-1029

Most of House Bill 94-1029 made conforming amendments concerning the restructuring initiated by House Bill 93-1317. In addition, the bill

- required the Department of Human Services (DHS) and the Department of Health Care Policy and Financing (DHCPF) to demonstrate savings as a result of restructuring;

- required DHS and DHCPF to submit progress reports to the General Assembly;
- established a voluntary early retirement program for state employees of executive departments;
- provided for the distribution of certain state monies to counties which experienced decreased property tax collections between calendar years 1992 and 1993; and
- prohibited the promulgation of rules by executive agencies that restrict a person's ability to contract with certain long-term care facilities.

Savings goals. By July 30, 1995, DHS and DHCPF were required to demonstrate to the Joint Budget Committee and to the General Assembly that the fiscal year (FY) 1995-96 budgets for the departments would be \$2.5 million less than their FY 1994-95 budgets, as a result of restructuring. By July 30, 1996, the departments were to demonstrate that the FY 1996-97 budgets would be \$5 million less than their FY 1994-95 budget. Therefore, the savings over the two-year period were to total \$5 million.

Reports to the General Assembly. Under the legislation, DHS and DHCPF were required to report to the General Assembly concerning 1) progress toward meeting the savings goals; and 2) recommendations for legislation on various issues shown in Tables 1 and 2, following.

Table 1. Reports by Department of Human Services

	Due Date	Information on Savings Goals	Recommendations to be Made by the Department for Legislation
1994	1/1/95	Progress towards meeting FY 1995-96 savings goal	Streamlining administrative functions; coordinating and simplifying programs and services; and coordinating with local level restructuring efforts
1995	1/1/96	Progress towards meeting FY 1996-97 savings goal	Programmatic goals outlined in the first progress report

Table 2. Reports by Department of Health Care Policy and Financing

	Due Date	Information on Savings Goals	Recommendations to be Made by the Department for Legislation
1994	1/1/95	Progress towards meeting FY 1995-96 savings goal	Coordination of Medicaid policy development with DHS; feasibility of coordinating the purchase of health care for state employees and Medicaid clients; eliminating duplication of Medicaid regulations by coordinating rule-making authority with DHS
1995	1/1/96	Progress towards meeting FY 1996-97 savings goal	Regulation of health care plans and providers; creation of a method to evaluate the effectiveness of health care cost containment strategies that have been implemented; using automation to improve efficiencies and coordinate processing for the Medically Indigent and the Medicaid program; evaluating the cost-effectiveness of the Medicaid program

Voluntary retirement program. The state Personnel Board is authorized to establish a voluntary retirement program for state employees. This program is based on the Governor's determination that executive departments have too many personnel due to insufficient work or funds, or as a result of reorganization. This provision applied to all departments, but was expected to affect primarily DHS, DHCPF, and the Department of Public Health and Environment.

Distribution of state monies to counties. House Bill 93-1317 established a cap on county funding for social services during FY 1994-95 through FY 1996-97. If the cost of delivering services exceeded this cap, the shortfall was to be funded through a General Fund appropriation. The shortfalls in FY 1994-95 were funded with \$3.2 million in the appropriations bill. House Bill 94-1029 provided that if after funding the shortfalls, additional monies from the FY 1994-95 General Fund appropriation were available, DHS was to distribute these funds to counties whose property tax collections declined between calendar years 1992 and 1993.

Contracts between individuals and long-term facilities. The Department of Public Health and Environment was prohibited from providing regulatory oversight of contracts between individuals and private pay facilities. A private pay facility is defined as a skilled nursing facility, an intermediate care facility, or a personal care boarding home that is not publicly funded or certified to receive public funds. These facilities typically care for the elderly, persons with mental illness, and persons with developmental disabilities.

Senate Bill 94-133

This bill established rule-making within the DHCPF and became effective July 1, 1994.

Rule-making authority of the executive director. This legislation authorized the executive director of the DCPHF to promulgate rules concerning the administration of the department, including but not limited to 1) internal administration, such as organization, staffing, and records; 2) fiscal and personnel administration; and 3) accounting and fiscal reporting policies and procedures.

Creation and rule-making authority of the Medical Services Board. The bill created a nine-member Medical Services Board within DCPHF. The members are appointed by the Governor and confirmed by the Senate. Appointees should be knowledgeable about medical assistance programs. One or more appointees may be persons who have received services delivered through the department within two years of the date of the appointment. No more than five board members may be from the same political party. Each of the six state congressional districts is to be represented on the board. Members do not receive compensation, but are to be reimbursed for reasonable and necessary expenses.

The board was required to implement rules for the following programs:

- Medicaid;
- Medically Indigent;
- Adult Foster Care; and
- Home Care Allowance.

The board was directed to promulgate rules that govern the following: 1) implementation of legislative and departmental policies; 2) client eligibility requirements; 3) program benefits; 4) obligations and rights of clients and service providers; and 5) dispute resolution between clients, vendors, and the department.

LOCAL LEVEL RESTRUCTURING

House Bill 94-1005

In 1994, House Bill 94-1005 empowered local communities to develop local planning committees to assess what social services now exist, and how well they are being delivered. Local plans were submitted to the Department of Human Services in compliance with this legislation. Specifically, the timetable associated with the local restructuring process provided for the following steps, which have been completed:

Local planning areas. By July 1, 1994, the governing body of each county was to consult with the governing bodies of other counties, as deemed appropriate, to identify the boundaries of the planning areas. The boundaries could be modified upon mutual agreement by the relevant governing bodies. Existing service areas for human services systems, such as county social services or mental health, did not need to conform with the local planning areas created under this bill.

Local planning committees. Local planning committees composed of representatives from the governing body of each county, various public and private service providers, the municipalities that contribute financially for human services, schools, law enforcement, consumers, and consumer advocates were established. Sanctions were allowed to be imposed against planning committee members who failed to participate in the process. All committee meetings were open to the public and were forums for public comment.

Orientation program. The joint departments (Human Services, Public Health and Environment, and Health Care Policy and Financing) and the Restructuring Steering Committee were required to create a preliminary orientation program by July 1, 1994. The program included a packet with general guidelines for local assessment and planning. After submitting the program to the LROC for review and comment at a public hearing, the program was finalized. The planning committees were required to assess the adequacy, efficiency, and effectiveness of the delivery of human services within the planning area, guided by information in the orientation program.

Human services delivery plans — deadlines. The following deadlines for the preparation of local human services delivery plans were established:

February 1, 1996 Planning committees must deliver a written local human services delivery plan to the governing body of every county or portion of a county included in the local planning area. The plan must

- 1) establish a process which assists consumers to access services;
- 2) create a conflict resolution process, using citizen review panels, for grievances between and among consumers, providers, agencies,

and the community if a grievance process is not already established in regulation or statute; 3) establish a forum for consumers, providers, and agencies to continue the coordination of services after the assessment and planning process is completed; and 4) identify whether restructuring is needed and if so, establish a restructuring plan. Planning committees are prohibited from dictating, through the delivery plan, the administrative organization of any human services delivery agency. If the deadline cannot be met, the local planning committee may request the RSC to act as a mediator or otherwise assist in developing the plan, or ask for the RSC to create a list of mediators.

April 1, 1996 Planning committees were allowed to request an extension until this date to submit the plan, if the planning committee could not meet the deadline or if the local governing bodies disagree with all or any part of the plan.

July 1, 1996 If the planning committee did not submit the plan by April 1, 1996, the local governing body could develop and submit the plan to the joint departments, the RSC, and the Legislative Restructuring Oversight Committee by July 1, 1996.

If neither the local committee nor the local governing body submitted a plan by July 1, 1996, the joint departments in cooperation with the RSC could, upon approval by the LROC, develop a plan.

Review of the plan by the local governing body. The local governing body was required to review the plan within 30 days of receipt of the plan from the local planning committee. The governing body or bodies were authorized to modify those portions of the plan which pertained to services which receive county financial participation. The local governing body could comment on the remainder of the plan.

If the local planning committees and the local governing bodies had disagreements on the plan, disputes may be resolved through mediation prior to submitting the plan to the joint departments, the RSC, and the LROC.

Quarterly reports to LROC. The joint departments, in cooperation with the RSC, were required to report to the LROC at least quarterly concerning the progress of local planning committees and other information requested by the LROC.

The next two steps have yet to be completed.

Implementation and LROC review. The joint departments, in cooperation with the RSC, are to review the local plans and develop a statewide plan and fiscal incentives to support local implementation. The proposed statewide plan is to be reviewed by the LROC and approved by the General Assembly. The joint departments are authorized to seek federal waivers necessary for implementation of the approved statewide plan.

Reports on further restructuring to LROC. The joint departments and the RSC are required to submit a report to the LROC on further restructuring of human services after the completion of the local plans.

COMMITTEE ACTIVITIES

1993 Interim

The LROC began meeting in 1993 and convened five meetings during that year on the following dates: July 19, September 13, October 28, November 4, and November 11. The committee heard testimony from members of the Department of Social Services, the Department of Institutions, the Governor's Office, and the RSC. The RSC created the following five subcommittees: Local Services Areas and Integration, Core Services, Single Point of Entry, Boards and Commissions, and Funding.

The LROC discussed the creation of local planning bodies to develop local restructuring plans. Committee members wanted to ensure that these plans would include input from all stakeholders. Committee discussions on local restructuring culminated in the passage of House Bill 94-1005. The committee also considered issues that were not translated into legislation. For example, the creation of a Human Services Commission was discussed. The commission was to be a hybrid between rule-making and non-rule-making boards that would have promulgated rules for programs requiring mandatory county financial participation. The commission also would have advised the executive director of the Department of Human Services (DHS) on all other policy matters. The LROC also discussed the establishment of a system allowing the exchange of records between the three new executive departments. Concerns were expressed by LROC members regarding maintaining the confidentiality of clients.

1994 Interim

The committee met four times during 1994 on the following dates: January 7, February 11, June 17, and July 22. During these meetings, the committee received updates on the organizational structure of the DHS and of the DHCPF. Calculations by the executive branch projected savings from reorganization at \$3.7 million. Of this, the new DHCPF would receive \$700,000 and the remainder would be used to enhance program services. The DHCPF would be operated by approximately 130 FTE. The creation of a medical assistance board, which would promulgate DHCPF program regulations, was discussed and legislation establishing this board was recommended and enacted (Senate Bill 94-133). In addition, the committee deliberated the preliminary orientation packet required by House Bill 94-1005. This packet, prepared primarily by DHS in accordance with House Bill 94-1005, provided guidelines to local communities during local restructuring assessment.

In addition, the following new workgroups were created under the RSC: Program Development and Integration, Program Monitoring, Service Delivery and Coordination, Strategic Planning, Financial Management, Federal and State Requirements, Quality Management, and Information Data and Systems. The recommendations made by these subcommittees in a variety of proposals were reflected in House Bill 94-1005 and House Bill 94-1335 and in their reports. Such reports are listed in the Materials Available section of this report.

The committee discussed a proposal, which was not introduced, concerning a uniform client identifier system between DHS, DHCPF, and the Department of Public Health and Environment. The system would have created a unique identifier (number or otherwise) for each individual or family receiving services from the departments and would have allowed these departments to share client information.

A workgroup was appointed by the three executive departments and the RSC to address the feasibility study required by House Bill 93-1317. The purpose of the study was to determine whether additional health and human services restructuring was necessary to increase consumer access and economic efficiency. The LROC examined the preliminary feasibility study report, which proposed that DHS streamline the department's regulatory functions that DHCPF coordinate health care services such as workers' compensation delivered by the state, and that the Department of Public Health and Environment streamline environmental programs and functions.

1995 Interim

The committee met once in 1995. On August 29, the committee received a progress report on the implementation of House Bill 94-1005, which authorized the development of local restructuring plans. Representatives of the DHS noted that ensuring consumer input was difficult in both urban and local areas. In urban areas, such input could make the planning committee too large, while in rural areas, the lack of anonymity could create problems for rural area participants. According to the DHS representatives, the overall benefits of the local planning process were enumerated. The benefits include a reduction in turf issues, communication between service providers, and that local assessments of the human services delivery systems were expected to enhance any future welfare reform initiatives. The DHS representatives also stated that national grants were being sought to develop single entry points, such as family centers, for the delivery of community services. Furthermore, by the end of the fiscal year, the state was expected to fund core services in every county. Core services included, but were not limited to, family support services, child care, transportation, and drug and alcohol treatment. (These core services were identified in a class action suit against the child welfare system filed in 1995.²)

2. *LPM et al vs. Roy Romer et al.* Action #94 M1417, U.S. District Court, District of Colorado.

1996 Interim

To date, the committee has met once in 1996. On September 26, the committee heard updates from the DHS on the state level restructuring process, including the centralization of administrative functions and information systems. In addition, representatives of the DHS stated that the federal welfare legislation would require an overhaul of the system in terms of providing support services to ensure work participation requirements.

All the local planning committees created pursuant to House Bill 94-1005 had submitted restructuring plans to DHS. The major themes in these plans included the following: 1) reduction of state control and increasing local flexibility, and 2) improvement of services to clients. However, as a general rule, local planning committees had not submitted implementation strategies for their recommendations. In addition, none of the local restructuring plans recommended major reorganization of the service delivery systems.

The DHS proposed eliminating the state-operated personnel merit system for county employees, stating that the department lacks the necessary personnel to operate the system effectively. The merit system, which is staffed by nine FTE, provides centralized services for the 60 county departments of social services in the state. Some of the duties of the merit system are listed below.

- **Job classification.** This involves identifying the duties and responsibilities of all 4,200 employees in the county departments of social services. Job classification is the basis for developing the minimum qualifications for a position and ensuring adequate compensation. Consequently, under the state merit system, social workers in different counties who are performing the same duties are in the same pay grade.
- **Recruitment.** The state merit system processes applications for county job openings. Last year, the merit system processed 12,000 applications. Under the state system, an applicant may apply for positions in up to 15 counties.
- **Technical assistance.** The state merit system employees respond to numerous inquiries from counties on personnel issues ranging from layoff procedures to the structuring of a new county department division.

As a result of these deliberations, the committee considered legislation requested by the DHS and recommended the following bill:

COMMITTEE RECOMMENDATION

Bill A — Concerning Restructuring of Human Services Delivery System

Bill A repeals various committees charged with overseeing the restructuring process, creates local advisory boards, and abolishes the state merit system within the Department of Human Services for county employees. Specifically, the bill provisions are as follows:

Repeal of Restructuring Committees

- repeals and reenacts the statutes creating the process for restructuring the health and human services system, thereby repealing the local planning committees, the Legislative Restructuring Oversight Committee (LROC) and the Restructuring Steering Committee (RSC) as of July 1, 1997.

Local Advisory Boards

- authorizes the creation of local health and human services advisory boards to meet the intent of the original restructuring legislation that requires an ongoing process or forum for continued coordination and collaboration at the local level concerning the delivery of human services;
- allows counties, judicial districts, or other service areas to jointly create these advisory boards;
- authorizes the consolidation of two or more local advisory groups that are currently authorized or mandated in statute and that have similar members and functions. Makes conforming amendments to allow for consolidation of such groups;
- allows local entities to consolidate local advisory groups in addition to, in combination with, or in lieu of creating local health and human services advisory boards. If consolidating boards have different appointing authorities, requires each appointing authority to agree to the consolidation and appointments; and
- states that the consolidation of advisory bodies does not change the requirements of each of the separate functions, and provides that the responsibilities of each group as specified in statute must continue to be met.

County Merit System

- abolishes the state-operated county merit system for employees of county departments of human services and the Merit System Council;
- requires county departments to cover their employees under a personnel system that is in compliance with federal requirements for personnel administration for employees who administer grant-aided programs;
- directs that the State Personnel Board may contract to provide personnel services for civil defense employees of the political subdivisions of the state whose personnel services are currently being provided by the Merit System Council of the state Department of Human Services; and
- consolidates the authority to adopt rules governing program scope or substantive provisions in the State Board of Human Services and eliminates the authority of the executive director of the State Department of Human Services to adopt rules regarding program scope or substantive provisions.

MATERIALS AVAILABLE

The following materials relevant to the Legislative Restructuring Oversight Committee meetings are available from the office of the Legislative Council.

Legislative Council Meeting Summaries

- 1993:** July 19, September 13, October 28, November 4, and November 11.
1994: January 7, February 11, June 17, and July 22.
1995: August 29.
1996: September 26.

Reports Submitted

1993

State of Colorado Health and Human Services Restructuring House Bill 93-1317 Interim Report, September 13, 1993. Executive Directors of the Joint Departments of Health and Human Services and the House Bill 93-1317 Steering Committee.

State of Colorado Health and Human Services Restructuring House Bill 93-1317 Implementation Workplan.

Human Services Restructuring Survey, November 1, 1993. Single Entry Process Subcommittee.

Department of Human Services Organizational Design Study, November 1993. Andersen Consultants.

1994

House Bill 93-1317 Health and Human Services Restructuring and Reform, March 1994. Core Services Subcommittee.

Preliminary Assessment and Planning — Orientation Program: House Bill 94-1005 Local Human Services Area Restructuring, June 17, 1994. Local Orientation and Planning Subcommittee.

House Bill 93-1317 Health and Human Services Preliminary Feasibility Study Report, July 22, 1994. Restructuring Steering Committee and Joint Departments.

1995

House Bill 94-1005 Progress Report, April 1995. Colorado Department of Human Services, Office of Field Services.

1996

House Bill 94-1005 State Restructuring Progress Report, September 1996. Department of Human Services.

In addition, several department reports are attached to the Legislative Council meeting summaries.

APPENDIX A

State Level Restructuring: Executive Departments Before and After

CURRENT DEPARTMENT STRUCTURE

DEPARTMENT OF SOCIAL SERVICES

Aid to Families with Dependant Children
Food Stamps/Food Stamp Job Search
Low Income Energy Assistance
Child Support Enforcement
Aid to the Needy Disabled
Family Preservation
Domestic Violence
Veteran's Nursing Homes
Veteran's Services
Aging
Long-Term Care Services
Adult Protection/Operational Adult Foster Care
Child Care
Child Welfare
Self-Sufficiency Projects
Job Opportunities & Basic Skills (JOBS)
Home Care Allowance
Refugee Service
Rehabilitation
Aid to the Blind
Medicaid/MMIS
Contract Monitoring

DEPARTMENT OF INSTITUTIONS

Youth Services
Developmental Disabilities
Mental Health
Housing

DEPARTMENT OF HEALTH

Disease Control & Epidemiology
Disease Prevention
Emergency Medical
Health Facilities Regulation
Health Statistics & Vital Records
Early & Periodic Screening, Diagnosis & Treatment (EPSDT) Case Management
Family Health
Air
Water
Radiation
Consumer
Hazardous Waste
Emergency Response
Rocky Flats
Alcohol & Drug Abuse
High Risk Pregnancy Prevention Program

DEPARTMENT OF LOCAL AFFAIRS

Health Data Commission

C.U. HEALTH SCIENCES CENTER

Medically Indigent Program

GOVERNOR'S OFFICE

ColoradoCare

PROPOSED RESTRUCTURED DEPARTMENTS

DEPARTMENT OF HUMAN SERVICES

Aid to Families with Dependent Children
Food Stamps
Low Income Energy Assistance
Child Support Enforcement
Aid to the Needy Disabled
Family Preservation
Domestic Violence
Veterans' Nursing Homes
Veterans' Services
Aging
Long-Term Care Services
Adult Protection
Child Care
Self-Sufficiency Project
Job Opportunities & Basic Skills (JOBS)
Food Stamp Job Search
Operations - Home Care Allowance
Operations - Adult Foster Care
Refugee Services
Rehabilitation
Aid to the Blind
Child Welfare

Mental Health
Youth Services
Housing
Developmental Disabilities

Alcohol & Drug Abuse

DEPARTMENT OF HEALTHCARE POLICY & FINANCING

Medicaid
Contract Monitoring
Program Development
Medicaid Management Information System
Long-Term Care Financing
Administration - Home Care Allowance
Administration - Adult Foster Care

High Risk Pregnancy Prevention Program

Health Data Commission

Medically Indigent

ColoradoCare

DEPARTMENT OF PUBLIC HEALTH & ENVIRONMENT

Disease Control & Epidemiology
Disease Prevention
Emergency Medical
Health Facilities Regulation
Health Statistics & Vital Records
Early & Periodic Screening Diagnosis & Treatment
(EPSDT) Case Management
Family Health
Air
Water
Radiation
Consumer
Hazardous Waste
Emergency Response
Rocky Flats

BILL A

A BILL FOR AN ACT

CONCERNING RESTRUCTURING OF HUMAN SERVICES DELIVERY SYSTEM.

Bill Summary

"Restructuring of Human Services Delivery"

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Legislative Restructuring Oversight Committee - Health and Human Services. Repeals and reenacts the statutes creating the process for restructuring the health and human services system, thereby repealing the local planning committees, the legislative restructuring oversight committee, and the restructuring steering committee. In their place, authorizes the creation of local health and human services advisory boards to meet the intent of the original restructuring legislation that there be an ongoing process or forum for continued coordination and collaboration at the local level concerning the delivery of human services. Allows counties, judicial districts, or other service areas to jointly create such boards.

Authorizes the consolidation of two or more local advisory groups that are currently authorized or mandated in statute and that have similar members and functions. Allows local entities to consolidate local advisory groups in addition to, in combination with, or in lieu of creating local health and human services advisory boards. If consolidating boards have different appointing authorities, requires each appointing authority to agree to the consolidation and appointments. States that the consolidation of advisory bodies does not change the requirements of each of the separate functions, and provides that the responsibilities of each group as specified in statute must continue to be met. Specifies the advisory groups that may be consolidated. Makes conforming amendments to allow for consolidation of such groups.

Consolidates the authority to adopt rules governing program scope or substantive provisions in the state board of human services and eliminates the

authority of the executive director of the state department of human services to adopt rules regarding program scope or substantive provisions.

Effective January 1, 1999, abolishes the state-operated county merit system for employees of county departments of social services and the merit system council. Requires county departments to cover their employees under a personnel system that is in compliance with federal requirements for personnel administration for social services employees. Directs that the state personnel board may contract to provide personnel services for civil defense employees of the political subdivisions of the state whose personnel services are currently being provided by the merit system council of the department of human services.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Article 1.7 of title 24, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is **REPEALED AND REENACTED, WITH AMENDMENTS**, to read:

ARTICLE 1.7

**Restructuring the Health
and Human Services Delivery System**

24-1.7-101. Legislative declaration. THE GENERAL ASSEMBLY HEREBY DECLARES ITS SUPPORT FOR LOCAL FLEXIBILITY IN THE PLANNING AND DELIVERY OF HEALTH AND HUMAN SERVICES AND STATES ITS INTENT TO FOSTER CONTINUING COORDINATION, COMMUNICATION, AND COLLABORATION AT THE LOCAL LEVEL. THE GENERAL ASSEMBLY FURTHER STATES ITS SUPPORT FOR LOCAL DECISIONS TO UTILIZE PEOPLE AND RESOURCES AT THE

LOCAL LEVEL IN A MORE EFFICIENT, EFFECTIVE, AND ECONOMICAL MANNER THROUGH CONSOLIDATION OF LOCAL ADVISORY BOARDS. THE GENERAL ASSEMBLY FURTHER DECLARES ITS INTENT TO STREAMLINE LOCAL PLANNING AND COMMUNITY INPUT MECHANISMS.

24-1.7-102. Local health and human services advisory boards - creation - functions. (1) IN ORDER TO ACCOMPLISH THE INTENT OF PRIOR LEGISLATION ON HUMAN SERVICES DELIVERY THAT THERE BE AN ONGOING PROCESS OR FORUM FOR CONTINUED COORDINATION AND COLLABORATION AT THE LOCAL LEVEL CONCERNING THE DELIVERY OF HUMAN SERVICES, THIS ARTICLE AUTHORIZES THE CREATION OF LOCAL HEALTH AND HUMAN SERVICES ADVISORY BOARDS. A LOCAL HEALTH AND HUMAN SERVICES ADVISORY BOARD MAY SERVE A SINGLE COUNTY, TWO OR MORE COUNTIES JOINTLY, ONE OR MORE JUDICIAL DISTRICTS, OR OTHER SERVICE AREAS. MEMBERS OF AN ADVISORY BOARD SHALL BE APPOINTED BY THE GOVERNING BODY OR BODIES OF THE COUNTIES INCLUDED. MEMBERSHIP SHALL BE LOCALLY DETERMINED AND SHALL INCLUDE APPROPRIATE GEOGRAPHIC, ETHNIC, AND CULTURAL REPRESENTATION AND REPRESENTATION FROM THE PUBLIC AND FROM CONSUMERS OF SERVICES. MEMBERSHIP SHALL ALSO INCLUDE PERSONS WHO HAVE PROGRAM EXPERTISE FOR THE TYPES OF PROGRAMS THE ADVISORY BOARD ADVISES.

(2) IN ADDITION TO, IN COMBINATION WITH, OR IN LIEU OF CREATING A LOCAL HEALTH AND HUMAN SERVICES ADVISORY BOARD, A COUNTY, JUDICIAL DISTRICT, OR OTHER SERVICE AREA MAY ELECT TO CONSOLIDATE ITS ADVISORY BOARD WITH THAT OF ONE OR MORE OTHER COUNTIES, JUDICIAL DISTRICTS, OR SERVICE AREAS AS SPECIFIED IN SECTION 24-1.7-103.

24-1.7-103. Consolidation of local boards - process - requirements.

(1) THE GENERAL ASSEMBLY HEREBY FINDS THAT THERE ARE MANY ADVISORY TYPES OF BOARDS IN THE HUMAN SERVICES DELIVERY SYSTEM THAT HAVE SIMILAR FUNCTIONS AND PURPOSES AND HAVE MEMBERS WITH SIMILAR QUALIFICATIONS AND EXPERTISE. THE GENERAL ASSEMBLY FINDS THAT GREATER EFFICIENCY AND FLEXIBILITY WOULD BE ACHIEVED BY ALLOWING COUNTIES, JUDICIAL DISTRICTS, AND OTHER SERVICE AREAS TO COMBINE AND CONSOLIDATE SOME OR ALL OF THESE BOARDS INTO ONE BOARD THAT SERVES AS A BROAD-BASED LOCAL PLANNING GROUP AND CARRIES OUT ALL OF THE FUNCTIONS AND RESPONSIBILITIES OF THE PREVIOUS BOARDS THROUGH A CONSOLIDATED BOARD.

(2) ANY COMBINATION OF THE FOLLOWING BOARDS OR GROUPS MAY BE CONSOLIDATED INTO A SINGLE ADVISORY BOARD:

(a) PLACEMENT ALTERNATIVES COMMISSIONS, CREATED PURSUANT TO SECTION 19-1-116 (2) (a), C.R.S.;

(b) JUVENILE COMMUNITY REVIEW BOARDS, AS DEFINED IN SECTION 19-1-103 (69), C.R.S., AND DESCRIBED IN SECTION 19-2-210, C.R.S.;

(c) LOCAL JUVENILE SERVICES PLANNING COMMITTEES, CREATED PURSUANT TO SECTION 19-2-211, C.R.S.;

(d) CHILD PROTECTION TEAMS, CREATED PURSUANT TO SECTION 19-3-308 (6), C.R.S.;

(e) FAMILY PRESERVATION COMMISSIONS, ESTABLISHED PURSUANT TO SECTION 26-5.5-106, C.R.S.;

(f) A LOCAL HEALTH AND HUMAN SERVICES ADVISORY BOARD, CREATED PURSUANT TO SECTION 24-1.7-102.

(3) THE CONSOLIDATION OF, AND APPOINTMENTS TO, LOCAL BOARDS OR GROUPS THAT HAVE DIFFERENT APPOINTING AUTHORITIES SET IN STATUTE, ARE SUBJECT TO THE AGREEMENT OF EACH APPOINTING AUTHORITY. EACH OF THE SEPARATE FUNCTIONS AND RESPONSIBILITIES OF EACH BOARD OR GROUP AS SPECIFIED IN STATUTE MUST CONTINUE TO BE MET BY THE CONSOLIDATED BOARD.

SECTION 2. 26-1-107 (6), Colorado Revised Statutes, 1989 Repl. Vol., as amended, is amended to read:

26-1-107. State board of human services. (6) The state board shall:

(a) Adopt board rules;

(b) Hold hearings relating to the formulation and revision of the policies of the state department;

(c) Advise the executive director as to any matters that the executive director may bring before the state board;

(d) Meet as is necessary to adjust the minimum award for old age pensions for changes in the cost of living pursuant to section 26-2-114 (1); except that the state board shall meet for such a purpose whenever the monthly index of consumer prices, prepared by the bureau of labor statistics of the United States department of labor, increases or decreases by an amount warranting an increase or decrease over the previous adjustment and the United States social security administration increases benefits similarly adjusted for changes in the cost of living. Such a meeting shall be held within twenty days of the publication of the monthly index which first exceeds the previous level by said amount.

(e) Adopt rules and regulations for the purpose of establishing guidelines for the placement of children from locations outside of Colorado into this state for foster care or adoption pursuant to section 19-5-203, C.R.S., or section 26-6-104 or the terms of the "Interstate Compact on Placement of Children" as set forth in part 18 of article 60 of title 24, C.R.S.;

(f) Adopt rules governing the operations of the statewide adoption resource registry as described in section 26-1-111 (4);

(g) ADOPT RULES CONCERNING THE PROGRAM SCOPE AND CONTENT OF PROGRAMS AND SERVICES IMPLEMENTING THE PROVISIONS OF TITLE 27, C.R.S.

SECTION 3. 26-1-108, Colorado Revised Statutes, 1989 Repl. Vol., as amended, is amended to read:

26-1-108. Powers and duties of the executive director - rules.

(1) Executive director rules shall be solely within the province of the executive director and shall include the following:

(a) Rules governing matters of internal administration in the state department, including organization, staffing, records, reports, systems, and procedures, and also governing fiscal and personnel administration for the state department and establishing accounting and fiscal reporting rules and regulations for disbursement of federal funds, contingency funds, and proration of available appropriations except those determinations precluded by authority granted to the state board.

(b) ~~Rules which the state board of human services is not otherwise authorized to adopt, including, but not limited to, rules concerning the implementation of the provisions of title 27, C.R.S.~~

(c) (Deleted by amendment, L. 93, p. 1109, § 23, effective July 1, 1994.)

~~(1.5) Nothing in this section shall be construed to affect any specific statutory provision granting rule-making authority in relation to a specific program to the executive director.~~

(2) The rules and regulations issued by the executive director shall be binding upon the several county departments. At any public hearing relating to a proposed rule making, interested persons shall have the right to present their data, views, or arguments orally. Proposed rules of the executive director shall be subject to the provisions of section 24-4-103, C.R.S.

(3) (Deleted by amendment, L. 93, p. 1109, § 23, effective July 1, 1994.)

SECTION 4. 26-1-119, Colorado Revised Statutes, 1989 Repl. Vol., as amended, is amended to read:

26-1-119. County staff. The county director, with the approval of the county board, shall appoint such staff as may be necessary as determined by the appropriate state department rules to administer public assistance and welfare, medical assistance, and child welfare activities within his OR HER county. Such staff shall be appointed and shall serve in accordance with the A merit system established and maintained by the appropriate state department for the selection, retention, and promotion of county department employees pursuant to AS DESCRIBED IN section 26-1-120. The salaries of the members of such staff shall be fixed in accordance with the rules and salary schedules

prescribed by the appropriate state department; EXCEPT THAT ONCE A COUNTY TRANSFERS ITS COUNTY EMPLOYEES TO A SUCCESSOR MERIT SYSTEM AS PROVIDED IN SECTION 26-1-120, THE SALARIES SHALL BE FIXED BY THE COUNTY COMMISSIONERS.

SECTION 5. 26-1-120, Colorado Revised Statutes, 1989 Repl. Vol., as amended, is amended to read:

26-1-120. Merit system. (1) ~~The state department shall establish and maintain a~~ ON JANUARY 1, 1999, THE merit system for the selection, retention, and promotion of employees of the county departments, ~~except those positions exempted in sections 26-1-117 (1) and 26-1-120.5, and shall establish such rules and regulations as are necessary for the efficient administration and operation of the merit system.~~ THAT HAS BEEN OPERATED BY THE STATE DEPARTMENT PURSUANT TO THIS SECTION IS ABOLISHED. BEGINNING ON OR AFTER JANUARY 1, 1998, BUT NO LATER THAN JANUARY 1, 1999, EACH COUNTY SHALL PROVIDE FOR A MERIT SYSTEM FOR THE SELECTION, RETENTION, AND PROMOTION OF EMPLOYEES OF THE COUNTY DEPARTMENTS THAT COMPLIES WITH THE CRITERIA SPECIFIED IN SUBSECTION (2) OF THIS SECTION AND WITH ANY OTHER FEDERAL STANDARDS FOR A MERIT SYSTEM OF PERSONNEL ADMINISTRATION FOR EMPLOYEES, SPECIFIED AS A CONDITION OF RECEIPT OF FEDERAL FUNDS AS SET FORTH IN SUBPART F OF 5 CFR SEC. 900.601 ET SEQ. A COUNTY CAN COMBINE WITH ANOTHER COUNTY

OR FORM A DISTRICT TO PROVIDE SUCH A MERIT SYSTEM FOR ITS EMPLOYEES. THE COUNTY DEPARTMENT SHALL CERTIFY TO THE STATE DEPARTMENT THAT THE SUCCESSOR MERIT SYSTEM OF PERSONNEL ADMINISTRATION USED BY THE COUNTY IS IN CONFORMANCE WITH THE FEDERAL STANDARDS. PRIOR TO TRANSFERRING COUNTY EMPLOYEES TO A SUCCESSOR MERIT SYSTEM, EACH COUNTY SHALL SUBMIT A TRANSITION PLAN TO THE STATE DEPARTMENT OUTLINING ITS PLAN FOR TRANSFERRING SUCH EMPLOYEES AND FOR ADDRESSING ISSUES THAT MAY ARISE DURING THE TRANSFER, SUCH AS SALARY ISSUES, RETENTION, SENIORITY RIGHTS, AND APPEAL PROCESSES. THE STATE DEPARTMENT SHALL EXAMINE AND APPROVE THE TRANSITION PLAN IF THE STATE DEPARTMENT DETERMINES THAT THE TRANSITION PLAN IS REASONABLE AND THAT THE MERIT SYSTEM MEETS THE STATE REQUIREMENTS AND THE FEDERAL STANDARDS. THE COUNTY MAY NOT IMPLEMENT THE TRANSITION PLAN OR TRANSFER EMPLOYEES TO THE SUCCESSOR MERIT SYSTEM UNTIL THE STATE DEPARTMENT HAS APPROVED THE TRANSITION PLAN.

(2) ~~The merit system shall consist of a merit system council, a merit system supervisor, and such other employees as may be necessary for the efficient performance of the duties prescribed by this title.~~ THE MERIT SYSTEM PROVIDED BY THE COUNTIES SHALL MEET THE FOLLOWING FEDERAL CRITERIA:

(a) THE RECRUITMENT, SELECTION, AND ADVANCEMENT OF EMPLOYEES SHALL BE ON THE BASIS OF RELATIVE ABILITIES, KNOWLEDGE, AND SKILLS, INCLUDING OPEN CONSIDERATION OF QUALIFIED APPLICANTS FOR INITIAL APPOINTMENT;

(b) THE SYSTEM SHALL PROVIDE EQUITABLE AND ADEQUATE COMPENSATION;

(c) THE EMPLOYEES SHALL BE TRAINED AS NEEDED TO ASSURE HIGH QUALITY OF PERFORMANCE;

(d) THE SYSTEM SHALL PROVIDE FOR RETAINING EMPLOYEES ON THE BASIS OF THE ADEQUACY OF THEIR PERFORMANCE, CORRECTING INADEQUATE PERFORMANCE, AND SEPARATING EMPLOYEES WHOSE INADEQUATE PERFORMANCE CANNOT BE CORRECTED;

(e) THE SYSTEM SHALL ASSURE FAIR TREATMENT OF APPLICANTS AND EMPLOYEES IN ALL ASPECTS OF PERSONNEL ADMINISTRATION WITHOUT REGARD TO POLITICAL AFFILIATION, RACE, COLOR, NATIONAL ORIGIN, SEX, RELIGIOUS CREED, AGE, OR DISABILITY AND WITH PROPER REGARD FOR THE PRIVACY AND CONSTITUTIONAL RIGHTS OF SUCH PERSONS AS CITIZENS. THIS FAIR TREATMENT PRINCIPLE SHALL INCLUDE COMPLIANCE WITH ALL FEDERAL EQUAL OPPORTUNITY AND NONDISCRIMINATION LAWS.

(f) THE SYSTEM SHALL ASSURE THAT EMPLOYEES ARE PROTECTED AGAINST COERCION FOR PARTISAN POLITICAL PURPOSES AND ARE PROHIBITED

FROM USING THEIR OFFICIAL AUTHORITY FOR THE PURPOSE OF INTERFERING WITH OR AFFECTING THE RESULTS OF AN ELECTION OR A NOMINATION FOR OFFICE.

~~(3) The merit system council shall consist of three members appointed by the governor to serve for three year overlapping terms. Appointments shall be made on the basis of known interest in public assistance and welfare activities and the merit system and on a nonpartisan basis.~~ THE STATE BOARD OF HUMAN SERVICES SHALL PROMULGATE RULES ON THE FOLLOWING:

(a) MINIMUM STANDARDS FOR QUALIFICATIONS OF CERTAIN POSITIONS THAT ARE DETERMINED BY THE STATE BOARD TO NECESSITATE UNIFORM STANDARDS;

(b) ESTABLISHMENT OF MAXIMUM STATE REIMBURSEMENT LEVELS FOR THE SALARIES OF COUNTY DEPARTMENT EMPLOYEES AND COUNTY DIRECTORS.

~~(4) It is the duty of the merit system council, within the scope of the rules and regulations of the state department, to:~~ ON JANUARY 1, 1999, THE MERIT SYSTEM COUNCIL IS ABOLISHED. THE MERIT SYSTEM COUNCIL SHALL FINALIZE AS MANY APPEALS FILED PRIOR TO JANUARY 1, 1999, AS POSSIBLE. ANY APPEALS THAT ARE PENDING ON JANUARY 1, 1999, SHALL BE TRANSFERRED TO THE EXECUTIVE DIRECTOR OR HIS OR HER DESIGNEE FOR FINAL AGENCY ACTION PURSUANT TO SECTION 26-1-106 OR 25.5-1-107, C.R.S., AND SHALL BE DECIDED BASED UPON THE LAW AND REGULATIONS IN

EXISTENCE AT THE TIME THE APPEALED ACTION WAS TAKEN. ON AND AFTER JANUARY 1, 1999, OR ON AND AFTER THE DATE UPON WHICH THE COUNTY TAKES OVER RESPONSIBILITY FOR A SUCCESSOR MERIT SYSTEM, WHICHEVER OCCURS FIRST, THE RESOLUTION OF ANY PERSONNEL ISSUES OTHER THAN A PENDING APPEAL FILED AT THE STATE LEVEL SHALL BE HANDLED BY THE COUNTY PURSUANT TO THE POLICIES AND STANDARDS ADOPTED FOR THE COUNTY'S SUCCESSOR MERIT SYSTEM.

~~(a) Establish general policies for the administration of merit examinations;~~

~~(b) Establish policies for the fair hearing of personnel appeals;~~

~~(c) Advise and make recommendations to the state board on personnel matters;~~

~~(d) Provide an annual budget and report for submission to the state department covering all costs of merit system activities and the operation of the merit system of county departments;~~

~~(e) Promote public understanding for the purposes, policies, and practices of the merit system for county department employees.~~

(5) ~~The rules and regulations adopted by the state department for the merit system shall provide for:~~ THE COUNTY DIRECTOR OF A COUNTY DEPARTMENT SHALL BE EXEMPT FROM THE MERIT SYSTEM ESTABLISHED AND MAINTAINED BY THE STATE DEPARTMENT PURSUANT TO THIS SECTION AS IT

EXISTED PRIOR TO JULY 1, 1997. EACH COUNTY SHALL DETERMINE WHETHER TO EXEMPT ITS COUNTY DIRECTOR FROM THE SUCCESSOR MERIT SYSTEM DESIGNED PURSUANT TO THIS SECTION. UNTIL THE COUNTY PROVIDES FOR A SUCCESSOR MERIT SYSTEM AS PROVIDED IN THIS SECTION, THE STATE DEPARTMENT SHALL REIMBURSE ONLY EIGHTY PERCENT OF THE SALARY ESTABLISHED IN THE COMPENSATION PLAN PURSUANT TO RULES OF THE STATE DEPARTMENT OR EIGHTY PERCENT OF THE ACTUAL SALARY, WHICHEVER IS LESS. AFTER THE COUNTY PROVIDES FOR A SUCCESSOR MERIT SYSTEM AS PROVIDED IN THIS SECTION, THE STATE DEPARTMENT SHALL REIMBURSE ONLY EIGHTY PERCENT OF THE ACTUAL SALARY; EXCEPT THAT SUCH REIMBURSEMENT SHALL NOT EXCEED THE MAXIMUM STATE REIMBURSEMENT LEVEL ESTABLISHED BY THE STATE BOARD PURSUANT TO SUBSECTION (3) OF THIS SECTION.

~~(a) Minimum qualifications for merit system employees of county departments;~~

~~(b) Statewide competitive examinations for merit system positions in the county departments;~~

~~(c) Statewide promotional examinations for merit system employees in the county departments based on qualifications, examinations, and service ratings;~~

~~(d) Appointments to merit positions in the county departments to be made from registers of eligible persons certified in the order of merit with due consideration of veterans' preference. A list of all candidates who score ninety or above shall be submitted to the county department, and selection by the appointing authority shall be made from that list. In instances where fewer than ten eligible candidates with scores of ninety or above are available, selection shall be made from a sufficient number of eligible candidates not to exceed ten, which shall be taken from those names of eligible candidates on the register receiving the highest scores below ninety; but, when the state department does not furnish a county department with a register of eligible persons for an available position within sixty calendar days of formal request by a county for said register, the county appointing authority may proceed to appoint an otherwise qualified person to fill the position, and said person shall be deemed certified, as if he had appeared on a register of eligibles, with all the rights of any other probationary employee under the merit system.~~

~~(e) A probationary period to be served prior to certification as a permanent employee with security of tenure for satisfactory performance;~~

~~(f) Discipline, dismissal, separation, reinstatement, and transfers;~~

~~(g) The right of every applicant to or employee in the merit system to an appeal and to a fair hearing, in accordance with the rules and regulations of the state department, on matters concerning the status of such applicant or~~

~~employee. The administrative law judge for the state department may preside over any such fair hearing, prepare a record, take evidence, and make findings of fact and recommendations; but, notwithstanding the provisions of section 26-1-106, the merit system council shall make a decision concerning the applicant's or the employee's status, which shall be final agency action and which shall be reviewable in accordance with section 24-4-106, C.R.S., at the instance of an applicant, an employee, or a county department, each of which shall have standing for such purpose. In any case that review is taken by either an applicant or an employee in accordance with section 24-4-106, C.R.S., the county department shall be timely served by the plaintiff with a copy of its complaint, and the county may intervene as a party for such review.~~

~~(h) A classification plan based upon the duties and responsibilities of the merit system position;~~

~~(i) A compensation plan;~~

~~(j) Annual leave, sick leave, and other approved leaves including military and educational leaves;~~

~~(k) Emergency and provisional appointments;~~

~~(l) Prohibition of political activity;~~

~~(m) No discrimination;~~

~~(n) Service ratings;~~

~~(o) Such other rules and regulations as the state department shall deem necessary for the efficient administration and operation of the merit system.~~

~~(p) Exemption of employees from the merit system as provided in section 26-1-120.5.~~

~~(6) Repealed.~~

~~(7) The merit system council, as provided in section 24-32-2115, C.R.S., shall provide services described in this section to civil defense employees of the political subdivisions of the state, except where such employees are covered by another federally approved merit system.~~

SECTION 6. 26-1-117 (1), Colorado Revised Statutes, 1989 Repl. Vol., is amended to read:

26-1-117. County director - district director. (1) It is the duty of the county board to appoint a county director, who shall be charged with the executive and administrative duties and responsibilities of the county department, subject to the policies, rules, and regulations of the state department, and who shall serve as secretary to the county board, unless a secretary is otherwise appointed by the board. ~~The county director shall be exempt from the merit system established and maintained pursuant to section 26-1-120.~~ The salary of the county director shall be established by the board of county commissioners of the county. The state department shall ~~only~~ reimburse ~~eighty percent of the salary established in the compensation plan~~

~~pursuant to~~ OF THE COUNTY DIRECTOR AS PROVIDED IN section 26-1-120. ~~(5)~~

~~(i) or eighty percent of the actual salary, whichever is less.~~

SECTION 7. 26-1-120.5, Colorado Revised Statutes, 1989 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

26-1-120.5. Positions exempted from merit system - repeal. (1) In addition to county directors, exempted from the county department of social services personnel merit system pursuant to section 26-1-117, the following persons may be exempted from the merit system established and maintained pursuant to section 26-1-120:

- (a) Attorneys serving as legal counsel for a county department;
- (b) Part-time professional health and related personnel;
- (c) Time-limited appointments of less than one year for the purposes of conducting special studies, investigations, or specific projects such as in-service training;
- (d) Physical support positions such as unskilled labor, janitorial, or security; and
- (e) Student interns and public assistance applicants or recipients under time-limited appointments not to exceed two years for the purpose of developing basic skills through on-the-job training programs.

(2) The merit system supervisor for the county department of social services shall determine specific county department positions which shall be exempted pursuant to subsection (1) of this section. The supervisor's determination shall be subject to appeal to the merit system council as provided in section 26-1-120 (5) (g).

(3) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 1999.

SECTION 8. 24-32-2115, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended to read:

24-32-2115. Merit system. ~~The merit system council of the department of human services shall~~ ON AND AFTER JANUARY 1, 1998, IN ACCORDANCE WITH SECTION 13 (4) OF ARTICLE XII OF THE STATE CONSTITUTION, THE STATE PERSONNEL BOARD MAY provide personnel services ~~as described in section 26-1-120 (4) and (5), C.R.S.,~~ PURSUANT TO CONTRACT to civil defense employees of the political subdivisions of the state, except where such employees are covered by another federally approved merit system.

SECTION 9. 25.5-1-107 (1) (b), Colorado Revised Statutes, 1989 Repl. Vol., as amended, is amended to read:

25.5-1-107. Final agency action - administrative law judge - authority of executive director - direction to seek waiver of single state agency requirement - repeal. (1) (b) (I) Nothing in paragraph (a) of this

subsection (1) shall be construed to authorize review of decisions rendered pursuant to section 26-1-120, C.R.S.

(II) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JANUARY 1, 1999.

SECTION 10. 26-1-106 (1) (b), Colorado Revised Statutes, 1989 Repl. Vol., as amended, is amended to read:

26-1-106. Final agency action - administrative law judge - authority of executive director - direction to seek waiver of single state agency requirement - repeal. (1) (b) (I) Nothing in paragraph (a) of this subsection (1) shall be construed to authorize review of decisions rendered pursuant to section 26-1-120.

(II) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JANUARY 1, 1999.

SECTION 11. 19-1-116 (2) (a), Colorado Revised Statutes, 1986 Repl. Vol., as amended, is amended to read:

19-1-116. Funding - alternatives to placement out of the home. (2) (a) The county commissioners in each county may appoint a placement alternatives commission consisting, where possible, of a physician or a licensed health professional, an attorney, representatives of a local law enforcement agency, representatives recommended by the court and probation department, representatives from the county department of social services, a local mental health clinic, and the local public health department, a representative of a local school district specializing in special education, a

representative of a local community centered board, representatives of a local residential child care facility and a private not for profit agency providing nonresidential services for children and families, a representative specializing in occupational training or employment programs, a foster parent, and one or more representatives of the lay community. At least fifty percent of the commission members shall represent the private sector. The county commissioners of two or more counties may jointly establish a district placement alternatives commission. A PLACEMENT ALTERNATIVES COMMISSION MAY BE CONSOLIDATED WITH OTHER LOCAL ADVISORY BOARDS PURSUANT TO SECTION 24-1.7-103, C.R.S.

SECTION 12. 19-2-210, Colorado Revised Statutes, 1986 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

19-2-210. Juvenile community review board. (1.5) A JUVENILE COMMUNITY REVIEW BOARD MAY BE CONSOLIDATED WITH OTHER LOCAL ADVISORY BOARDS PURSUANT TO SECTION 24-1.7-103, C.R.S.

SECTION 13. 19-2-211, Colorado Revised Statutes, 1986 Repl. Vol., as amended, is amended to read:

19-2-211. Local juvenile services planning committee - creation - duties. If all of the boards of commissioners of each county or the city council of each city and county in a judicial district agree, there shall be

created in such judicial district a local juvenile services planning committee that shall be appointed by the chief judge of the judicial district or, for the second judicial district, the presiding judge of the Denver juvenile court from persons recommended by the boards of commissioners of each county or the city council of each city and county within the judicial district. The committee, if practicable, shall include but not be limited to a representative from the county department of social services, a local school district, a local law enforcement agency, a local probation department, the division of youth corrections, private citizens, the district attorney's office, and the public defender's office and a community mental health representative and a representative of the concerns of municipalities. The committee, if created, shall meet as necessary to develop a plan for the allocation of resources for local juvenile services within the judicial district for the fiscal year. Such plan shall be approved by the department of human services. A LOCAL JUVENILE SERVICES PLANNING COMMITTEE MAY BE CONSOLIDATED WITH OTHER LOCAL ADVISORY BOARDS PURSUANT TO SECTION 24-1.7-103, C.R.S.

SECTION 14. 19-3-308 (6) (a), Colorado Revised Statutes, 1986 Repl. Vol., as amended, is amended to read:

19-3-308. Action upon report of intrafamilial, institutional, or third-party abuse - child protection team. (6) (a) It is the intent of the general assembly to encourage the creation of one or more child protection

teams in each county or contiguous group of counties. A CHILD PROTECTION TEAM MAY BE CONSOLIDATED WITH OTHER LOCAL ADVISORY BOARDS PURSUANT TO SECTION 24-1.7-103, C.R.S. In each county in which reports of fifty or more incidents of known or suspected child abuse have been made to the county department or the local law enforcement agency in any one year, the county director shall cause a child protection team to be inaugurated in the next following year.

SECTION 15. 26-5.5-106 (1), Colorado Revised Statutes, 1989 Repl. Vol., as amended, is amended to read:

26-5.5-106. Family preservation commission - establishment or designation - duties. (1) The governing body of each county or city and county shall establish a family preservation commission for the county or city and county to carry out the duties described in subsection (2) of this section. The commission shall be interdisciplinary and multiagency in composition; except that such commission shall include at least two members from the public at large. The governing body may designate an existing board or group to act as the commission. A group of counties may agree to designate a regional commission to act collectively as the commission for all of such counties. A FAMILY PRESERVATION COMMISSION MAY BE CONSOLIDATED WITH OTHER LOCAL ADVISORY BOARDS PURSUANT TO SECTION 24-1.7-103, C.R.S.

SECTION 16. Effective date. This act shall take effect July 1, 1997.

SECTION 17. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.