Board of Human Services
2021 Budget Presentation

June 3, 2020
State / Federal Allocations Revenues

Denver Human Services’ largest revenue stream is state and federal reimbursement. For state fiscal year 2020-21, DHS expects a slight reduction in its state/federal allocations revenues.

- These revenue streams have proven to be highly variable in past downturns.
- In recent years, DHS has overspent its state allocations, but been largely covered by “surplus distribution.”
- Receiving surplus distribution may not continue in 2020 and beyond to the extent it has occurred recently.
Local Property Tax Revenues

Denver Human Services’ second largest revenue stream is local City and County of Denver property taxes. DHS is cautiously optimistic that projected 2020 property tax revenues will not fall materially in 2020 or 2021.

- This revenue stream has proven to be largely stable in past downturns.
- DHS anticipates minimal reduction to budgeted 2020 property tax revenue because of higher delinquencies.
- 2020 is not a reassessment year, but the property tax base may increase due to new construction.
Fund Balance and TANF Reserves

Since the last downturn in 2008, DHS has built up city fund balance reserves as well as Temporary Assistance to Needy Family (TANF) reserves held by the state that it can draw on to maintain and potentially expand services even if revenues fall.

- DHS has already seen a dramatic increase in applications for assistance. During difficult economic times, more people typically apply for food, medical, and financial assistance.

- DHS is optimistic it will be able to avoid drastic service cuts as occurred during past recessions by relying on its reserves, along with other measures, to maintain current services and adequately respond to increased demand.
Historical DHS Expenditures by Fund

$M

1996
Welfare reform introduces Temporary Assistance to Needy Families, State block grants, and lifetime caps on benefits.

Aid to Families with Dependent Children
(Includes Benefit Payments)

Old Age Pension

Aid to Needy Disabled

General Assistance

Child Care

Child Welfare

Service Delivery and Administration

Other

Works Program

Services for People with I/DD

Local Funded Community Services (Denver’s Road Home)

Affordability Programs

Homeless Services Transfers

Source: Annual City and County of Denver Budget Books | Adjusted for Inflation – 2018 Dollars | Excludes Grants
Historical DHS Expenditures by Source

Denver voters approve one mill property tax levy for services for people with intellectual and development disabilities (I/DD) administered by DHS.

Source: Annual City and County of Denver Budget Books | Adjusted for Inflation – 2018 Dollars | Excludes Grants
Current DHS Fund Balance

As of Dec. 31, 2019

NOTE: Excludes grant funds.

** $6.5M of this balance dedicated to homeless services has transferred to the new Department of Housing Stability (HOST)
**TANF Reserves**

- DHS currently has about $10.0M available in its Temporary Assistance to Needy Families (TANF) reserves.
- TANF reserves can be used for expenses associated with TANF, child welfare, or child care, including to cover overspending of those state allocations.
- During the Great Recession, DHS relied heavily on its TANF reserves for all three programs identified above.
- These reserves are held off of DHS’s books in a state account. DHS’s TANF Reserves are NOT currently appropriated in the 2020 budget.
- DHS’s TANF reserves are capped at 40% of its annual TANF allocation or about $10.2M. The cap could fall in SFY20-21 if DHS’s allocation falls.
## 2020 DHS Budget by Fund

### Service Delivery and Administration (13008)

- **Family & Adult Assistance (FAAD):** $40.2M | 417 FTEs
  - Executive Management: $12.6M | 13 FTEs
  - Human Services Legal Services*: $6.5M | 0 FTEs
  - Facilities & Security: $5.0M | 8 FTEs
  - Office of Human Resources*: $2.2M | 0 FTEs
  - Marketing & Communications: $1.5M | 10 FTEs
  - Performance Improvement and Accountability (PIAD): $11.9M | 131.2 FTEs
- **Child Support Services:** $10.7M | 132 FTEs
- **Community Outreach and Resource Engagement (CORE):** $6.4M | 70 FTEs
- **Financial Services:** $6.8M | 54.2 FTEs
- **Adult Protective Services:** $2.2M | 23 FTEs
- **Information Systems and Technology:** $2.0M | 9 FTEs

**Total:** $108.0M | 867.4 FTEs

### Child Welfare (13005)

**Total:** $44.6M | 356 FTEs

### Services for People with I/DD (13304)

**Total:** $21.3M

### Services for People with I/DD Transfer

- **Transfer to General Fund**: $9.0M
- **Grants and Cash Basis SRFs**: $6.2M
- **Affordability Programs (13813)**: $6.1M | 7 FTEs
- **Child Care (13017)**: $4.5M | 14 FTEs
- **General Assistance (13305)**: $2.3M | 2 FTEs
- **Aid to Needy Disabled (13303)**: $1.0M
- **Transfer to Alternative Transportation SRF**: $30K
- **Transfer from Homeless Services Fund (13812)**: $367K

**Total:** $206.4M | 1,246.4 FTEs