

State & County Commissioner Districting Conversations: Meeting #2

January 23, 2026



COLORADO
Department of Health Care
Policy & Financing



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Department of Human Services



Agenda

- State & CCI Opening Remarks
- Review Answers to Questions to Meeting #1
- Fiscal Modeling
- Next Steps and Plan for Meeting #3



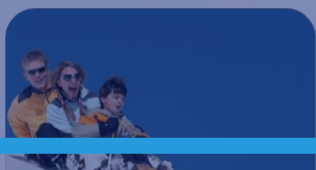
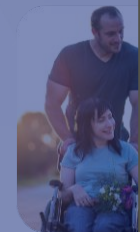
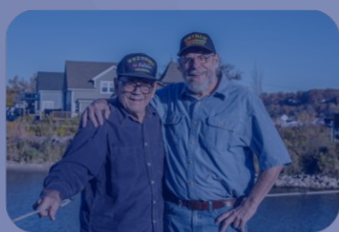
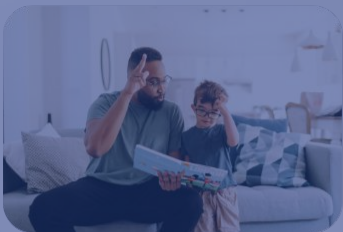
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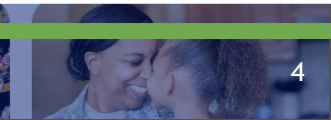
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Review Answers to Questions from Meeting #1



Questions and Responses

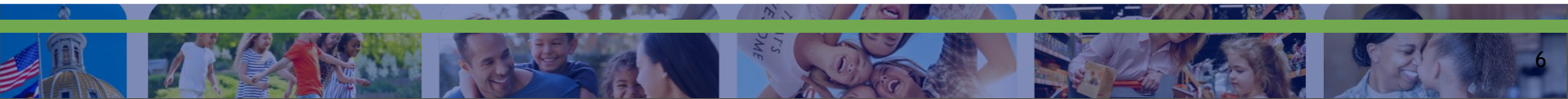
Sampling of questions:

1. **Model:** *We agree on the problem and the goals, but not necessarily on the model. Is the "green box"/Hub model a "done deal" or can we agree on a vision and look at 2-3 different scenarios to consider?*
2. **District Financial Modeling:** *Where are the time and work studies/data that shows this District model will result in savings?*
3. **Error Rates:** *Given that the state is not expecting PER and PERM to improve immediately through benefit regionalization and shared services, how is that risk being contemplated by the state in the balance between state and counties/districts in performance based contracts?*
4. **Legislative Process & Operational Details:** *Given the number of implementation and fiscal questions that are still being worked through, is it worth considering whether this legislative cycle is the right moment to advance statutory changes related to shared services and districts?...*

Refer to the full Q&A document for the full list of the questions and answers



Fiscal Modeling



How Funding Will Work Under Districting

GOAL = COST CONTAINMENT

How Funding Will Work Under Districting

What stays the same

- County allocations will continue to be *calculated* individually based on the current Allocation Committee process.
- There will be no reductions to the county administration appropriation for HCPF or CDHS in State Fiscal Year 2026-2027 for districts.

What changes under districting

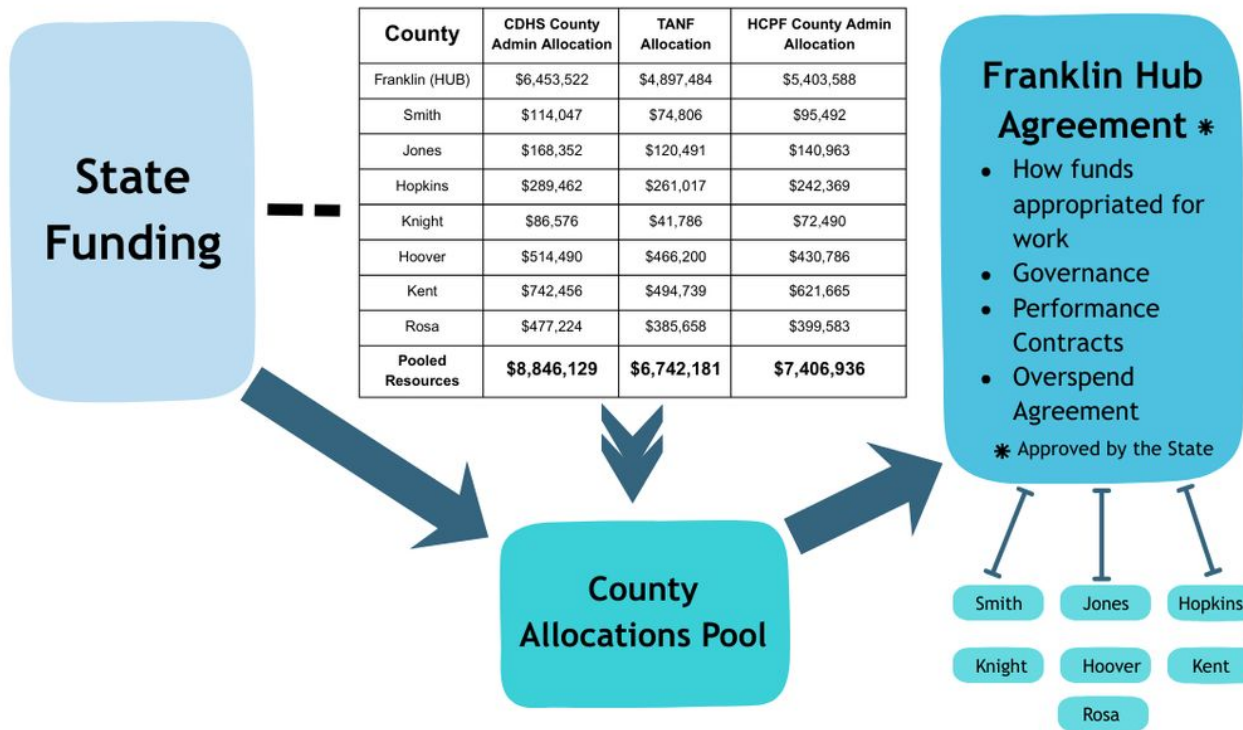
- Counties enter into agreements with a hub county — creating districts — to pool funding for eligibility programs. This funding goes directly to the hub.
- Some of the counties within the district (non-hub) could see an impact with indirect cost reimbursements.
- Through these agreements, eligibility funding is managed by the hub counties rather than by 64 counties.

How Funding Will Work Under Districting: Costs and Responsibilities

District Agreements:

- Establish the hub county for the district. The hub county serves as the fiscal and administrative agent on behalf of the district.
- Define how costs are shared, including direct staff costs, shared staffing and program indirect costs. The agreement will allow counties to determine the scope of services performed locally, including whether counties retain local eligibility staff versus those administered through the hub.
- Define how district allocation overspend will be addressed and paid for, if it occurs.
- Ensure each county retains a front desk presence.

How Funding Will Work Under Districting: “Franklin” Hub Example



History of Our Fiscal Analysis

Goals of the analysis

- Illustrate how costs may shift once a district model is implemented

Considerations and limitations of the analysis

- The analysis is reflecting what FY24-25 would look like with districting. Agreed-upon methodology can be applied to future years.
- Due to the stage of policy development for districting, this analysis was **NOT** conducted to inform the Budget Amendment
- The analysis doesn't reflect what year-to-year costs will look like for implementing districting, or up-to-date salary information due to data limitations.

Next steps

- Agree on a methodology
- Develop solutions around indirects.
- To explore how efficiencies may be realized across districts.
- Answer and create policies for full list of [Districting Fiscal Modeling Policy Questions](#) with county subject matter experts

What the Initial Analysis Does & Does Not Include

Program Funding

Included:

- Supplemental Nutrition Assistance Program (SNAP) and Adult Financial
- Medicaid and Medical Assistance programs administered through CBMS

Needs to be incorporated:

- Temporary Assistance for Needy Families (TANF)
- Old Age Pension

Policy Considerations

Included:

- Base level understanding of how districts will implement.

Needs to be incorporated:

- Where the workload will live in the final model.
- Timing for implementation.
- How FTE will truly shift within these continuums.
- Discussion around indirect impacts.

Fiscal Analysis

Included:

- We have a baseline fiscal analysis that can be adjust to ongoing discussions.

Needs to be incorporated:

- Additional input from County finance to agree on impacts. Collaboration.
- A year by year breakout and not just a snapshot of FY 2024-25.
- Agreed methodology on how changes will impact funding.

Why Cost Structures Differ for Small and Medium Counties

Small Counties

- Very low caseloads relative to required staffing structures
- Leadership and management roles funded through SNAP and Medicaid program indirect are required to meet federal and State program oversight and accountability requirements regardless of caseload. This means efficiencies in case processing alone may not materially reduce cost per case for small counties.
- Some small counties face high wages and cost-of-living pressures due to regional labor market constraints, limited workforce availability, and geographic isolation.

Medium Counties

- Larger caseloads could allow some sharing of supervisory and specialized roles.
- Medium counties may not realize significant cost-per-case reductions on their own, but they can contribute to – and benefit from – shared structures at the district level.
- Wage and cost-of-living pressures vary widely by region and can limit flexibility even where caseloads are higher.

Why Districts Help

- Certain SNAP and Medicaid eligibility-related administrative and supervisory functions could be shared across counties under a district structure, reducing duplication while maintaining county leadership roles.
- Required SNAP and Medicaid oversight and support functions are less likely to be duplicated in every county.
- Differences reflect structural and regional labor market realities, not county performance.

What Our Initial Analysis Examines

TOTAL FUNDING & ASSOCIATED SPENDING AS OF FY24-2025	
FUNDING ANALYSIS COMPONENT	DOLLARS
CDHS & HCPF BASE ALLOCATION	\$ 184,309,856
CDHS & HCPF BASE SPENDING	\$ 230,819,362
TOTAL CURRENT SPENDING	\$ (46,509,506)
TOTAL COST REDUCTIONS FROM REDISTRICTING	
FUNDING ANALYSIS COMPONENT	DOLLARS
CASE MIGRATION TO HUB COUNTY	\$ 26,384,676
FTE MIGRATION TO HUB COUNTY	\$ 5,785,126
TOTAL REDUCTION	\$ 32,169,802
*TOTAL SHIFTING OF WORKLOAD/DOLLARS	
FUNDING ANALYSIS COMPONENT	DOLLARS
COUNTY INDIRECT SHIFTS	\$ 12,146,289
SHARED SERVICES ADJUSTMENT	\$ 24,946,840
TOTAL SHIFTING OF DOLLARS	\$ 37,093,129
*THIS LINE REPRESENTS A SHIFT IN FUNDS AND NOT TRUE COST REDUCTION	

The initial analysis uses

- Actual county spending rather than allocations
- Current caseloads (it does not assume future caseload growth or policy-driven workload increases)

The initial analysis projects

- Cost per case impacts
- County indirect impacts
- FTE impacts

How the Analysis Works: Cost Per Case (North East District Example)

The math

		CDHS/SNAP County Admin			
	County	FY 24-25 Allocation	FY 24-25 Spending	FY 24-25 Avg. Caseload	Cost/Case- Spending
	Phase 1				
North East	Weld County	\$5,845,387	\$7,635,805	18,415	\$414.65
North East	Cheyenne County	\$86,576	\$88,407	136	\$650.05
North East	Kit Carson County	\$150,623	\$138,157	386	\$357.92
North East	Lincoln County	\$118,375	\$219,212	378	\$579.93
North East	Logan County	\$487,262	\$676,210	1,517	\$445.75
North East	Morgan County	\$666,414	\$588,524	1,736	\$339.01
North East	Phillips County	\$86,576	\$81,480	250	\$325.92
North East	Sedgwick County	\$86,576	\$75,645	226	\$334.71
North East	Washington County	\$93,308	\$160,898	284	\$566.54
North East	Yuma County	\$189,534	\$312,316	577	\$541.28
North East	Totals & Analysis	\$7,810,631	\$9,976,654	23,905	\$24,060.34
					\$9,912,241

1. The **hub county's cost per case** (\$414.65*) is used as a proxy for how efficiently work could be processed when resources and work is pooled.

2. To calculate the potential spending "need" of the district, multiply the **total avg. caseload for the district** (23,905) by **hub county's cost per case** (\$414.65*).

$$23,905 \times \$414.65 = \$9,912,241^*$$

The **potential spending "need" of the district** is \$9,912,241*.

* reflects numbers that have been rounded

How districts are structured

Counties are grouped into districts anchored by a hub county.

County administrative funding is pooled at the hub level.



How the Analysis Works: Cost Per Case (North East District Example, Continued)

		CDHS/SNAP County Admin			
County		FY 24-25 Allocation	FY 24-25 Spending	FY 24-25 Avg. Caseload	Cost/Case- Spending
Phase 1					
North East	Weld County	\$5,845,387	\$7,635,805	18,415	\$414.65
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The math, continued

3. The **potential spending need of the district** (\$9,912,241) is compared to the district's actual **FY 24-25 spending** (\$9,976,654) to assess whether projected district spending can be fully covered.

$$\begin{matrix} \$9,912,241 < \$9,976,654 \\ \text{Need} & \text{Spending} \end{matrix}$$

Result: In this example, the **potential spending need of the district** is less than the district's actual **FY 24-25 spending**, indicating efficiency and potentially less spending under a districting model.

$$\begin{matrix} \$9,976,654 - \$9,912,241 \approx \$64k \\ \text{Spending} & \text{Need} & \text{Difference} \end{matrix}$$

How the Analysis Works: Indirects

What are indirects

- Costs that support the overall operations of a county (e.g., executive director, human resources specialist, etc.)

How Indirects are Impacted

- Shifting of workload adjusts the amount of administrative cost or indirects a county can be reimbursed. Any shortfalls in indirect costs will need to be funded in a different way. This is where we need to start discussions regarding impacts on small and medium-sized counties.

CDHS County Admin Indirect Analysis

Indirect Rate	Indirect per Case	Shortfall	FY 24-25 Avg. Caseload
32.82%	\$246	\$35,236	1,116
11.81%	\$298	\$66,814	800
43.52%	\$293	\$54,499	694
5.01%	\$920	\$11,284	16
15.92%	\$259	\$11,430	256
15.62%	\$286	\$16,637	231
Totals		\$195,900	3,779

The Math

- Calculated the indirect costs supported by county admin funding on a per case basis.
- We have the math showing impacts on those counties. This is a discussion point that needs to be discussed in policy conversations.

Example

100 cases at \$1,000 per case = \$100,000
(100 x 1,000 = 100,000)

Indirect rate of 30% = \$30,000



How the Analysis Works: FTE Migration

How FTE Migration is Calculated

- Used SB 22-235 Funding Model wage and staff data
- All associated FTE in the SNAP space for large, medium and small counties
- These reductions are currently illustrated using a **50 percent attrition** for non-eligibility workforce proxy
- All staff in this category are assumed in the fiscal modeling to increase to a large county model. This can be refined to the local hub, but the state will need that data.

Impacted Staff Classification

- Supervisors
- Managers
- Customer Service
- QA
- Program Integrity
- Fraud
- Claims
- Support Staff
- Finance
- EBT

Supervisors Example:

Average cost for small and medium counties staff increases to a large county salary

Small & Medium	\$60,000
Large	\$90,000

Difference | \$30,000 more to employee

Managers reduce from 10 FTE to 5 FTE

$$\$600,000 - \$300,00 = \$300,000$$

$$\$30,000 \text{ increase to 5 FTE} = \$150,000$$

$$\$300,000 - \$150,000 = \text{\textbf{\$150,000 final assumption}}$$

What Our Analysis Tells Us & What to Expect

What this analysis shows

- Districting provides a structure to control costs

What this analysis does not do

- Assume immediate savings
- Prescribe staffing or pay changes

What we still need to address

- Agreed upon methodology (in future workgroups)

Implementation timing and expectations

- In the first year of implementation, pooled resources are expected to be fully committed to operations.
- Any efficiencies and staffing adjustments are expected to emerge over time rather than immediately.

Outstanding Fiscal Policy Questions

- County engagement is necessary to answer outstanding questions and create policies
- **Next steps:** Engage county subject matter experts in [Districting Fiscal Modeling Policy Questions](#)

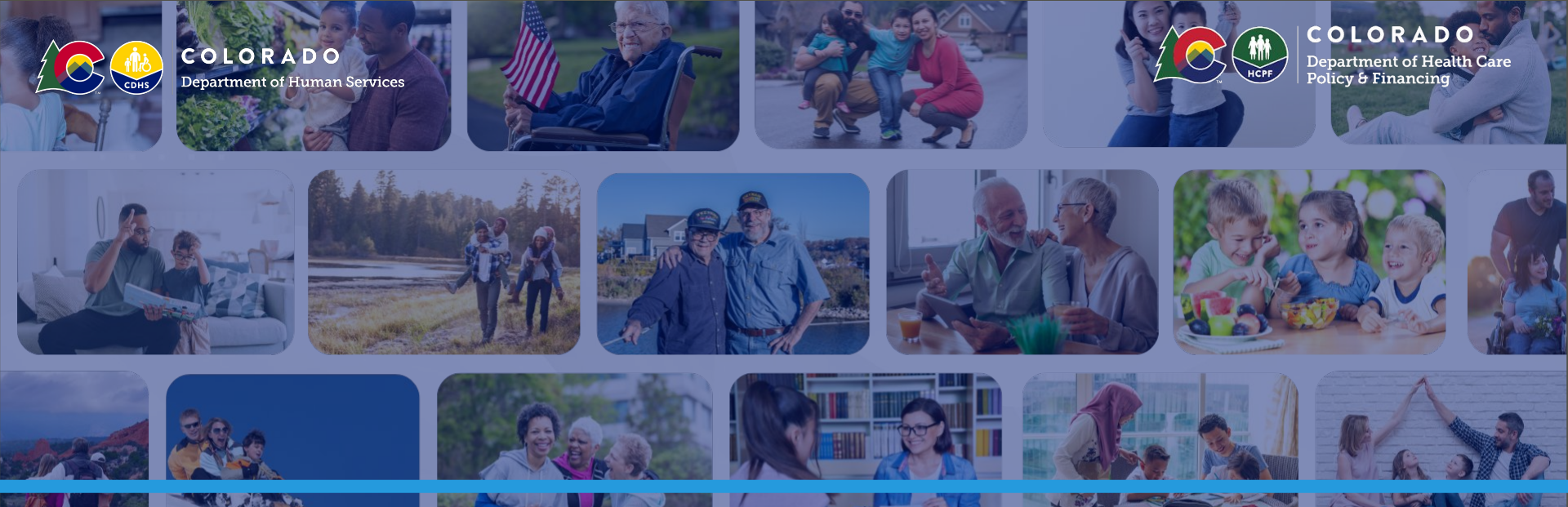


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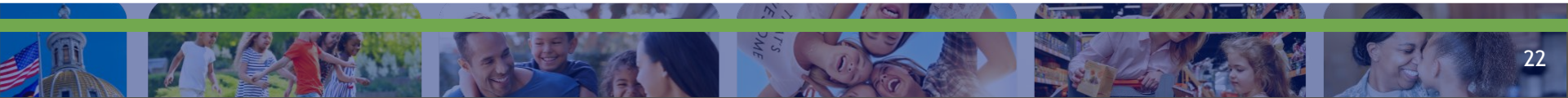
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Next Steps & Plan for Meeting #3





Resources and Links



For Reference: Budget Amendment Process Overview

Timeline

- **January 2:** Budget Amendments/Supplementals sent to the General Assembly
 - Emily Hanson and Jo Donlin will kick off statute discussions in January post supplemental release.
- **January and Early February:** JBC staff briefings
- **February and March:** JBC deliberates as part of the Long Bill process
- **Late March and Early April:** Any needed statute changes usually run as “orbital” bills during this time

Contacts

Emily Hanson, CDHS Legislative Liaison
emily.hanson@state.co.us
303-866-3019

Jo Donlin, HCPF Legislative Liaison
jo.donlin@state.co.us
720-610-7795



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For Reference: County by County Enrollment & Caseload Information

Health First Colorado (Medicaid) & Child Health Plan *Plus* (CHP+)

- Enrollment data is updated monthly and available at [Colorado.gov/hcpf/budget/FY-Premiums-Expenditures-Caseload-Reports](https://colorado.gov/hcpf/budget/FY-Premiums-Expenditures-Caseload-Reports)
- Enrollment is also rolled up into Regional Accountable Entity (RAE) region on page 7 of our monthly Medicaid Expenditure Premiums & Caseload Report. This is published monthly and available at the link above.

SNAP

- Enrollment data is available at <https://cdhs.colorado.gov/snap-data>
- Year-to-date caseload by county data for 2025 is available at <https://docs.google.com/spreadsheets/d/1ojmnZPGJTDcv52he5BAtnu06ryJzesxg>

TANF

- Enrollment data is available on <https://cdhs.colorado.gov/colorado-works>
- Colorado Works/TANF caseload data is available at https://docs.google.com/spreadsheets/d/1M_f57fKLmSbD4hdNM1BS7nzyF6xcOm05-Cdqexuz50Y



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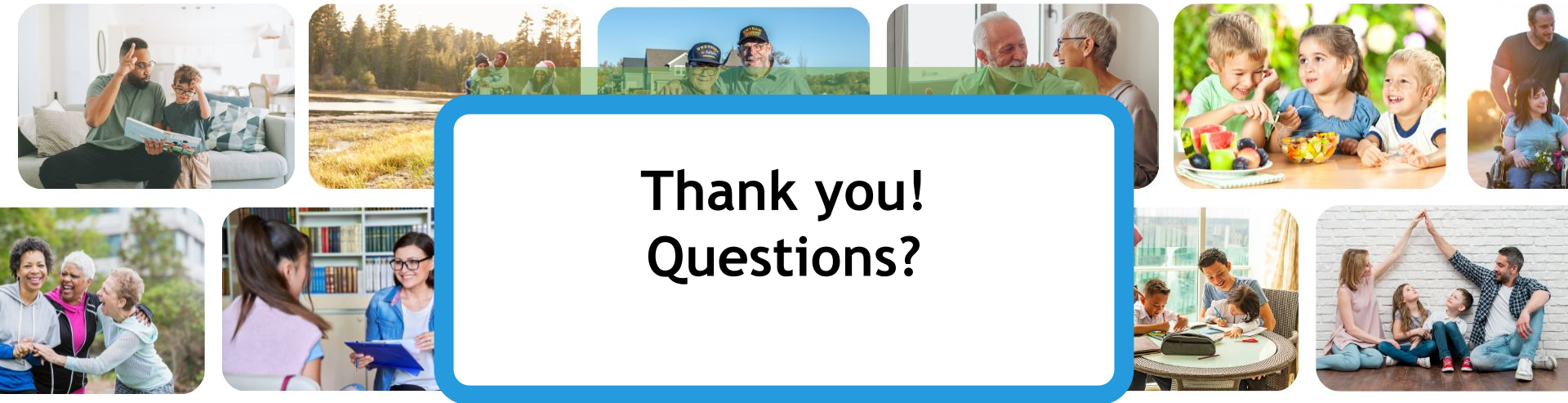


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For Reference: Background Documents

- [BACKGROUND DOC Serving Coloradans via Districts 11.26 DRAFT.pdf](#)
- [NOTES: Colorado State/County Districting Advisory Group: Meeting #1](#)
- [FINAL Colorado State County Districting Advisory Group Meeting #1v2.pdf](#)
- [NOTES: Colorado State/County Districting Advisory Group: Meeting #2](#)
- [FINAL Colorado State County Districting Advisory Group Meeting #2.pdf](#)
- [NOTES: Colorado State/County Districting Advisory Group: Meeting #3](#)
- [FINAL Colorado State County Districting Advisory Group Meeting #3.pdf](#)
- Shared Services and Districting Website/landing page
- County Commissioners packet (coming soon)
- Shared Services [Overview](#) & Fact Sheet
- Districting Overview & Fact Sheet
- [Budget/Legislative Item: Shared Services](#)
- [Budget/Legislative Item: Districting](#)
- [Districting FAQ](#)
- [Shared Services FAQ](#)





Thank you!
Questions?

