

Date: Monday, June 8, 2026

Time: 10:00 AM

Location: Larimer County Administrative Services Building, 2nd Floor, Commissioners' Conference Room 200 West Oak Street, Fort Collins, CO 80521

Board of Social Services Minutes

Introductions and Announcements

- **Commissioner John Kefalas:** Called the work session to order at 10:00 a.m., convening as the Board of Social Services for the quarterly Human Services update.
- **Attendees:** Commissioner John Kefalas, Commissioner Kristin Stephens, County Manager Lorenda Volker, Assistant County Manager Laurie Kadrach, Human Services Director Heather O'Hayre, Deputy Director Shannon Reiff, Division Manager Kim Moeller (BCS), Division Manager Thad Paul (CYF), Division Manager Jonathan Anderson (OOD), and Business Operations Coordinator Kalene Rowley. *Note: Commissioner Jody Shaddock-McNally was absent.*

Additions to the Agenda

- **County Manager Lorenda Volker:** Requested adding a brief discussion regarding the June 1st deadline for work requirements as it relates to Medicaid and SNAP, noting that there is confusion in the community regarding how these requirements are playing out.
- **Director Heather O'Hayre:** Agreed to integrate the work requirements discussion into the timeline for the House Bill 1429 legislative update. Additionally, requested to wrap up the meeting with two staff accomplishment highlights that were not originally on the agenda.

Agenda Items

1. Human Services Executive Leadership Team - Heather O'Hayre

- **Director Heather O'Hayre:** Outlined recent structural changes, noting the department has consolidated down to three divisions.
 - The Aging and Adult Services division was dissolved due to decreasing and flat funding, as maintaining it as a standalone division was no longer cost-effective.

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- Long-Term Care Medicaid has transitioned to the Benefits and Community Support (BCS) division, aligning specialized case loads with the rest of the eligibility programs.
- Adult Protection Services (APS) is transitioning to the Children, Youth, and Family (CYF) division under Thad Paul, mirroring the protective services focus the county utilized up until 2018.
- The Office on Aging has transitioned to the Operations and Organizational Development (OOD) division under Jonathan Anderson to better align with contracts and procurement teams.
- Policy Analyst Hannah Ditzenberger is currently on maternity leave but remains a key part of the policy team.
- **Commissioner Kristin Stephens:** Inquired why services previously configured to the Office on Aging in 2018 were moving, and questioned if this places an increased workload and responsibility on the Division Managers.
- **Director Heather O'Hayre & Division Manager Thad Paul:** Explained that previous structures lacked a cohesive strategic plan for older adults, which has since been developed with CSU using ARPA funds. Regarding capacity, they intentionally structured direct reports to support Division Managers. Paul noted that a vacant supervisor position was replaced by a Deputy over APS (Merrissa Scranton), freeing up capacity and safely managing the learning curve.
- **Deputy Director Shannon Reiff:** Introduced herself, noting her return to Larimer County. She previously worked for the county for 12 years in child protection, IT, and operations before spending five years away at a tech startup (SIGBEE) and as a strategic consultant for Healthcare Policy and Finance (HCPF).
- **Division Manager Kim Moeller (BCS):** Introduced herself, sharing her 13-year background in suicide prevention, most recently working with the Alliance for Suicide Prevention and North Range.
- **Division Manager Jonathan Anderson (OOD):** Shared he has been with the county for 19 years, starting in the child welfare system, and naturally gravitated toward operations and project management.
- **Business Operations Coordinator Kalene Rowley:** Introduced herself, detailing her past decade working for the U.S. House of Representatives. She serves as the point of contact for complaints, grievances, civil rights, and the child protection ombudsman.

2. State Fiscal Year 2027 Child Welfare Core Services Plan - Thad Paul

- **Division Manager Thad Paul:** Presented the SFY 2027 Core Services Plan. He clarified that while the Larimer County Inter-agency Oversight Group (LCIOG)

was decommissioned as a BOCC appointed board, they still function actively as the collaborative management program (CMP) board and help inform this core services plan.

- **Funding and Structure:** The plan is required annually to draw down state and federal funds, which operate primarily on an 80/20 cost share (state/federal vs. county). Larimer submits a "Main Core Plan" and a "Core 2 Plan." The Core 2 Plan demonstrates anticipated overspending, allowing the county to claim unspent Promoting Safe and Stable Families (PSSF) funds from the state. Last year, this strategy resulted in an additional \$195,000 for the county.
- **Budget Reductions:** There is a \$6.7 million state reduction in the core allocation this year, though it is being shifted to the child welfare block, acting as a break-even for the county. However, due to a statewide lack of closeout dollars, Larimer is intentionally reducing non-mandated spending from \$5.4 million (FY23) to an estimated \$4.2 million this year by making shifts in personnel rather than cutting critical services.
- **Service Highlights:**
 - *Family Time:* The largest investment at \$1.1 million, utilizing eight contracted agencies to facilitate court-mandated supervised visits to maintain essential family bonds.
 - *Family Meetings & Coaching:* The team facilitates around 1,300 family meetings annually to design support networks. Coaching uses 39 contracted agencies across 92 distinct service arrays for highly individualized care.
 - *Trauma & Behavioral Health:* Includes CSU resilience assessments, EMDR, equine therapy, and Trust-Based Relational Intervention (TBRI).
 - *Juvenile Justice:* Operates the evidence-based "Family Partnerships" program to keep high-risk youth on probation out of the prison system.
- **High Acuity Youth (HB 24-1038):**
 - **Commissioner John Kefalas:** Asked about the intersection of intensive family therapy, the intensive behavioral health services legislation (HB 24-1038), and children with highly co-occurring needs.
 - **Director Heather O'Hayre & Division Manager Thad Paul:** Explained that HB 1038 injected several million dollars into the system to expand workforce and placement continuums for youth who cannot safely stay home. Core Services acts as the "payer of last resort," intentionally braiding and blending Medicaid and Behavioral Health Administration funds first to ensure kids get what they need.

3. Legislative Update - Heather O'Hayre

- **Child Care Assistance Program (CCAP) Update:**

- **Deputy Director Shannon Reiff:** Shared that Larimer County has been on a CCAP enrollment freeze for 2.5 years (since Feb 2024), resulting in a 40% reduction in children served. The state Department of Early Childhood (DEC) overspent their federal Child Care and Development Fund (CCDF) reserves by \$39 million annually and is reducing the statewide county appropriation by \$20 million to mitigate a projected 2028 fiscal cliff. Larimer County estimates a \$1 million reduction for the SFY 26-27.
- **Legal Review:** The County Attorney's office is partnering with other counties to review whether the DEC has the legal authority to cut this appropriation without the agreement of the statutory CCAP Allocation Committee.
- **Commissioner Kristin Stephens:** Asked about the mechanics and timeline of opening a waitlist.
- **Deputy Director Shannon Reiff:** Explained that moving to a waitlist prioritizes four groups: unhoused families, TANF recipients, children with special needs, and teen parents. The shift is administratively burdensome, requiring staff to rework applications for the roughly 1,000 families on the freeze list within 40 days using a complex scoring matrix.
- **Commissioner John Kefalas:** Questioned the transparency of the DEC's budget cut during the legislative process.
- **Director Heather O'Hayre:** Confirmed the department was not transparent with the Joint Budget Committee (JBC) about the exact reduction amount. She noted the DEC has also decreased the total number of eligible children served (from 10% to 5-6%) due to massive increases in provider payment rates required to fix previous audit non-compliance.

- **Legislative Wrap-Up:**

- **Director Heather O'Hayre:** Provided a wrap-up, noting severe state budget constraints leading to underfunded human services and significant Medicaid cuts over the next few years.
- **Work Requirements (Medicaid & SNAP):** Addressing Lorenda Volker's earlier question, O'Hayre clarified that Medicaid work requirements do not begin until October 2027. The county is working with the American Public Human Services Association (APHSA) and 40 community partners to build

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an 18-month roadmap to scale volunteer and work opportunities. The confusion stems from the Medicaid expansion population now having to re-certify every 6 months instead of 12 (notices went out in June). The JBC appropriated *17million* (1 million for Larimer) to handle this doubled administrative workload.

- **Key Passed Bills:** Highlighted HB 1075 (redirects federal prevention dollars back to child welfare), HB 1347 (expands Social Security screenings for youth; Larimer won a \$230,000 grant to build best practices), SB 188 (delays residential placement Medicaid capitated payment shifts), and SB 181 (implements basic cash assistance policy changes for TANF sustainability).
- **House Bill 26-1429 (Human Services Restructure):** O'Hayre thanked Commissioner Stephens for her rigorous negotiations that prevented the state from forcing large counties to hold fiscal oversight over smaller counties. The bill centralizes fraud and recovery through a competitive state contract, creates up to 12 work-sharing "cohorts", and mandates massive technology enhancements to CBMS (complete rebuild by 2029) and PEAK. A state/county Continuous Quality Improvement (CQI) committee launches this week, chaired by O'Hayre.
- **SNAP Payment Error Rates:** Commissioner Kefalas asked about SNAP error rates. O'Hayre announced Larimer County achieved a 0% payment error rate for the last quarter. However, Colorado's statewide error rate is 8%. If it doesn't drop below 6%, the state faces a 70–100 million federal penalty. Counties are heavily advocating via the Farm Bill to delay the penalty, arguing that last fall's government shutdown forced unavoidable errors.
- **RFP for Program Integrity:** Commissioner Kefalas asked if Larimer should apply to oversee the centralized fraud contract. O'Hayre recommended against it, citing the state will likely underfund the contract and the return on investment for fraud recovery is generally very low.

Other Business

- **Staff Accomplishments:**

- **Director Heather O'Hayre:** Highlighted that Division Manager Thad Paul presented to the Child Welfare Allocation Committee at the CCI conference. He utilized deep data to prove that state legislation changes

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(e.g., kinship care, family time) over the last five years are costing counties tens of millions of dollars in unfunded mandates.

- **Deputy Director Shannon Reiff:** Announced the Child Support Team won three awards at the Colorado Family Support Council conference: Recognition for meeting all three state goals, meeting all four federal measures, and being named the "Outstanding Large County for 2025". The 28-person team collects nearly \$20 million annually.
- **Closing Comments:**
 - **Commissioner Kristin Stephens:** Praised Thad Paul's data presentation, noting it is essential for showing legislators the true cost of "new and shiny programs" when base operations are unsustainable. Offered assistance to lobby the federal delegation regarding the Farm Bill and SNAP error penalties.
 - **Commissioner John Kefalas:** Requested to observe the red team and the benefits computer systems again. Emphasized that human services work requires robust county funding to leverage external dollars for vulnerable community members.
 - **County Manager Lorenda Volker:** Commended the Human Services team for their dedication, reminding attendees that behind the complex administration, funding, and systems are real, vulnerable people. She praised the team's resiliency and ability to break down highly complex issues for the public.

Adjourn

- **Commissioner John Kefalas:** The meeting was adjourned at 11:55 a.m..