

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2012-13 STAFF BUDGET BRIEFING  
DEPARTMENT OF HUMAN SERVICES**

**(Executive Director's Office, Office of Information Technology Services,  
and Office of Operations)**

**JBC Working Document - Subject to Change  
Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:  
Kevin Neimond, JBC Staff  
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For Further Information Contact:

Joint Budget Committee Staff  
200 E. 14th Avenue, 3rd Floor  
Denver, Colorado 80203  
Telephone: (303) 866-2061  
TDD: (303) 866-3472

**FY 2012-13 BUDGET BRIEFING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

**DEPARTMENT OF HUMAN SERVICES**

**(Executive Director’s Office, Office of Information Technology Services,  
and Office of Operations)**

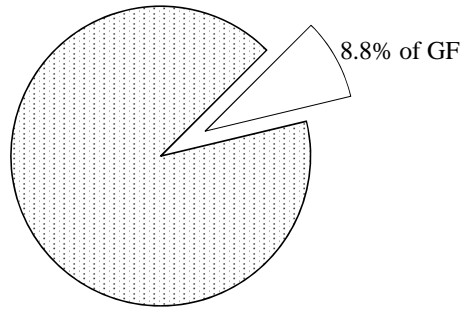
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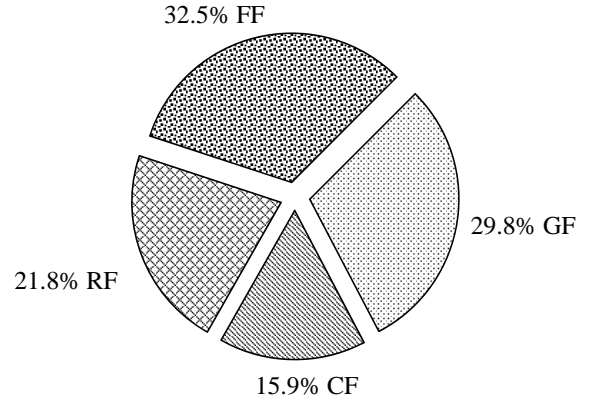
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**GRAPHIC OVERVIEW**

**Department's Share of Statewide General Fund**

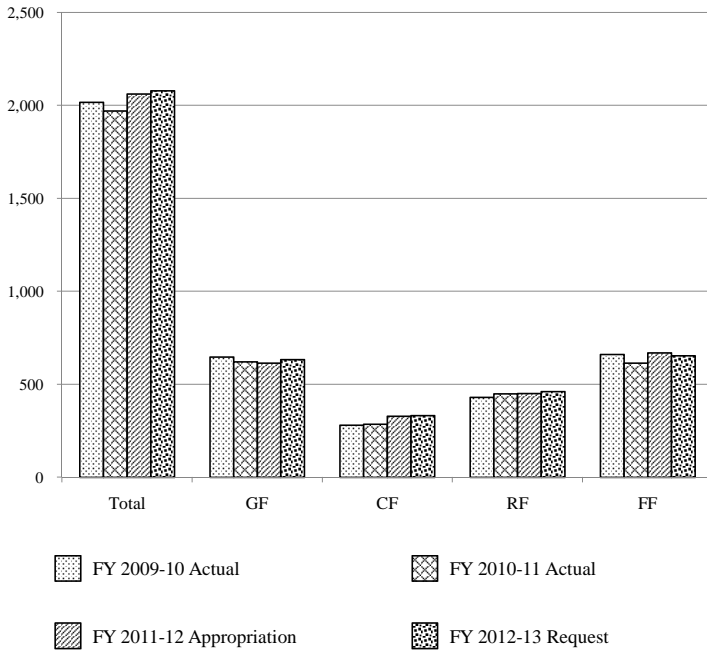


**Department Funding Sources**

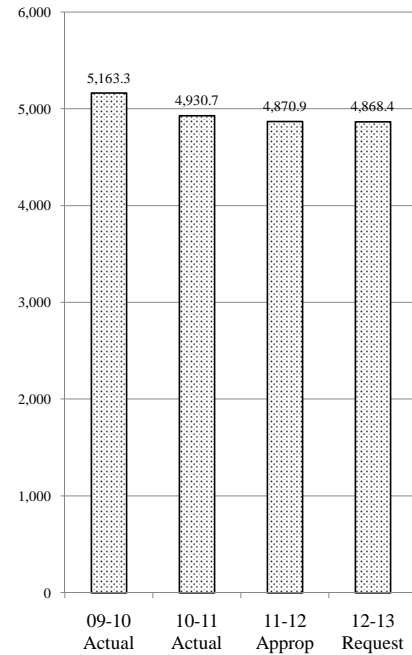


Note: If General Fund appropriated to the Department of Health Care Policy and Financing for human services programs were included in the graph above, the Department of Human Services' share of the total state General Fund would rise to 11.8%.

**Budget History  
(Millions of Dollars)**

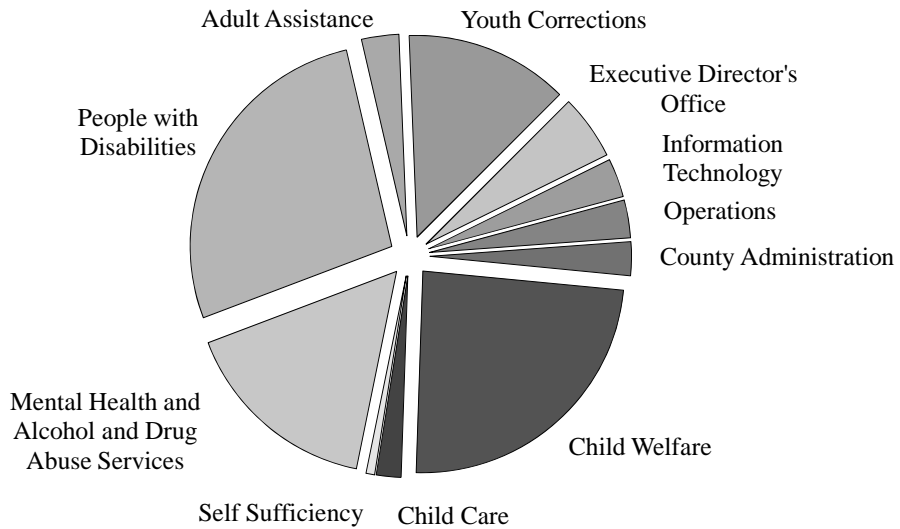


**FTE History**



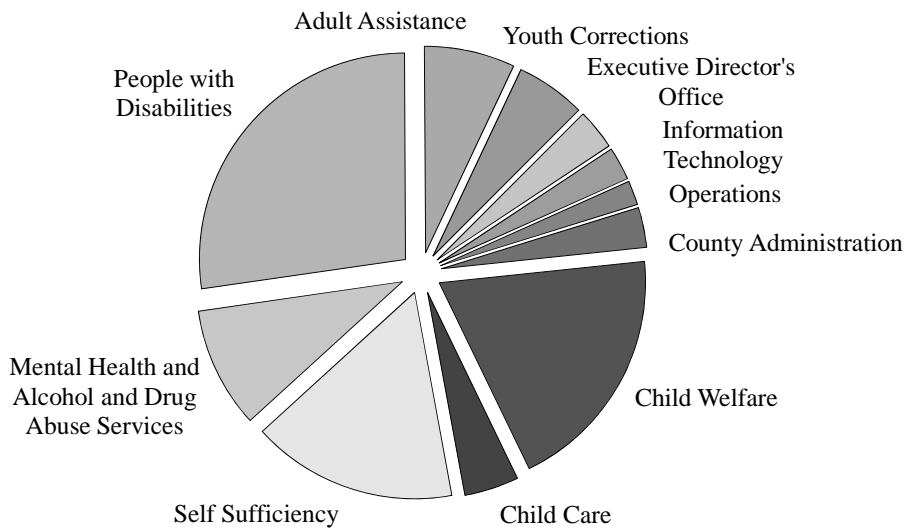
Unless otherwise noted, all charts are based on the FY 2011-12 appropriation.

**Distribution of Net General Fund\* by Division  
FY 2011-12 Appropriation = \$827.5 million**



\*Net General Fund includes General Fund appropriated to the Department of Human Services and General Fund appropriated to the Department of Health Care Policy and Financing for human services programs.

**Distribution of Total Funds by Division  
FY 2011-12 Appropriation = \$2.1 billion**



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**DEPARTMENT OVERVIEW**

**Key Responsibilities**

- The **Executive Director's Office** serves as the central administrative office responsible for general office policy, budgeting, public information, human resources, internal audits, and outreach to county departments of human services (field administration). The Executive Director's Office also includes appropriations for various boards and commissions and for entities that provide separate quality assurance, oversight, or policy direction for human services programs, such as the Food Stamp Quality Assurance unit, the Administrative Review Division (responsible for federally-required case review and quality assurance for child welfare and some youth corrections placements), and the Juvenile Parole Board, among others. Some of these specialized programs within the Executive Director's Office are excluded from this packet and will be covered in other staff briefings.
- The **Office of Information Technology Services (OITS)** is responsible for developing and maintaining the major centralized computer systems of the Department, including systems that link to all 64 counties in the state. The Office supports centralized databases and provides support and training to users, including county staff and private social service providers. The Office also helps to set policies and strategic directions for decentralized information technology systems that are operated by individual divisions within the Department. OITS' staff resources were transferred to the Governor's Office of Information Technology (OIT) in FY 2010-11 as part of the consolidation of State executive branch agency information technology personnel resources in OIT. OITS staff continues to support the programs funded and administered by the Department of Human Services, while also leveraging a wide variety of information technology skills across State agencies.
- The **Office of Operations** provides Department-wide facility maintenance and management, accounting, payroll, contracting, purchasing, and field audits. The Office is organized into the following units: Division of Accounting, Division of Facilities Management, Division of Procurement, and the Division of Contract Management.

**Factors Driving the Budget**

**Executive Director's Office**

The budget for the Executive Director's Office is largely driven by statewide common policy decisions, such as the cost of the State share for health life and dental benefits, funding required to support long-term solvency for the Public Employees Retirement Association, and the

availability (or not) of funding for staff salary increases. Because of the large numbers of employees in the Department, funding shifts associated with statewide common policy are often large. Legislative decisions to expand or reduce staffing for facilities (e.g., decisions to close units in human services facilities) may also affect funding required for staff benefits. Finally, legislative decisions periodically add or eliminate programs (the Child Welfare Ombudsman program was added in FY 2010-11) or adjust funding required for particular central functions such as human resources or administrative review of child welfare placements.

### **Office of Information Technology Services (OITS)**

The budget for OITS is driven in large part by the personnel and operating expenses of the Colorado Benefits Management System (CBMS). CBMS is the computer system used to determine a citizen's eligibility for public assistance programs like Medicaid, the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and many others. CBMS is developed and maintained by the State for use by county social service organizations and various medical assistance sites throughout the state.

OITS' FY 2011-12 appropriation for CBMS-related expenditures totaled \$24.4 million, which equaled 45.3 percent of OITS' full FY 2011-12 appropriation of \$53.8 million. CBMS expenses are driven by standard operating costs, including:

- Contract services;
- personal services;
- postage;
- rental of personal computers;
- hardware and software maintenance and upgrades;
- rental of network equipment; and
- printing and copy supplies.

Additionally, changes to CBMS require expenditures and drive increased appropriations. Changes are frequently legislated by the General Assembly as the result of altering eligibility determination requirements for the programs that use CBMS for screening applicants. For example, during the 2011 legislative session, the following bills were passed triggering funded changes to CBMS:

- Senate Bill 11-008 (Boyd/Gerou): specifies that the income eligibility criteria for Medicaid that applies to children aged 5 and under and pregnant women shall also apply to children between the ages of 6 and 19; and
- Senate Bill 11-250 (Boyd/Ferrandino and Summers): increases the upper income limit for Medicaid eligibility among pregnant women from the current level of 133 percent to 185 percent of federal poverty level (FPL) in order to comply with federal law.

Department budget requests can also cause the appropriation of moneys to CBMS to increase. The Governor's FY 2012-13 budget proposal includes an appropriation request of \$1.3 million total funds (including \$0.5 million General Fund) from the Department of Human Services, Department of Health Care Policy and Financing, and the Governor's Office of Information Technology for the addition of an electronic document management system to CBMS.

Recently, CBMS appropriations have grown due to the increased caseload seen in programs serviced by the system, as well. Caseload increases necessitate additional client correspondence, which increases printing and postage costs.

CBMS is not the only system administered with moneys appropriated to OITS. The following tools support a variety of programs:

- Colorado TRAILS - a statewide system, operational since 2002, that supports activities in the Division of Child Welfare and the Division of Youth Corrections. It provides case management, financial tools, and other resources to users of the program.
- County Financial Management System (CFMS) - the system tracks expenditures by program, by funding source, by county, tracks and allocates administrative costs by program, and tracks expenditures that are estimated to count toward federal maintenance of effort requirements. The system manages over \$1.0 billion in payments annually.
- Child Care Automated Tracking System (CHATS) - a new information technology system for eligibility and payment for the Child Care Assistance Program. The program provides child care subsidies for low-income families, TANF families, and families transitioning from the Colorado Works program.

### **Office of Operations**

The budget for the Office of Operations is commonly driven by legislative decisions to open or close new Department facilities or units, since this section provides facility housekeeping and maintenance services. This section is also affected by trends in utilities costs, Department efficiency initiatives, and by statewide common policy decisions on vehicle lease and capitol complex leased space costs.

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**DECISION ITEM PRIORITY LIST**

5	<p><b>Legal Auxiliary Services</b></p> <p><b>Executive Director's Office.</b> The request seeks to add \$96,798 reappropriated funds transferred from the Disabled Telephone User Fund in the Department of Regulatory Agencies' Public Utilities Commission to the Department of Human Services' Colorado Commission for the Deaf and Hard of Hearing in FY 2012-13. The moneys would be used to cover the increased costs of sign language interpreters and real-time translation services provided to the State Court System. This request will be considered in a separate staff briefing. <i>Statutory authority: Section 40-17-104, C.R.S.</i></p>	<p><b>Total Funds</b> <b><u>\$96,798</u></b></p> <p><i>FTE</i> 0.2</p> <p>RF 96,798</p>
6	<p><b>Division of Vocational Rehabilitation Lease Vehicles Request</b></p> <p><b>Office of Operations.</b> The request seeks to lease four State vehicles for use by Division of Vocational Rehabilitation (DVR) staff rather than reimbursing the staff for their personal vehicle mileage. Staff currently use their personal vehicles to assist eligible individuals with disabilities by providing employment training and vocational related services. The vehicles requested would be located in Northglenn, Glenwood Springs, Colorado Springs, and Montrose. The request includes a total funds decrease of \$16,993, including \$3,619 General Fund across the Department. <i>Statutory authority: Sections 26-8-101 through 106, C.R.S.</i></p>	<p><b>Total Funds</b> <b><u>\$16,416</u></b></p> <p><i>FTE</i> 0.0</p> <p>GF 3,497</p> <p>FF 12,919</p>
8	<p><b>Buildings and Grounds Cash Fund Adjustment Request</b></p> <p><b>Office of Operations.</b> The Office requests an additional \$554,596 spending authority from the Building and Grounds Cash Fund to reflect projected revenues and related expenditures in FY 2012-13. The money would be used to cover projects, staff, and expenses (upkeep and maintenance) for current leases held by the Department throughout the state. <i>Statutory authority: Section 26-1-133.5, C.R.S.</i></p>	<p><b>Total Funds</b> <b><u>\$554,596</u></b></p> <p><i>FTE</i> 0.0</p> <p>CF 554,596</p>
<b>TOTAL DECISION ITEM PRIORITY LIST</b>		
		<p><b>Total Funds</b> <b><u>\$667,810</u></b></p> <p><i>FTE</i> 0.2</p> <p>GF 3,497</p> <p>CF 554,596</p> <p>RF 96,798</p> <p>FF 12,919</p>



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**NON-PRIORITIZED DECISION ITEM LIST**

1	<p><b>Statewide Vehicle Replacement Request</b></p> <p><b>Office of Operations.</b> This non-prioritized request reflects assumed changes in the billing for the centralized provision of vehicles by the Department of Personnel and Administration. This request will be considered in a separate staff briefing. <i>Statutory authority: Section 24-30-1104 (2), C.R.S.</i></p>	<p><b>Total Funds</b> <span style="float: right;"><b><u>\$56,010</u></b></span></p> <p><i>FTE</i> <span style="float: right;">0.0</span></p> <p>GF <span style="float: right;">31,316</span></p> <p>CF <span style="float: right;">1,158</span></p> <p>RF <span style="float: right;">16,158</span></p> <p>FF <span style="float: right;">7,378</span></p>
2	<p><b>CBMS Electronic Data Management Request (HCPF R-13)</b></p> <p><b>Office of Information Technology Services.</b> The Department of Health Care Policy and Financing, Department of Human Services, and the Governor's Office of Information Technology request \$1,257,600 total funds (including \$533,792 General Fund) in FY 2012-13 to develop an Electronic Document Management System to be integrated into the web-based Colorado Program Eligibility and Application Kit (PEAK) component of the Colorado Benefits Management System (CBMS). The Electronic Document Management System would be used to scan and store documents in the CBMS database and index each file for retrieval. <i>Statutory authority: Sections 25.5-4-106 (3) and 25.5-4-204 (1), C.R.S.</i></p>	<p><b>Total Funds</b> <span style="float: right;"><b><u>\$1,257,600</u></b></span></p> <p><i>FTE</i> <span style="float: right;">0.0</span></p> <p>GF <span style="float: right;">303,065</span></p> <p>CF <span style="float: right;">43,576</span></p> <p>RF <span style="float: right;">464,126</span></p> <p>FF <span style="float: right;">446,833</span></p>
3	<p><b>Hospital Provider Fee Administrative True-up Request (HCPF R-12)</b></p> <p><b>Office of Information Technology Services.</b> The Department of Health Care Policy and Financing requests a total funds decrease of \$52,769, comprised of an increase in cash funds and a decrease in federal funds in FY 2012-13 in order to true-up appropriations for the actual need for hospital provider fee administration. The corresponding impact to the Department of Human Services is an increase of \$14,040 reappropriated funds transferred from HCPF. This request will be considered in a separate staff briefing. <i>Statutory authority: Section 25.5-4-402.3, C.R.S.</i></p>	<p><b>Total Funds</b> <span style="float: right;"><b><u>\$14,040</u></b></span></p> <p><i>FTE</i> <span style="float: right;">0.0</span></p> <p>RF <span style="float: right;">14,040</span></p>

**TOTAL NON-PRIORITIZED DECISION ITEM LIST**

<b>Total Funds</b>	<b><u>\$1,327,650</u></b>
<i>FTE</i>	0.0
GF	334,381
CF	44,734
RF	494,324
FF	454,211

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**BASE AND TECHNICAL CHANGES**

<b>Restoration of S.B. 11-076 (PERA Contributions)</b>		
<b>Executive Director's Office, Office of Operations.</b> The FY 2012-13 budget request restores the FY 2011-12 reduced State contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 11-076.	<b>Total Funds</b>	<b><u>\$732,128</u></b>
	<i>FTE</i>	0.0
	GF	372,730
	CF	53,539
	RF	172,756
	FF	133,103
<b>Restoration of FY 2010-11 5% Operating Reduction</b>		
<b>Executive Director's Office, Office of Information Technology Services, Office of Operations.</b> The FY 2012-13 budget request restores the FY 2010-11 five percent operating expenses reduction made for two years through a prior budget decision.	<b>Total Funds</b>	<b><u>\$360,390</u></b>
	<i>FTE</i>	0.0
	GF	291,297
	CF	2,712
	RF	47,140
	FF	19,241
<b>Centrally Appropriated Line Item Adjustments</b>		
<b>Executive Director's Office, Office of Operations.</b> The FY 2012-13 budget request includes adjustments to common policy items directed by the Department of Personnel and Administration.	<b>Total Funds</b>	<b><u>\$6,719,049</u></b>
	<i>FTE</i>	0.0
	GF	3,296,902
	CF	841,330
	RF	2,052,074
	FF	528,743

<b>Statewide IT Common Policy Adjustments</b>		
<b>Office of Information Technology Services</b>	<b>Total Funds</b>	<b><u>\$1,623,882</u></b>
The FY 2012-13 request includes adjustments to common policy items directed by the Governor's Office of Information Technology.	<i>FTE</i>	0.0
	GF	411,966
	CF	19,222
	RF	(101,259)
	FF	1,293,953
<b>Annualization of CBMS Prior Year Budget Actions</b>		
<b>Office of Information Technology Services.</b> The FY 2012-13 budget request annualizes several prior year budget decisions and prior year legislation related to the operation of the Colorado Benefits Management System.	<b>Total Funds</b>	<b><u>\$61,332</u></b>
	<i>FTE</i>	0.0
	GF	68,256
	CF	12,884
	RF	(110,467)
	FF	90,659
<b>TOTAL BASE AND TECHNICAL CHANGES</b>		
	<b>Total Funds</b>	<b><u>\$9,496,781</u></b>
	<i>FTE</i>	0.0
	GF	4,441,151
	CF	929,687
	RF	2,060,244
	FF	2,065,699

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**OVERVIEW OF NUMBERS PAGES**

The following table summarizes the total change, in dollars and as a percentage, between the Department's FY 2011-12 appropriation and its FY 2012-13 request for the portion of the Department of Human Services addressed in this briefing packet. A large portion of the Department's reappropriated funds are Medicaid-related transfers from the Department of Health Care Policy and Financing (HCPF). Roughly half of the corresponding HCPF appropriations are General Fund. Net General Fund equals the direct GF appropriation shown, plus the GF portion of the HCPF transfer.

**Table 1: Total Requested Change, FY 2011-12 to FY 2012-13 (millions of dollars)**

<b>Category</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>Net GF</b>	<b>FTE</b>
FY 2011-12 Appropriation	\$79.9	\$6.8	\$35.5	\$36.5	\$158.7	\$93.9	582.4
FY 2012-13 Request	84.7	8.3	38.2	39.0	170.2	99.8	582.6
Increase / (Decrease)	\$4.8	\$1.5	\$2.7	\$2.5	\$11.5	\$5.9	0.2
Percentage Change	6.0%	22.4%	7.5%	6.9%	7.2%	6.3%	0.0%

The following table highlights categories of changes contained in the Department's FY 2012-13 budget request, as compared with the FY 2011-12 appropriation, for the portion of the Department covered in this briefing packet.

**Table 2: Total Department Requested Changes, FY 2011-12 to FY 2012-13 (millions of dollars)**

<b>Category</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>Net GF</b>	<b>FTE</b>
Decision Items	\$0.0	\$0.6	\$0.1	\$0.0	\$0.7	\$0.0	0.2
Non-Prioritized Items	0.3	0.0	0.5	0.5	1.3	0.6	0.0
Technical/Base Changes	4.4	0.9	2.1	2.1	9.5	5.3	0.0
<b>TOTAL</b>	<b>\$4.8</b>	<b>\$1.5</b>	<b>\$2.7</b>	<b>\$2.5</b>	<b>\$11.5</b>	<b>\$5.9</b>	<b>0.2</b>

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**BRIEFING ISSUE**

**ISSUE: Overview of Department of Human Services Budget Request**

The Department of Human Services FY 2012-13 request reflects an increase of \$18.5 million (0.9 percent) total funds and \$23.6 million (2.9 percent) net General Fund from the FY 2011-12 appropriation. The net General Fund increase is primarily due to prior year budget decisions and prior year legislation.

**SUMMARY:**

- The FY 2012-13 Department of Human Services budget request reflects an increase of \$18.5 million (0.9 percent) total funds and \$23.6 million (2.9 percent) net General Fund compared to the FY 2011-12 enacted appropriation for the Department;
- The Department's FY 2012-13 budget request reflects a decrease of 2.5 FTE (0.1 percent) compared to the FY 2011-12 enacted appropriation for the Department; and
- The \$23.6 million (2.9 percent) increase in net General Fund from the FY 2011-12 enacted appropriation to the FY 2012-13 request is primarily due to an increase of General Fund for child welfare services previously supported by Temporary Assistance for Needy Families (TANF) moneys, expanded delivery of services to individuals with developmental disabilities in need of home and community based services, the restoration of the FY 2011-12 reduced State contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 11-076, and adjustments to centrally appropriated items and information technology billings.

**DISCUSSION:**

***Comparison of FY 2011-12 Enacted Appropriation and FY 2012-13 Budget Request***

The table below summarizes the FY 2012-13 budget request compared to the FY 2011-12 legislatively enacted appropriation for all of the Department of Human Services by fund type and FTE. Please note that the "NGF" column refers to net General Fund, which is defined as General Fund moneys directly appropriated to the Department of Human Services plus the General Fund component of Medicaid funds transferred to the Department of Human Services from the Department of Health Care Policy and Financing.

As the table below illustrates, the Department seeks an additional \$18.5 million total funds, including \$23.6 net General Fund, in FY 2012-13. The request also includes a reduction of 2.5 FTE.

<b>Department of Human Services FY 2011-12 Appropriation vs. FY 2012-13 Budget Request</b>							
	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>NGF</b>	<b>FTE</b>
FY 2011-12	\$614,650,877	\$327,959,886	\$449,772,764	\$669,003,071	\$2,061,386,598	\$827,536,009	4,870.9
FY 2012-13	633,450,270	331,665,704	460,987,539	653,734,514	2,079,838,027	851,127,157	4,868.4
Increase/Decrease	\$18,799,393	\$3,705,818	\$11,214,775	(\$15,268,557)	\$18,451,429	\$23,591,148	(2.5)
Percentage Change	3.1%	1.1%	2.5%	(2.3%)	0.9%	2.9%	-0.1%

The following table breaks out the Department's FY 2012-13 budget request by division, as compared to the enacted appropriation for FY 2011-12.

<b>Department of Human Services FY 2011-12 Appropriation vs. FY 2012-13 Budget Request By Division</b>							
	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>NGF</b>	<b>FTE</b>
<b>EDO</b>							
FY 2011-12	\$36,369,037	\$2,639,940	\$15,982,138	\$10,635,720	\$65,626,835	\$43,041,296	140.5
FY 2012-13	39,817,596	3,490,523	18,155,371	11,192,434	72,655,924	47,418,099	140.7
Increase/Decrease	\$3,448,559	\$850,583	\$2,173,233	\$556,714	\$7,029,089	\$4,376,803	0.2
Percentage Change	9.5%	32.2%	13.6%	5.2%	10.7%	10.2%	0.1%
<b>Information Tech.</b>							
FY 2011-12	\$20,984,449	\$1,547,043	\$9,997,765	\$21,305,630	\$53,834,887	\$25,751,610	0.0
FY 2012-13	21,813,250	1,625,437	10,286,799	23,156,316	56,881,802	26,736,860	0.0
Increase/Decrease	\$828,801	\$78,394	\$289,034	\$1,850,686	\$3,046,915	\$985,250	0.0
Percentage Change	3.9%	5.1%	2.9%	8.7%	5.7%	3.8%	n/a
<b>Operations</b>							
FY 2011-12	\$22,579,668	\$2,631,135	\$9,538,460	\$4,537,296	\$39,286,559	\$25,126,345	441.9
FY 2012-13	23,081,337	3,231,175	9,727,559	4,662,725	40,702,796	25,681,397	441.9
Increase/Decrease	\$501,669	\$600,040	\$189,099	\$125,429	\$1,416,237	\$555,052	0.0
Percentage Change	2.2%	22.8%	2.0%	2.8%	3.6%	2.2%	0.0%
<b>County Admin</b>							
FY 2011-12	\$22,237,964	\$19,062,746	\$0	\$23,456,909	\$64,757,619	\$22,237,964	0.0
FY 2012-13	22,237,964	19,144,926	0	23,456,909	64,839,799	22,237,964	0.0
Increase/Decrease	\$0	\$82,180	\$0	\$0	\$82,180	\$0	0.0
Percentage Change	0.0%	0.4%	n/a	0.0%	0.1%	0.0%	n/a
<b>Child Welfare</b>							
FY 2011-12	\$191,356,886	\$71,244,644	\$14,459,476	\$124,534,372	\$401,595,378	\$198,586,624	57.0
FY 2012-13	203,638,051	71,170,310	14,427,577	111,972,010	401,207,948	210,851,840	57.0
Increase/Decrease	\$12,281,165	(\$74,334)	(\$31,899)	(\$12,562,362)	(\$387,430)	\$12,265,216	0.0
Percentage Change	6.4%	-0.1%	-0.2%	-10.1%	-0.1%	6.2%	0.0%

<b>Department of Human Services FY 2011-12 Appropriation vs. FY 2012-13 Budget Request By Division</b>							
	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>NGF</b>	<b>FTE</b>
<b>Child Care</b>							
FY 2011-12	\$16,309,410	\$9,960,653	\$0	\$61,891,539	\$88,161,602	\$16,309,410	66.4
FY 2012-13	15,545,848	9,973,446	0	62,747,127	88,266,421	15,545,848	66.4
Increase/Decrease	(\$763,562)	\$12,793	\$0	\$855,588	\$104,819	(\$763,562)	0.0
Percentage Change	-4.7%	0.1%	n/a	1.4%	0.1%	-4.7%	0.0%
<b>Self Sufficiency</b>							
FY 2011-12	\$5,708,127	\$27,641,659	\$33,211	\$299,115,709	\$332,498,706	\$5,724,733	246.2
FY 2012-13	5,388,790	29,968,064	33,951	292,640,429	328,031,234	5,405,766	245.2
Increase/Decrease	(\$319,337)	\$2,326,405	\$740	(\$6,475,280)	(\$4,467,472)	(\$318,967)	(1.0)
Percentage Change	-5.6%	8.4%	2.2%	-2.2%	-1.3%	-5.6%	-0.4%
<b>Behavioral Health</b>							
FY 2011-12	\$129,475,124	\$16,785,674	\$11,592,127	\$37,629,174	\$195,482,099	\$132,790,667	1,211.1
FY 2012-13	130,817,998	16,901,187	11,728,072	37,697,122	197,144,379	134,171,092	1,211.1
Increase/Decrease	\$1,342,874	\$115,513	\$135,945	\$67,948	\$1,662,280	\$1,380,425	0.0
Percentage Change	1.0%	0.7%	1.2%	0.2%	0.9%	1.0%	0.0%
<b>DD</b>							
FY 2011-12	\$36,784,145	\$74,177,533	\$385,034,237	\$64,666,635	\$560,662,550	\$224,477,417	1,693.8
FY 2012-13	36,862,191	74,182,277	393,488,909	64,954,757	569,488,134	228,188,306	1,693.8
Increase/Decrease	\$78,046	\$4,744	\$8,454,672	\$288,122	\$8,825,584	\$3,710,889	0.0
Percentage Change	0.2%	0.0%	2.2%	0.4%	1.6%	1.7%	0.0%
<b>Adult Assistance</b>							
FY 2011-12	\$24,857,534	\$102,178,463	\$105,209	\$19,117,259	\$146,258,465	\$24,858,434	28.5
FY 2012-13	25,151,219	101,886,828	105,750	19,138,656	146,282,453	25,152,119	28.5
Increase/Decrease	\$293,685	(\$291,635)	\$541	\$21,397	\$23,988	\$293,685	0.0
Percentage Change	1.2%	-0.3%	0.5%	0.1%	0.0%	1.2%	0.0%
<b>Youth Corrections</b>							
FY 2011-12	\$107,988,533	\$90,396	\$3,030,141	\$2,112,828	\$113,221,898	\$108,631,509	985.5
FY 2012-13	109,096,026	91,531	3,033,551	2,116,029	114,337,137	109,737,866	983.8
Increase/Decrease	\$1,107,493	\$1,135	\$3,410	\$3,201	\$1,115,239	\$1,106,357	(1.7)
Percentage Change	1.0%	1.3%	0.1%	0.2%	1.0%	1.0%	-0.2%
<b>Department Totals</b>							
FY 2011-12	\$614,650,877	\$327,959,886	\$449,772,764	\$669,003,071	\$2,061,386,598	\$827,536,009	4,870.9
FY 2012-13	633,450,270	331,665,704	460,987,539	653,734,514	2,079,838,027	851,127,157	4,868.4
Increase/Decrease	\$18,799,393	\$3,705,818	\$11,214,775	(\$15,268,557)	\$18,451,429	\$23,591,148	(2.5)
Percentage Change	3.1%	1.1%	2.5%	-2.3%	0.9%	2.9%	-0.1%



**Decision Items**

Department decision item requests (including prioritized and non-prioritized) account for \$0.3 million total funds and \$1.9 million net General Fund of the total funds increase of \$18.5 million and net General Fund increase of \$23.6 million. The table below highlights all of the decision items impacting the Department.

Department of Human Services FY 2012-13 Decision Item Requests							
Decision Item	GF	CF	RF	FF	Total	Net GF	FTE
R-1 New Funding - Developmental Disabilities Services	\$0	\$0	\$4,877,540	\$0	\$4,877,540	\$2,438,770	0.0
R-2 Electronic Health Record and Pharmacy System Feasibility Study at the Mental Health Institutes	75,000	0	0	0	75,000	75,000	0.0
R-3 TANF Long-Term Reserve Solvency	0	(889,547)	0	(5,392,975)	(6,282,522)	0	(1.0)
R-4 Title III Older Americans Act Matching Requirement and General Fund Savings	(10,080)	0	0	10,080	0	(10,080)	0.0
R-5 Legal Auxiliary Services	0	0	96,798	0	96,798	0	0.2
R-6 Division of Vocational Rehabilitation Leased Vehicles	(3,619)	0	0	(13,374)	(16,993)	(3,619)	0.0
R-7 Low-Income Telephone Assistance Program Integrity	0	39,566	0	(39,566)	0	0	0.0
R-8 Buildings and Grounds Cash Fund Adjustment	0	554,596	0	0	554,596	0	0.0
R-9 Refinance Child Support Enforcement Programs General Fund Appropriations with Cash Funds	(365,260)	0	0	0	(365,260)	(365,260)	0.0
R-10 Child Care Assistance Program General Fund Refinance	(817,511)	0	0	817,511	0	(817,511)	0.0
NP-1 Statewide Vehicle Replacement	31,316	1,158	16,158	7,378	56,010	38,890	0.0
NP-2 CBMS Electronic Document Management System	303,065	43,576	464,126	446,833	1,257,600	533,772	0.0

Department of Human Services FY 2012-13 Decision Item Requests							
Decision Item	GF	CF	RF	FF	Total	Net GF	FTE
NP-3 Hospital Provider Fee Administrative True-up	0	0	14,040	0	14,040	0	0.0
<b>Total</b>	<b>(\$787,089)</b>	<b>(\$250,651)</b>	<b>\$5,468,662</b>	<b>(\$4,164,113)</b>	<b>\$266,809</b>	<b>\$1,889,962</b>	<b>(0.8)</b>

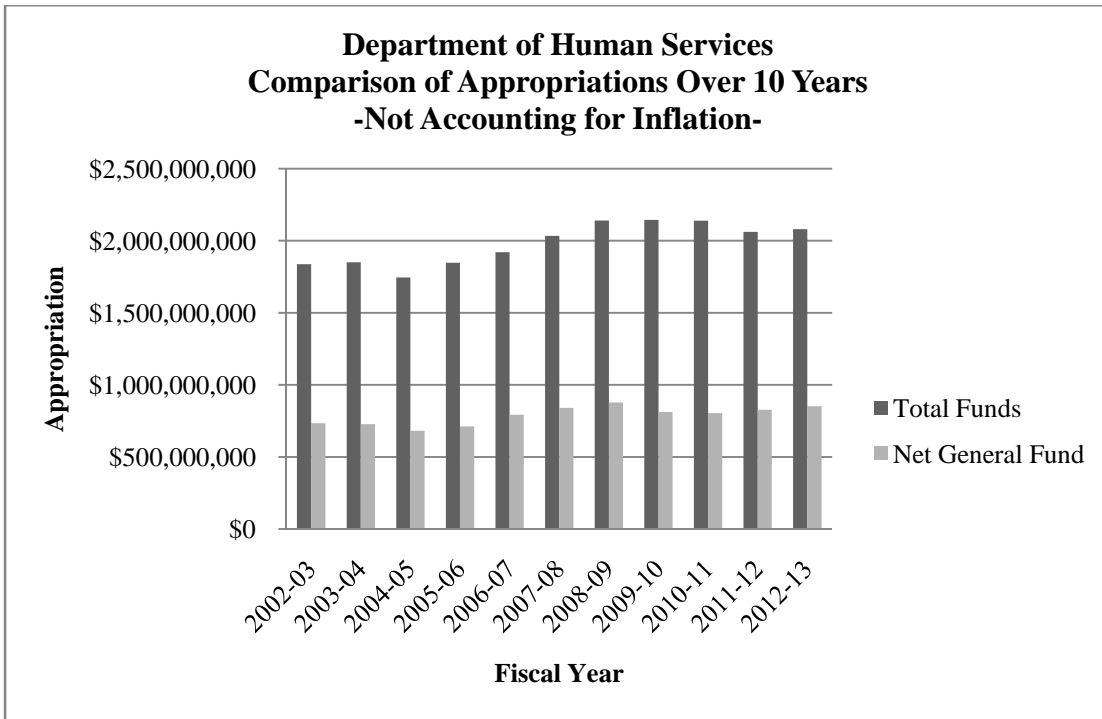
***Annualizations and Base Changes***

Only 1.4 percent of the Department’s increase in total funds (and 8.0 percent of the increase in net General Fund) is attributed to decision items. The rest of the changes included in the Department’s request are due to the annualization of prior year budget actions, prior year legislation, and adjustments to centrally appropriated items and information technology billings. The table below highlights the largest three annualization and adjustment components of the Department’s request.

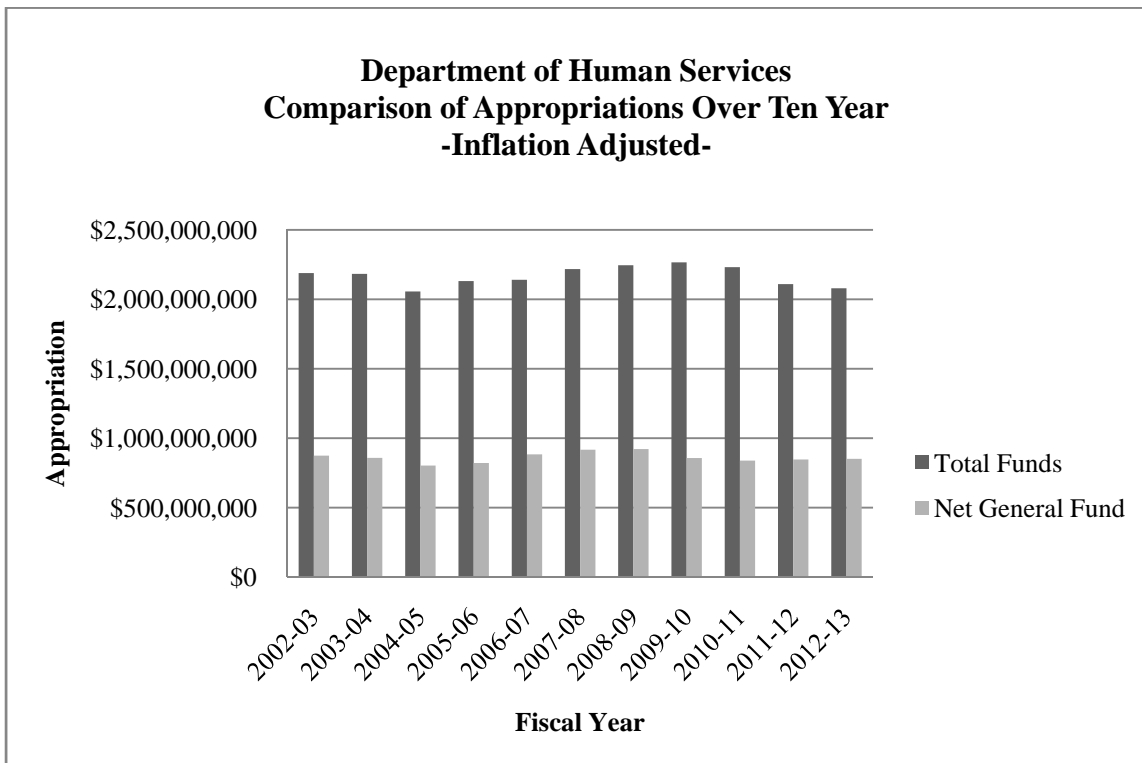
Department of Human Services FY 2012-13 Budget Request Base Changes and Adjustments		
Annualizations and Base Changes	Total Funds	Net General Fund
Increase of General Fund for child welfare services previously supported by Temporary Assistance for Needy Families (TANF) moneys.	\$12,500,000	\$12,500,000
Centrally Appropriated Line Item Adjustments - The FY 2012-13 budget request includes adjustments to the common policy items directed by the Department of Personnel and Administration.	6,719,049	4,150,109
Restoration of S.B. 11-076 - The FY 2012-13 budget request restores the FY 2011-12 reduced State contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 11-076.	5,057,727	3,555,341
<b>Total</b>	<b>\$24,276,776</b>	<b>\$20,205,450</b>

***How Does the FY 2012-13 Request Compare to Prior Years’ Appropriations?***

From the enacted appropriation for FY 2002-03 through the Department’s budget request for FY 2012-13, total funds appropriations have risen 13.2 percent and net General Fund appropriations have increased by 16.0 percent, not accounting for inflation. The graph below illustrates the change in total funds and net General Fund appropriation from FY 2002-03 through the Department’s FY 2012-13 request, not accounting for inflation.



When accounting for inflation, however, appropriations have declined from FY 2002-03 to the requested FY 2012-13 funding level by 5.0 total funds and by 2.7 percent net General Fund, as the graph below indicates.



It is important to note that total funds and net General Fund for Services for People with Disabilities has grown far more than any other section of the Department budget. This is based almost entirely on the growth in funding for community-based, Medicaid-funded services for people with developmental disabilities. All other divisions have remained relatively flat from FY 2002-03 through the FY 2012-13 Department budget request.

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**and Office of Operations)**

**BRIEFING ISSUE**

**ISSUE: Performance-based Goals and the Department's FY 2012-13 Budget Request**

This issue brief summarizes the Department of Human Services report on its performance relative to its strategic plan, and discusses how the FY 2012-13 budget request advances the Department's performance-based goals. Pursuant to the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act (H.B. 10-1119), the full strategic plan for the Department of Human Services can be accessed from the Office of State Planning and Budgeting web site.

The issue brief assumes that the performance-based goals are appropriate for the Department. Pursuant to the SMART Government Act legislative committees of reference are responsible for reviewing the strategic plans and recommending changes to the departments. The issue brief also assumes that the performance measures are reasonable for the performance-based goals. Pursuant to the SMART Government Act the State Auditor periodically assesses the integrity, accuracy, and validity of the reported performance measures. Please note that the Department's full strategic plan includes seven strategic imperatives, six strategic initiatives, and five overarching highest priority objectives and performance measures and additional division-specific objectives and performance measures. This issue brief only deals with portions of two overarching objectives. The remaining three overarching objectives will be evaluated in separate issue briefings.

**DISCUSSION:**

***Background***

Before exploring the overarching highest priority objectives and performance measures submitted by the Department of Human Services (DHS) to the Joint Budget Committee, it is beneficial to state the submitted mission and vision of the Department to provide context for the objectives and measures.

The Department states that its formal mission is as follows:

“Our mission is to design and deliver quality human services that improve the safety and independence of the people of Colorado. The Department is committed to the improvement of individual and family outcomes, cross-system integration, and community partnerships.”

The Department states that its formal vision is as follows:

“The Colorado Department of Human Services promotes safety, health, well-being and independence for all Coloradans through leadership, innovation, and accountability to human services programs throughout Colorado.”

With these guiding principles, the Department embarked on a statewide outreach effort to incorporate stakeholder, client, constituent, partner and employee input and ideas into its strategic plan. More than 258 people provided input through seven town hall meetings held in Lamar, Pueblo, Durango, Grand Junction, Steamboat Springs, Fort Morgan and Denver. In addition, 47 partners and stakeholders responded to invitations for written input. To gather feedback from hard to reach clients, telephone interviews were conducted with more than 50 clients. In terms of gathering input from its own employees, 521 DHS staff members completed an online survey, and an additional 75 attended meetings to provide input to the plan. Finally, drafts of the strategic plan were placed on the Department’s website inviting additional comment, ideas and input throughout the process.

The process yielded seven strategic imperatives that will be used to form the foundation for meeting the established mission and vision for the organization.

1. Strengthen the safety net to support basic life necessities;
2. Involve clients and consumers in decisions affecting their lives;
3. Expand collaborative efforts with other state departments, counties, providers, consumers and staff;
4. Streamline and simplify processes at all levels;
5. Utilize outcome-focused data and research to guide quality improvement efforts;
6. Communicate effectively and timely to keep consumers, partners and stakeholders informed; and
7. Enhance training opportunities and expedite hiring practices in support of our valued workforce.

The Department then identified six strategic initiatives as forerunners required for DHS to reach its stated mission and vision and its strategic imperatives.

1. Integration of an Office of Early Childhood Education;
2. Long-Term Care redesign;
3. Department-wide streamlining effort focused on reducing unnecessary requirements.
4. Statewide Economic Security alignment;
5. Comprehensive Child Welfare outcome-focused strategy; and
6. Implementation of a “Stat” strategy to help drive continuous quality improvement.

Finally, the Department developed series of five goals and accompanying strategies and performance measures to reach the identified strategic imperatives needed to fulfill the organization’s stated mission and vision. In this briefing issue, the portions of performance-based goals and measures one and five that impact the Executive Director’s Office, Office of Information Technology Services, or the Office of Operations are addressed.

### ***Performance-based Goals and Measures***

The Department's five top priority objectives are:

**1. To improve the lives of the families we serve by helping them to achieve economic security.**

*Objective: Improve the timeliness of approving, distributing, and maintaining Food Assistance applications.*

Performance Measures:

- By July 2012, achieve a 95% timely processing of regular Food Assistance applications;
- By July 2012 achieve a 95% timely processing of expedited Food Assistance applications; and
- By September 2012, improve by 25% the timely processing of Food Assistance redetermination applications.

**a. How is the Department measuring the specific goal/objective?**

Timeliness approving, distributing, and maintaining Food Assistance applications is measured and evaluated from monthly reports produced from the Colorado Benefits Management System (CBMS). Current regulations define timely processing as the following:

- Regular Food Assistance: 30 Days;
- Expedited Food Assistance: 7 Days; and
- Re-determination of Food Assistance: Before the end of the month if application is received before the 15<sup>th</sup> of the month, 30 days if received after the 15<sup>th</sup> of the month.

DHS entered into an Amended Court Stipulation Agreement in December 2010, as a continuation of the court case brought before both the Department Health Care Policy and Financing and DHS, following the implementation of CBMS. The new agreement put in place benchmarks for timely processing of expedite and regular Food Assistance benefits to ensure federal compliance with processing standards.

**b. Is the Department meeting its objective, and if not, why?**

It is unknown if the Department will meet its objective by July of 2012. Data is only available for FY 2009-10 and FY 2010-11 at this point. The table below summarizes the Department's performance in FY 2009-10 and FY 2010-11, as well as the FY 2012-13 benchmarks.

Timeliness Approving, Distributing, and Maintaining Food Assistance Benefits				
Application Type	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12	FY 2012-13 Benchmark
Regular Applications	75.6%	86.6%	n/a	95.0%
Expedited Applications	70.4%	79.2%	n/a	95.0%
Redetermination Applications	47.6%	55.1%	n/a	25% increase

DHS, in conjunction with the Governor’s Office of Information Technology and county agencies, has taken numerous actions to improve the CBMS component of Food Assistance application processing. Specifically, the following measures have been completed, or are in the process of being completed (for more detailed information on CBMS, see the “Colorado Benefits Management System (CBMS)” briefing issue in this document):

- Colorado Program Eligibility and Application Kit (PEAK) launched to allow potential clients to determine Food Assistance eligibility and apply for benefits online, thus reducing workload by a small percentage for county administration staff;
- Completed a technical refresh and server upgrades to improve system stability;
- Implemented a planning process that enables counties to anticipate upcoming system changes and plan accordingly; and
- Completed a training assessment as the foundation for future efforts to improve the delivery of training modules to county administration staff.

**c. How does the budget request advance the performance-based goal?**

The Department of Health Care Policy and Financing, DHS, and the Governor’s Office of Information Technology have requested \$1.3 million total funds to implement an electronic document management system for the process of scanning and storing documents in the CBMS database and associating each document with the eligibility client by one or more indices so that the documents can be retrieved electronically. While intended primarily to meet the requirements of the Centers for Medicare and Medicaid, the management system will provide benefit to CBMS-processed DHS programs, such as Food Assistance. For more information on this specific budget request, see the “Colorado Benefits Management System (CBMS)” briefing issue in this document.

*Objective: Increase by 3% the percentage of people enrolled in the Colorado Works Program that have employment earnings. (This objective and related performance measures will be covered as part of a separate issue brief.)*

*Objective: To increase efficiency of delivery benefits, Low Income Energy Assistance Program (LEAP) will develop an on-line access to its application system within two years. (This objective and related performance measures will be covered as part of a separate issue brief.)*



2. **To assure Colorado's children and youth have the opportunity to thrive in safe, nurturing and stable families in their communities.** *(This goal and related performance measures will be covered as part of a separate issue brief.)*
3. **To assist the elderly and people with developmental disabilities to reach their maximum potential through increased independence, productivity and integration within the community.** *(This goal and related performance measures will be covered as part of a separate issue brief.)*
4. **To promote quality and effective behavioral health practices to strengthen the health, resiliency and recovery of Coloradans.** *(This goal and related performance measures will be covered as part of a separate issue brief.)*
5. **To develop and implement efficiency measures that maximize the resources of the Department and its partners.**

*Objective: The Department of Human Services and Department of Health Care Policy and Financing conduct case reviews of county departments of human services. The programs that are reviewed include Food Assistance, Medicaid, Colorado Works, LEAP, Adult Protection, Adult Financial, and Child Support Enforcement. There currently is no coordination between programs and departments in the conducting of the reviews, which causes additional workload to counties' operations. Neither is there any exchange of information between the programs following their reviews which, if in place, would allow for common observations occurring across programs to be noted and addressed. To address this, the two state departments will establish a Case Review Oversight Committee to reduce the total number of cases reviewed by conducting multiple program reviews of single cases; developing common review strategies; and regularly reporting out on findings. (This objective and related performance measures will be covered as part of a separate issue brief.)*

*Objective: The Division of Child Care will analyze the cause for requests for Appeals/Waivers for stringency, and through training and rules reduction, reduce the number of such requests by 5% annually. Appeal information will be collected quarterly and will be reviewed by the Appeal Panel and the Division's Management Team. The team will develop strategies, report out findings, and adhere to the Department's Rule Reduction Plan. (This objective and related performance measures will be covered as part of a separate issue brief.)*

*Objective: The Division of Child Care implemented a new automated statewide case management and payroll system (CHATS) as of April 30, 2011. In the ongoing maintenance, support, and new development work of CHATS, the Division will need to prioritize the helpdesk tickets and change requests that are generated by State and county end users in order to fully maximize the Office of Information Technology support staff to the system. To address this, the Division will form a CHATS Change Management Task Group consisting of county members appointed by county directors and State representation of CCCAP, Colorado Works, Criminal Background Check Unit, and IT staff.*

Performance Measure:

- CHATS Helpdesk tickets and Change Request will be reduced by 20%.

**a. How is the Department measuring the specific goal/objective?**

A monthly report of new, outstanding, and resolved helpdesk tickets and change request will be compiled by the Department along with an annual summary documenting resolved issues.

**b. Is the Department meeting its objective, and if not, why?**

Since CHATS was only fully implemented as of April 30, 2011, data has not been generated to determine if the Department has met its objective.

**c. How does the budget request advance the performance-based goal?**

The Department's FY 2012-13 budget request includes a continuation level appropriation of \$2.3 million of federal Child Care Development moneys for operating expenses and \$0.5 million of federal Child Care Development moneys for support services (including personal services) from the Governor's Office of Information Technology. With the recent implementation of CHATS, and anticipated early "growing pains" associated with the launch of large-scale information technology systems in general, the true cost of help desk support needed for the ongoing maintenance of CHATS is not known at this time.

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**(Executive Director's Office, Office of Information Technology Services,**  
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**BRIEFING ISSUE**

**ISSUE: Colorado Benefits Management System (CBMS)**

The Colorado Benefits Management System (CBMS) provides automated eligibility determination and benefit calculation for a variety of public assistance programs administered by the Department of Human Services and the Department of Health Care Policy and Financing. CBMS was appropriated \$24.4 million total funds (including \$10.4 million net General Fund) for FY 2011-12 for the operating and personal services expenses of the system. The FY 2012-13 requested appropriation for CBMS is \$25.8 million total funds (including \$11.0 million net General Fund).

**SUMMARY:**

- The Colorado Benefits Management System (CBMS) provides automated eligibility determination and benefit calculation for a variety of public assistance programs administered by the Department of Human Services (DHS) and the Department of Health Care Policy and Financing (HCPF);
- CBMS was appropriated \$24.4 million total funds (including \$10.4 million net General Fund) for FY 2011-12 for the operating and personal services expenses of the system. The FY 2012-13 requested appropriation for CBMS is \$25.8 million total funds (including \$11.0 million net General Fund);
- The Governor's Office of Information Technology, in conjunction with DHS, HCPF, and county agencies, created the CBMS Executive Steering Committee in the spring of 2011 to provide policy, financial, and business process leadership for the system; and
- The Governor's Office of Information Technology, DHS, HCPF, and county agencies implemented several technical changes over the past year to CBMS to improve system stability and performance.

**DISCUSSION:**

***Background***

CBMS provides automated eligibility determination and benefit calculation to the following DHS and HCPF-funded public assistance programs:

- Aid To The Blind (AB);
- Aid To The Needy Disabled (AND);
- Adult Protective Services (APS);

- Colorado Works (CO Works);
- Food Assistance (SNAP);
- Old Age Pension (OAP);
- Child Health Plan Plus (CHP+);
- Colorado Indigent Care Program (CICP); and
- Medicaid.

CBMS went live on September 1, 2004, though not without problems. The original contract for the design and operation of the system was awarded to EDS. The fixed price contract amount of \$220 million was nearly \$100 million less than contract bids from both EDS and IBM. However, due to State budget constraints funds were not available for the work proposed by vendors in the request-for-proposals process. As the 2004 launch date neared, users in county social services agencies objected citing technical and training issues. After the launch date had been postponed several times, CBMS reached a point of "do or die," in part as a result of political pressures. Consequently, CBMS was rolled out on September 1, 2004 despite objections from system end users and without the establishment of a satisfactory governance structure to manage CBMS processes and resources.

Since 2004, CBMS has had issues processing transactions as efficiently as the six systems it replaced. Delays in processing and service deliveries resulted in a lawsuit being filed against the State on behalf of CBMS beneficiaries. The lawsuit (in which the State mostly prevailed) was based on the grounds that CBMS denies benefits to citizens entitled to receive them and that CBMS should perform at least at the same level as the systems it replaced.

CBMS is a unique information technology system in that it involves multiple stakeholders all tasked with differing responsibilities that are key to the technical delivery of CBMS, as well as the programmatic areas that CBMS serves (see list above). The table below outlines the roles and responsibilities of the four main CBMS players, the Governor's Office of Information Technology, DHS, HCPF, and county agencies.

<b>Colorado Benefits Management System Organizational Responsibilities</b>	
<b>Entity</b>	<b>Roles and Responsibilities</b>
Governor's Office of Information Technology	<p>Infrastructure maintenance and support, including servers, database, storage area network (SAN), and overall framework for operating applications.</p> <p>Application development and maintenance, including all of the primary applications such as Eligibility Determination and Benefit Calculation (EDBC).</p> <p>Management of Deloitte service contract for infrastructure and application maintenance and support.</p>
Department of Human Services	<p>Policy formulation of benefits determination (definitions) and claims processing for Human Services public assistance programs, such as Food Assistance and Temporary Assistance for Needy Families (TANF).</p>

**Colorado Benefits Management System Organizational Responsibilities**

Entity	Roles and Responsibilities
Department of Health Care Policy and Financing	<p>Policy formulation of benefits determination (definitions) and claims processing for medical assistance programs, such as Medicaid and Children's Basic Health Plan.</p> <p>Maintenance and Support of Medicaid Management Information System (provider approval and payment systems), which is not consolidated into OIT.</p> <p>Negotiation and Operation of MAXIMUS contract for "Eligibility &amp; Enrollment Services for Medical Assistance Programs."</p>
Counties	Operations and case management using the applications provided by OIT for Eligibility Determination and Benefit Calculation (EDBC) when interfacing with clients.

***FY 2011-12 Briefing and Hearing on CBMS***

Staff provided the Joint Budget Committee with an issue addressing ongoing, CBMS-related performance issues during the FY 2011-12 briefing on November 15, 2010. The briefing came after a time of technical, programmatic, and economic factors that led to CBMS reaching capacity during the latter months of FY 2009-10 and beginning months of FY 2010-11. During this time period, users in county social services agencies experienced significant performance issues. Staff analyzed the performance issues and indicated that:

“The performance issues constituting the "CBMS problem" are not based in technological limitations. The "CBMS problem" is a governance issue. Without a formal governance structure to guide and funnel programmatic goals and priorities for public assistance programs in a forum that is balanced with feasible technology outcomes, it will not matter which entity holds ownership of CBMS. The outcome will be a continuation of the "CBMS problem.”

During the Joint Budget Committee hearing on CBMS, the Governor’s Office of Information Technology, DHS, and HCPF were asked if the current governance structure of CBMS was adequate to address performance issues. All agencies concurred that the governance structure of CBMS between the Governor’s Office of Information Technology, DHS and HCPF was effective in fostering communication between the agencies. The Governor’s Office of Information Technology expanded its comments, and indicated that while well organized business processes were in place for addressing CBMS issues, “at the policy and financial resource levels, OIT believes that the governance structure could be improved.”

***Governance Solutions***

In the spring of 2011, the Governor’s Office of Information Technology created the CBMS Executive Steering Committee (ESC) consisting of executive leadership from State agencies, as well as county government agencies. The members of the ESC are:

- Kristin Russell, Secretary of Technology and Chief Information Officer, Governor’s Office of Information Technology;
- Sue Birch, Executive Director, HCPF;
- Reggie Bicha, Executive Director, DHS;
- Kevin Patterson, Deputy Chief of Staff, Office of the Governor;
- Susan Beckman, Arapahoe County Commissioner, CCI Health and Human Services Steering Committee Chair; and
- Frank Alexander, Director, Boulder County Department of Housing and Human Services, President of Colorado Human Services Directors Association.

The ESC is tasked with providing leadership, oversight, and guidance on strategic direction, budget, and accountability of CBMS. The ESC meets every other week for 90 minutes. Additionally, the ESC has completed four strategic planning sessions. Reporting to the ESC is the Integrated Project Team (IPT) comprised of program directors and managers from DHS, HCPF, the Governor’s Office of Information of Technology, and the counties. The IPT prioritizes, develops, and implements best practices. The IPT reports out and provides various recommendations to the ESC every other week at the ESC meeting.

The leadership of the ESC and IPT has initiated and implemented a professional business process to map out the development of CBMS. Often dubbed the “18 Month Plan,” the governance of CBMS now includes guiding documents that account for financial, technical, and training ramifications for all proposed system changes and upgrades.

Counties are encouraged by progress shown in the governance of CBMS over the past year. It is believed that the formation and implementation of the ESC is a positive step in addressing ongoing CBMS performance issues that negatively impact county administration of State-supervised programs. Additionally, the ESC provides a forum for county officials to participate in discussing future CBMS issues, such as funding, training, and the delivery of necessary system improvements.

***Technical Solutions and Outcomes***

The Governor’s Office of Information Technology, DHS, HCPF, and counties have embarked on a series of technical solutions to improve the performance of CBMS in the short-term and long-term. Below is an account of several of the technical solutions implemented.

1. The Governor’s Office of Information Technology completed an upgrade of all the CBMS servers in December of 2010. Known as “tech refresh,” the upgrades have improved processing time and enhanced the capacity of the system by making the system as a whole more stable;
2. The second phase of the Program Eligibility and Application Kit (PEAK) website was launched in the spring of 2011. PEAK is an online service that Colorado citizens can use to apply for DHS and HCPF-funded benefits and update case information, including address changes and contacts. The first phase of PEAK allowed users to screen themselves for benefits and check the status of their benefits;

3. “CBMS Web,” formerly known as Intelligent Data Entry (IDE) was launched in April of 2011 to simplify data entry for caseworkers by removing unnecessary fields and screens and only requiring entry of necessary information for the specific program applied for at a given time during the interactive interview / interview application process.
  - a. The development of “CBMS Web” is the first step in a long-term process of migrating CBMS’ underlying code from a PowerBuilder development environment to a Java-based development environment. PowerBuilder is a reliable development environment, however, the migration to a Java-based development environment allows changes to be made to CBMS with greater flexibility;
4. The Governor’s Office of Information Technology took part in the free Oracle Insight Program. The Program provided Oracle with an opportunity to examine CBMS for system challenges, recommend potential solutions, and discuss the value solutions for overcoming the identified challenges. The report submitted to the Governor’s Office of Information Technology, the ESC, and the IPT identified several challenges:
  - Version support;
  - Security;
  - Complex infrastructure;
  - Inflexible architecture; and
  - Process inconsistency.
5. The Governor’s Office of Information Technology conducted a complete training assessment to assist in the design of web-based, modular training tools for county caseworkers; and
6. DHS, HCPF, and the Governor’s Office of Information Technology submitted a decision item to the Joint Budget Committee to provide an appropriation of \$1.3 million total funds (including \$0.5 million General Fund) to implement an electronic document management system to be integrated into the Colorado PEAK component of CBMS in FY 2012-13. The document system would capture and maintain the hard copy records that applicants must supply to substantiate their eligibility for assistance programs. If implemented, it is projected to reduce county workload, decrease client frustration associated with delayed retrieval of paper copies of records, and bring HCPF into compliance with audit findings by the federal Centers for Medicare and Medicaid indicating a need for timelier Medicaid eligibility determinations and re-determinations.

The CBMS Executive Steering Committee indicates that from January 2011 through August 2011, application processing has improved. Specifically, counties improved the timely processing of Food Assistance applications from 74 percent to 86 percent. For Medicaid and Child Health Plan Plus (CHP+), timely processing of applications increased from 64 percent to 81 percent in the same timeframe.

### *Future of CBMS*

Health information technology (HIT) is an oft-discussed topic in achieving greater societal health outcomes. With its ability to store, protect, retrieve and transfer health-related clinical, administrative and financial information electronically within and across health care settings, HIT represents a future staple of the health care system.

Today, CBMS plays an integral role in automated eligibility determination and benefit calculation for a variety of public assistance programs. How CBMS will be integrated within a larger HIT context that includes a health insurance exchange and a “no wrong door” model of benefit enrollment is yet to be known. Staff will present a separate issue on this topic during the staff briefing on the FY 2012-13 budget request from the Office of the Governor.



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**BRIEFING ISSUE**

**ISSUE: Office of Operations' Buildings and Grounds Request Item**

House Bill 08-1268 (White/Johnson) expanded the Department of Human Services' (DHS) ability to rent surplus facilities on the campuses of its various facilities in addition to the Fort Logan (Denver) campus. As the Department has increased the number of buildings leased to outside entities, the FY 2011-12 enacted appropriation is below the anticipated FY 2012-13 revenue from the leases and below the spending authority needed to maintain and repair the properties leased properties. As a result, the Department seeks additional cash funds spending authority in FY 2012-13.

**SUMMARY:**

- DHS leases surplus facilities to non-profit, local government, and state government entities with programs complimentary to DHS' mission. Revenues from the leases are deposited in the Buildings and Grounds Cash Fund; and
- DHS' FY 2011-12 spending authority the Buildings and Grounds Cash Fund is \$464,222. As a result of an increased number of facility leases and the need for increased maintenance and repair on the facilities, the Department requests an additional \$554,596 spending authority from the Fund in FY 2012-13.

**RECOMMENDATION:**

Staff recommends approving DHS' request to increase spending authority from the Buildings and Grounds Cash Fund from its FY 2011-12 appropriation of \$464,222 cash funds to \$1,018,818 cash funds for FY 2012-13.

**DISCUSSION:**

***Background***

The Department of Human Services operates 299 buildings (3.25 million gross square feet of property) located throughout Colorado. This includes the campuses of the two mental health institutes at Fort Logan and Pueblo, regional center facilities for individuals with disabilities, youth corrections facilities, and State and veteran's nursing home facilities. Many of the facilities are not fully occupied as the result of changes in Department-administered programs.

Prior to 2008, the Department had statutory authority to rent surplus property on the Fort Logan campus, where buildings were rented to various private, public, and non-profit human services providers. House Bill 08-1268 (White/Johnson) expanded DHS' ability to rent surplus facilities

on the campuses of its various institutions (in addition to Fort Logan) as long as the rentals are not prohibited by contractual agreement, State law, or other legal restrictions on the Department's possession or use of the property. The bill also created the Buildings and Grounds Cash Fund (Section 26-1-133.5, C.R.S.), and indicated that moneys in the Fund are subject to annual appropriation by the legislature. The statutory purpose of the Fund is to provide moneys for "operating, repairing, remodeling, or demolishing the facilities of any properties rented by" the Department.

***Department Request***

DHS requests an additional \$554,596 from the Buildings and Grounds Cash Fund in spending authority over the FY 2011-12 appropriation of \$464,222 cash funds. The request indicates that the increased number of buildings being leased, as well as the associated maintenance and repair requirements, has grown beyond the current appropriation level.

For FY 2012-13, the Department projects \$357,889 in personal services expenditures, \$660,929 in operating expenses, and \$870,384 in revenue from leasing properties. The following table represents the projected personal services costs and operating expenses, as well as the projected revenue.

<b>FY 2012-13 Expenditure, Spending Authority, and Revenue Projections</b>	
<b>Projections</b>	<b>Buildings and Grounds Cash Fund</b>
<b>Expenditures</b>	
Estimated Personal Services Expenditures	\$357,889
Estimated Operating Expenditures	<u>660,929</u>
<b>Total Expenditures</b>	<b>\$1,018,818</b>
<b>Appropriations</b>	
FY 2011-12 Spending Authority	\$464,222
FY 2012-13 Additional Spending Authority Request	<u>554,596</u>
<b>Total Spending Authority Request</b>	<b>\$1,018,818</b>
<b>Revenue</b>	
Leased Properties Revenue	\$870,384
Fund Balance Revenue	<u>148,434</u>
<b>Total Revenue</b>	<b>\$1,018,818</b>

As is shown in the table above, the Department's request includes \$148,434 in cash fund balance spending. The Buildings and Grounds Cash Fund had a balance of \$203,160 at the end of FY 2010-11, which allows for maintenance and repair expenditures to increase beyond revenue for FY 2012-13.

***Staff Recommendation***

Staff recommends approving the Department's request to increase spending authority from the Buildings and Grounds Cash Fund from its FY 2011-12 appropriation of \$464,222 cash funds to

\$1,018,818 cash funds for FY 2012-13. The rental of the Department's surplus properties has provided the State with financial means to maintain its unused properties in a manner that benefits community uses and does not require General Fund expenditures. Without the self-sustaining lease and maintenance program, and the corresponding financing mechanism, many additional State facilities would fall into disrepair and require costly future repairs.

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<b>DEPARTMENT OF HUMAN SERVICES</b> <b>Reggie Bicha, Executive Director</b>
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**(1) EXECUTIVE DIRECTOR'S OFFICE**

The primary function of this division is general department administration, which includes overall department supervision and policy direction, budget, human resources, quality assurance, and public outreach. This section also includes central appropriations for staff benefits and other department-wide costs and for various special purpose entities that provide an independent oversight or quality assurance function.

**(A) General Administration**

<b>Personal Services</b>	<b><u>1,953,299</u></b>	<b><u>2,032,593</u></b>	<b><u>1,868,934</u></b>	<b><u>1,914,648</u></b>
<i>FTE</i>	19.2	18.0	21.4	21.4
General Fund	(111,006)	(802,371)	602,960	618,044
Cash Funds	709,258	433,744	96,206	98,493
Reappropriated Funds	192,090	534,333	289,858	296,714
Federal Funds	1,162,957	1,866,887	879,910	901,397
<b>Health, Life, and Dental</b>	<b><u>24,261,461</u></b>	<b><u>21,781,484</u></b>	<b><u>24,962,288</u></b>	<b><u>24,610,910</u></b>
General Fund	14,815,062	13,930,869	14,846,351	14,759,726
Cash Funds	427,706	356,110	393,094	448,546
Reappropriated Funds	5,965,171	4,595,103	6,399,073	6,235,665
Federal Funds	3,053,522	2,899,402	3,323,770	3,166,973
<b>Short-term Disability</b>	<b><u>346,171</u></b>	<b><u>337,461</u></b>	<b><u>375,657</u></b>	<b><u>376,588</u></b>
General Fund	215,293	211,284	230,489	215,917
Cash Funds	6,168	5,148	6,645	16,736
Reappropriated Funds	76,491	72,047	81,996	86,023
Federal Funds	48,219	48,982	56,527	57,912

\*This line item includes a decision item.

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<b>S.B. 04-257 Amortization Equalization Disbursement</b>	<b><u>4,425,165</u></b>	<b><u>4,831,721</u></b>	<b><u>5,937,864</u></b>	<b><u>6,808,378</u></b>	
General Fund	2,752,621	3,032,825	3,641,412	3,903,581	
Cash Funds	77,887	76,042	105,124	302,579	
Reappropriated Funds	987,198	1,063,454	1,297,120	1,555,216	
Federal Funds	607,459	659,400	894,208	1,047,002	
<b>S.B. 06-235 Supplemental Amortization Equalization Disbursement</b>	<b><u>2,725,931</u></b>	<b><u>3,363,894</u></b>	<b><u>4,775,410</u></b>	<b><u>5,850,950</u></b>	
General Fund	1,692,007	2,104,035	2,930,046	3,354,640	
Cash Funds	48,676	53,274	84,474	260,029	
Reappropriated Funds	607,718	743,529	1,042,329	1,336,514	
Federal Funds	377,530	463,056	718,561	899,767	
<b>Shift Differential</b>	<b><u>3,386,914</u></b>	<b><u>3,761,311</u></b>	<b><u>3,203,827</u></b>	<b><u>4,069,055</u></b>	
General Fund	2,241,471	2,554,941	2,075,307	2,675,691	
Cash Funds	5,563	0	4,773	6,283	
Reappropriated Funds	1,134,482	1,199,546	1,119,234	1,380,984	
Federal Funds	5,398	6,824	4,513	6,097	
<b>Workers' Compensation</b>	<b><u>9,771,533</u></b>	<b><u>9,659,080</u></b>	<b><u>9,986,978</u></b>	<b><u>13,721,376</u></b>	
General Fund	5,313,287	4,700,320	5,270,000	7,087,240	
Cash Funds	769,108	935,767	726,917	1,088,703	
Reappropriated Funds	3,240,131	3,509,713	3,552,530	4,909,457	
Federal Funds	449,007	513,280	437,531	635,976	

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<b>Operating Expenses</b>	<b><u>139,962</u></b>	<b><u>377,010</u></b>	<b><u>377,010</u></b>	<b><u>495,280</u></b>	
General Fund	139,962	377,010	22,623	139,181	
Cash Funds	0	0	119,393	119,393	
Reappropriated Funds	0	0	158,792	160,504	
Federal Funds	0	0	76,202	76,202	
<b>Legal Services</b>	<b><u>1,389,932</u></b>	<b><u>1,352,869</u></b>	<b><u>1,396,017</u></b>	<b><u>1,396,017</u></b>	
General Fund	1,270,777	1,220,676	1,159,664	1,159,664	
Cash Funds	119,155	132,193	171,125	171,125	
Reappropriated Funds	0	0	13,339	13,339	
Federal Funds	0	0	51,889	51,889	
<b>Administrative Law Judge Services</b>	<b><u>1,007,557</u></b>	<b><u>792,374</u></b>	<b><u>728,087</u></b>	<b><u>893,702</u></b>	
General Fund	1,007,557	744,364	440,074	541,099	
Cash Funds	0	48,010	44,115	54,052	
Federal Funds	0	0	243,898	298,551	
<b>Payment to Risk Management and Property Funds</b>	<b><u>1,700,473</u></b>	<b><u>517,365</u></b>	<b><u>1,159,905</u></b>	<b><u>1,378,454</u></b>	
General Fund	1,191,116	304,691	965,750	1,094,460	
Cash Funds	182,305	52,170	2,543	24,581	
Reappropriated Funds	228,049	76,584	144,673	177,024	
Federal Funds	99,003	83,920	46,939	82,389	
<b>Staff Training</b>	<b><u>1,501</u></b>	<b><u>3,054</u></b>	<b><u>31,870</u></b>	<b><u>31,870</u></b>	
General Fund	821	(1,995)	0	0	
Cash Funds	680	5,049	31,870	31,870	

\*This line item includes a decision item.

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<b>Injury Prevention Program</b>	<u>97,184</u>	<u>105,245</u>	<u>105,970</u>	<u>105,970</u>	
General Fund	94,184	105,245	0	0	
Reappropriated Funds	3,000	0	105,970	105,970	
<b>Total Funds - (A) General Administration</b>	<b>51,207,083</b>	<b>48,915,461</b>	<b>54,909,817</b>	<b>61,653,198</b>	<b>12.3%</b>
<b>FTE</b>	<u>19.2</u>	<u>18.0</u>	<u>21.4</u>	<u>21.4</u>	<u>0.0%</u>
General Fund	30,623,152	28,481,894	32,184,676	35,549,243	10.5%
Cash Funds	2,346,506	2,097,507	1,786,279	2,622,390	46.8%
Reappropriated Funds	12,434,330	11,794,309	14,204,914	16,257,410	14.4%
Federal Funds	5,803,095	6,541,751	6,733,948	7,224,155	7.3%

**(B) Special Purpose**

<b>Employment and Regulatory Affairs</b>	<u>4,802,390</u>	<u>4,684,422</u>	<u>4,885,262</u>	<u>4,993,250</u>	
FTE	63.6	62.2	66.1	66.1	
General Fund	1,852,269	1,870,447	1,790,833	1,833,882	
Cash Funds	232,824	280,791	268,453	273,001	
Reappropriated Funds	644,169	700,039	675,224	691,693	
Federal Funds	2,073,128	1,833,145	2,150,752	2,194,674	
<b>Administrative Review Unit</b>	<u>2,185,083</u>	<u>2,172,174</u>	<u>2,083,539</u>	<u>2,132,138</u>	
FTE	24.0	23.7	24.2	24.2	
General Fund	1,416,269	1,393,948	1,349,610	1,383,043	
Federal Funds	768,814	778,226	733,929	749,095	

\*This line item includes a decision item.

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<b>Records and Reports of Child Abuse or Neglect</b>	<b><u>474,010</u></b>	<b><u>493,520</u></b>	<b><u>567,611</u></b>	<b><u>577,448</u></b>	
<i>FTE</i>	7.2	7.6	7.5	7.5	
Cash Funds	474,010	493,520	567,611	577,448	
<b>Child Protection Ombudsman Program</b>	<b><u>0</u></b>	<b><u>66,695</u></b>	<b><u>370,000</u></b>	<b><u>370,000</u></b>	
General Fund	0	66,695	370,000	370,000	
<b>Juvenile Parole Board</b>	<b><u>234,917</u></b>	<b><u>245,332</u></b>	<b><u>243,285</u></b>	<b><u>247,281</u></b>	
<i>FTE</i>	2.9	3.0	3.0	3.0	
General Fund	200,587	199,564	199,013	202,200	
Reappropriated Funds	34,330	45,768	44,272	45,081	
<b>Developmental Disabilities Council</b>	<b><u>819,674</u></b>	<b><u>709,160</u></b>	<b><u>870,272</u></b>	<b><u>876,951</u></b>	
<i>FTE</i>	4.0	4.0	6.0	6.0	
Federal Funds	819,674	709,160	870,272	876,951	
<b>Colorado Commission for the Deaf and Hard of Hearing</b>	<b><u>850,494</u></b>	<b><u>1,059,230</u></b>	<b><u>998,466</u></b>	<b><u>1,102,853</u></b>	*
<i>FTE</i>	2.6	5.5	6.3	6.5	
General Fund	131,429	126,519	124,688	127,091	
Reappropriated Funds	719,065	872,711	873,778	975,762	
Federal Funds	0	60,000	0	0	
<b>Colorado Commission for Individuals who are Blind or Visually Impaired</b>	<b><u>91,812</u></b>	<b><u>88,392</u></b>	<b><u>111,002</u></b>	<b><u>112,067</u></b>	
<i>FTE</i>	0.6	0.9	1.0	1.0	
Reappropriated Funds	91,812	88,392	111,002	112,067	

\*This line item includes a decision item.



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<b>Health Insurance Portability and Accountability Act of 1996 - Security Remediation</b>	<b><u>524,085</u></b>	<b><u>336,085</u></b>	<b><u>372,413</u></b>	<b><u>374,505</u></b>	
<i>FTE</i>	2.0	1.0	1.0	1.0	
General Fund	389,793	229,383	276,379	277,931	
Cash Funds	687	0	332	334	
Reappropriated Funds	103,307	81,274	72,948	73,358	
Federal Funds	30,298	25,428	22,754	22,882	
<b>CBMS Emergency Processing Unit</b>	<b><u>104,623</u></b>	<b><u>120,525</u></b>	<b><u>215,168</u></b>	<b><u>216,233</u></b>	
<i>FTE</i>	1.9	2.0	4.0	4.0	
General Fund	52,986	59,650	73,838	74,206	
Cash Funds	(1,345)	(1,011)	17,265	17,350	
Federal Funds	52,982	61,886	124,065	124,677	
<b>Total Funds - (B) Special Purpose</b>	<b>10,087,088</b>	<b>9,975,535</b>	<b>10,717,018</b>	<b>11,002,726</b>	<b>2.7%</b>
<i>FTE</i>	<b><u>108.8</u></b>	<b><u>109.9</u></b>	<b><u>119.1</u></b>	<b><u>119.3</u></b>	<b><u>0.2%</u></b>
General Fund	4,043,333	3,946,206	4,184,361	4,268,353	2.0%
Cash Funds	706,176	773,300	853,661	868,133	1.7%
Reappropriated Funds	1,592,683	1,788,184	1,777,224	1,897,961	6.8%
Federal Funds	3,744,896	3,467,845	3,901,772	3,968,279	1.7%

\*This line item includes a decision item.

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<b>Total Funds - (1) Executive Director's Office</b>	<b>61,294,171</b>	<b>58,890,996</b>	<b>65,626,835</b>	<b>72,655,924</b>	<b>10.7%</b>
<i>FTE</i>	<u>128.0</u>	<u>127.9</u>	<u>140.5</u>	<u>140.7</u>	<u>0.1%</u>
General Fund	34,666,485	32,428,100	36,369,037	39,817,596	9.5%
Cash Funds	3,052,682	2,870,807	2,639,940	3,490,523	32.2%
Reappropriated Funds	14,027,013	13,582,493	15,982,138	18,155,371	13.6%
Federal Funds	9,547,991	10,009,596	10,635,720	11,192,434	5.2%
<i>Net General Fund</i>	<i>40,933,762</i>	<i>37,378,814</i>	<i>43,041,296</i>	<i>47,418,099</i>	<i>10.2%</i>

**(2) OFFICE OF INFORMATION TECHNOLOGY SERVICES**

The primary function of this division is to develop and maintain the Department's information technology systems, including Colorado Trails and the Colorado Benefits Management System. It also contains appropriations for the department's use of certain centralized programs that are operated in the Governor's Office of Information Technology.

<b>Personal Services</b>	<b><u>5,216,612</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<i>FTE</i>	64.3	0.0	0.0	0.0
General Fund	4,024,437	0	0	0
Cash Funds	180,786	0	0	0
Reappropriated Funds	352,542	0	0	0
Federal Funds	658,847	0	0	0
<b>Operating Expenses</b>	<b><u>392,276</u></b>	<b><u>373,328</u></b>	<b><u>335,558</u></b>	<b><u>349,399</u></b>
General Fund	312,216	297,606	265,167	278,324
Reappropriated Funds	16,237	15,477	13,790	14,474
Federal Funds	63,823	60,245	56,601	56,601

\*This line item includes a decision item.

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<b>Microcomputer Lease Payments</b>	<b><u>517,690</u></b>	<b><u>424,271</u></b>	<b><u>539,344</u></b>	<b><u>539,344</u></b>	
General Fund	301,832	301,832	301,832	301,832	
Cash Funds	15,466	5,745	15,466	15,466	
Reappropriated Funds	128,647	63,563	128,647	128,647	
Federal Funds	71,745	53,131	93,399	93,399	
<b>County Financial Management System</b>	<b><u>1,506,683</u></b>	<b><u>1,494,227</u></b>	<b><u>1,494,325</u></b>	<b><u>1,494,325</u></b>	
General Fund	775,315	770,740	770,740	770,740	
Federal Funds	731,368	723,487	723,585	723,585	
<b>Client Index Project</b>	<b><u>139,970</u></b>	<b><u>16,247</u></b>	<b><u>17,698</u></b>	<b><u>17,698</u></b>	
<i>FTE</i>	2.8	0.0	0.0	0.0	
General Fund	90,014	10,154	10,154	10,154	
Federal Funds	49,956	6,093	7,544	7,544	
<b>Colorado Trails</b>	<b><u>8,412,379</u></b>	<b><u>4,884,808</u></b>	<b><u>4,952,399</u></b>	<b><u>4,970,392</u></b>	
<i>FTE</i>	44.2	0.0	0.0	0.0	
General Fund	4,540,925	2,693,335	2,665,468	2,683,461	
Federal Funds	3,871,454	2,191,473	2,286,931	2,286,931	
<b>National Aging Program Information System</b>	<b><u>90,574</u></b>	<b><u>93,113</u></b>	<b><u>93,114</u></b>	<b><u>93,114</u></b>	
General Fund	14,892	23,278	23,278	23,278	
Cash Funds	7,752	0	0	0	
Federal Funds	67,930	69,835	69,836	69,836	
<b>Child Care Automated Tracking System</b>	<b><u>60,436</u></b>	<b><u>2,070,430</u></b>	<b><u>2,299,593</u></b>	<b><u>2,299,593</u></b>	
Federal Funds	60,436	2,070,430	2,299,593	2,299,593	

\*This line item includes a decision item.

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	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Appropriation</b>	<b>FY 2012-13 Request</b>	<b>Request vs. Appropriation</b>
<b>Health Information Management System</b>	<u><b>339,048</b></u>	<u><b>337,995</b></u>	<u><b>339,168</b></u>	<u><b>339,168</b></u>	
General Fund	211,170	211,290	211,290	211,290	
Reappropriated Funds	127,878	126,705	127,878	127,878	
<b>Office of Information Technology, Colorado Benefits Management System</b>	<u><b>23,642,025</b></u>	<u><b>23,684,287</b></u>	<u><b>0</b></u>	<u><b>0</b></u>	
<i>FTE</i>	42.9	0.0	0.0	0.0	
General Fund	5,659,166	5,739,952	0	0	
Cash Funds	1,155,575	964,313	0	0	
Reappropriated Funds	8,729,458	8,544,120	0	0	
Federal Funds	8,097,826	8,435,902	0	0	
<b>Colorado Benefits Management System, DHS Personal Services</b>	<u><b>0</b></u>	<u><b>0</b></u>	<u><b>4,592,223</b></u>	<u><b>4,592,223</b></u>	
General Fund	0	0	1,126,702	1,126,702	
Cash Funds	0	0	212,849	212,849	
Reappropriated Funds	0	0	1,701,419	1,701,419	
Federal Funds	0	0	1,551,253	1,551,253	
<b>Colorado Benefits Management System, HCPF Personal Services</b>	<u><b>0</b></u>	<u><b>0</b></u>	<u><b>448,289</b></u>	<u><b>448,289</b></u>	
General Fund	0	0	109,988	109,988	
Cash Funds	0	0	20,778	20,778	
Reappropriated Funds	0	0	166,091	166,091	
Federal Funds	0	0	151,432	151,432	

\*This line item includes a decision item.

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<b>Colorado Benefits Management System, Centrally Appropriated Items</b>	<u>0</u>	<u>0</u>	<u>517,134</u>	<u>517,134</u>	
General Fund	0	0	126,879	126,879	
Cash Funds	0	0	23,969	23,969	
Reappropriated Funds	0	0	191,598	191,598	
Federal Funds	0	0	174,688	174,688	
<b>Colorado Benefits Management System, Operating Expenses</b>	<u>0</u>	<u>0</u>	<u>18,858,730</u>	<u>20,249,929</u>	*
General Fund	0	0	4,585,647	4,971,332	
Cash Funds	0	0	1,034,792	1,093,964	
Reappropriated Funds	0	0	6,924,731	7,314,340	
Federal Funds	0	0	6,313,560	6,870,293	
<b>CBMS SAS-70 Audit</b>	<u>149,000</u>	<u>137,975</u>	<u>149,000</u>	<u>149,000</u>	
General Fund	35,761	33,635	36,558	36,558	
Cash Funds	7,058	5,906	6,906	6,906	
Reappropriated Funds	53,975	50,545	55,204	55,204	
Federal Funds	52,206	47,889	50,332	50,332	
<b>Purchase of Services from Computer Center</b>	<u>4,311,390</u>	<u>12,857,124</u>	<u>14,244,028</u>	<u>17,857,126</u>	
General Fund	1,883,357	6,816,428	7,281,088	9,127,987	
Cash Funds	10,188	116,124	179,103	224,534	
Reappropriated Funds	42,511	196,976	254,625	319,212	
Federal Funds	2,375,334	5,727,596	6,529,212	8,185,393	

\*This line item includes a decision item.

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	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Appropriation</b>	<b>FY 2012-13 Request</b>	<b>Request vs. Appropriation</b>
<b>Multiuse Network Payments</b>	<b><u>2,282,929</u></b>	<b><u>2,895,996</u></b>	<b><u>3,093,056</u></b>	<b><u>2,335,491</u></b>	
General Fund	1,392,586	1,996,762	2,034,331	1,536,074	
Cash Funds	22,829	4,262	26,750	20,198	
Reappropriated Funds	182,634	169,236	270,623	204,341	
Federal Funds	684,880	725,736	761,352	574,878	
<b>Management and Administration of OIT</b>	<b><u>800,687</u></b>	<b><u>1,615,982</u></b>	<b><u>1,660,209</u></b>	<b><u>425,448</u></b>	
General Fund	617,093	1,248,984	1,263,001	323,659	
Cash Funds	18,067	28,230	26,430	6,773	
Reappropriated Funds	62,903	95,688	134,466	34,458	
Federal Funds	102,624	243,080	236,312	60,558	
<b>Communication Services Payments</b>	<b><u>163,475</u></b>	<b><u>187,760</u></b>	<b><u>201,019</u></b>	<b><u>204,129</u></b>	
General Fund	138,954	159,596	172,326	174,992	
Cash Funds	24,521	28,164	0	0	
Reappropriated Funds	0	0	28,693	29,137	
<b>CBMS Client Services Improvement Project</b>	<b><u>3,138,106</u></b>	<b><u>2,211,200</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	
General Fund	742,547	537,641	0	0	
Cash Funds	149,335	86,724	0	0	
Reappropriated Funds	1,143,652	795,719	0	0	
Federal Funds	1,102,572	791,116	0	0	
<b>TANF-Specific CBMS Changes</b>	<b><u>0</u></b>	<b><u>495,763</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	
Federal Funds	0	495,763	0	0	

\*This line item includes a decision item.

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	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Appropriation</b>	<b>FY 2012-13 Request</b>	<b>Request vs. Appropriation</b>
<b>Total Funds - (2) Office of Information Technology Services</b>	<b>51,163,280</b>	<b>53,780,506</b>	<b>53,834,887</b>	<b>56,881,802</b>	<b>0.0%</b>
<b>FTE</b>	<b><u>154.2</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>0.0%</u></b>
General Fund	20,740,265	20,841,233	20,984,449	21,813,250	3.9%
Cash Funds	1,591,577	1,239,468	1,547,043	1,625,437	5.1%
Reappropriated Funds	10,840,437	10,058,029	9,997,765	10,286,799	2.9%
Federal Funds	17,991,001	21,641,776	21,305,630	23,156,316	8.7%
<i>Net General Fund</i>	<i>27,398,182</i>	<i>25,724,457</i>	<i>25,751,610</i>	<i>26,736,860</i>	<i>3.8%</i>

**(3) OFFICE OF OPERATIONS**

This section contains appropriations for various central departmental functions including accounting, auditing, contracting, purchasing, vehicle leases, and facilities management.

**(A) Administration**

<b>Personal Services</b>	<b><u>22,534,124</u></b>	<b><u>22,553,542</u></b>	<b><u>22,359,053</u></b>	<b><u>22,864,038</u></b>
<i>FTE</i>	440.9	433.6	432.8	432.8
General Fund	10,767,285	11,426,220	12,708,212	12,994,455
Cash Funds	1,969,190	2,416,311	1,928,966	1,961,716
Reappropriated Funds	7,093,398	5,629,391	5,856,262	5,997,145
Federal Funds	2,704,251	3,081,920	1,865,613	1,910,722
<b>Operating Expenses</b>	<b><u>3,660,635</u></b>	<b><u>3,402,170</u></b>	<b><u>3,232,769</u></b>	<b><u>3,370,651</u></b>
General Fund	2,941,005	2,803,970	2,338,193	2,454,829
Cash Funds	35,562	17,274	4,294	4,294
Reappropriated Funds	608,341	465,839	690,663	711,909
Federal Funds	75,727	115,087	199,619	199,619

\*This line item includes a decision item.

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	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
<b>Vehicle Lease Payments</b>	<b><u>815,012</u></b>	<b><u>1,051,421</u></b>	<b><u>1,075,007</u></b>	<b><u>1,147,433</u></b>	*
General Fund	537,039	685,449	563,315	598,128	
Cash Funds	47,486	60,448	81,692	82,850	
Reappropriated Funds	170,944	228,564	268,518	284,676	
Federal Funds	59,543	76,960	161,482	181,779	
<b>Leased Space</b>	<b><u>2,180,773</u></b>	<b><u>2,230,524</u></b>	<b><u>2,410,915</u></b>	<b><u>2,410,915</u></b>	
General Fund	559,852	600,733	588,759	588,759	
Cash Funds	9,421	9,855	37,416	37,416	
Reappropriated Funds	0	0	22,527	22,527	
Federal Funds	1,611,500	1,619,936	1,762,213	1,762,213	
<b>Capitol Complex Leased Space</b>	<b><u>1,269,007</u></b>	<b><u>1,246,413</u></b>	<b><u>1,275,866</u></b>	<b><u>1,415,518</u></b>	
General Fund	1,269,007	1,246,413	584,496	648,473	
Cash Funds	0	0	68,575	76,081	
Reappropriated Funds	0	0	74,426	82,572	
Federal Funds	0	0	548,369	608,392	
<b>Utilities</b>	<b><u>7,770,805</u></b>	<b><u>7,756,203</u></b>	<b><u>7,744,210</u></b>	<b><u>7,744,210</u></b>	
General Fund	6,212,185	6,221,740	5,796,693	5,796,693	
Cash Funds	0	0	50,000	50,000	
Reappropriated Funds	1,558,620	1,534,463	1,897,517	1,897,517	

\*This line item includes a decision item.



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	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Appropriation</b>	<b>FY 2012-13 Request</b>	<b>Request vs. Appropriation</b>
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<b>Total Funds - (A) Administration</b>	<b>38,230,356</b>	<b>38,240,573</b>	<b>38,097,820</b>	<b>38,952,765</b>	<b>2.2%</b>
<i>FTE</i>	<u>440.9</u>	<u>433.6</u>	<u>432.8</u>	<u>432.8</u>	<u>0.0%</u>
General Fund	22,286,373	22,984,525	22,579,668	23,081,337	2.2%
Cash Funds	2,061,659	2,503,888	2,170,943	2,212,357	1.9%
Reappropriated Funds	9,431,303	7,858,257	8,809,913	8,996,346	2.1%
Federal Funds	4,451,021	4,893,903	4,537,296	4,662,725	2.8%

**(B) Special Purpose**

<b>Buildings and Grounds Rental</b>	<u>901,309</u>	<u>447,999</u>	<u>460,192</u>	<u>1,018,818</u>	*
<i>FTE</i>	3.7	4.8	6.5	6.5	
Cash Funds	901,309	447,999	460,192	1,018,818	
<b>State Garage Fund</b>	<u>640,480</u>	<u>708,287</u>	<u>728,547</u>	<u>731,213</u>	
<i>FTE</i>	2.0	3.0	2.6	2.6	
Cash Funds	0	708,287	0	0	
Reappropriated Funds	640,480	0	728,547	731,213	

<b>Total Funds - (B) Special Purpose</b>	<b>1,541,789</b>	<b>1,156,286</b>	<b>1,188,739</b>	<b>1,750,031</b>	<b>47.2%</b>
<i>FTE</i>	<u>5.7</u>	<u>7.8</u>	<u>9.1</u>	<u>9.1</u>	<u>(0.0%)</u>
Cash Funds	901,309	1,156,286	460,192	1,018,818	121.4%
Reappropriated Funds	640,480	0	728,547	731,213	0.4%

\*This line item includes a decision item.

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	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Appropriation</b>	<b>FY 2012-13 Request</b>	<b>Request vs. Appropriation</b>
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<b>Total Funds - (3) Office of Operations</b>	<b>39,772,145</b>	<b>39,396,859</b>	<b>39,286,559</b>	<b>40,702,796</b>	<b>3.6%</b>
<i>FTE</i>	<u><b>446.6</b></u>	<u><b>441.4</b></u>	<u><b>441.9</b></u>	<u><b>441.9</b></u>	<u><b>0.0%</b></u>
General Fund	22,286,373	22,984,525	22,579,668	23,081,337	2.2%
Cash Funds	2,962,968	3,660,174	2,631,135	3,231,175	22.8%
Reappropriated Funds	10,071,783	7,858,257	9,538,460	9,727,559	2.0%
Federal Funds	4,451,021	4,893,903	4,537,296	4,662,725	2.8%
<i>Net General Fund</i>	<i>25,538,000</i>	<i>26,413,591</i>	<i>25,126,345</i>	<i>25,681,394</i>	<i>2.2%</i>

<b>Total Funds - Department of Human Services (Divisions discussed in this briefing document)</b>	<b>152,229,596</b>	<b>152,068,361</b>	<b>158,748,281</b>	<b>170,240,522</b>	<b>7.2%</b>
<i>FTE</i>	<u><b>728.8</b></u>	<u><b>569.3</b></u>	<u><b>582.4</b></u>	<u><b>582.6</b></u>	<u><b>0.0%</b></u>
General Fund	77,693,123	76,253,858	79,933,154	84,712,183	6.0%
Cash Funds	7,607,227	7,770,449	6,818,118	8,347,135	22.4%
Reappropriated Funds	34,939,233	31,498,779	35,518,363	38,169,729	7.5%
Federal Funds	31,990,013	36,545,275	36,478,646	39,011,475	6.9%
<i>Net General Fund</i>	<i>93,869,944</i>	<i>89,516,862</i>	<i>93,919,251</i>	<i>99,836,353</i>	<i>6.3%</i>

\*This line item includes a decision item.

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**APPENDIX B: SUMMARY OF MAJOR LEGISLATION**

- **S.B. 11-076 (Steadman/Becker):** For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$5,248,580 total funds, of which \$3,034,793 is General Fund, \$204,655 is cash funds, \$1,196,670 is reappropriated funds, and \$812,462 is federal funds.
- **S.B. 11-141 (Hodge/Gerou):** Supplemental appropriation to the Department of Human Services to modify FY 2010-11 appropriations.
- **S.B. 11-209 (Hodge/Gerou):** General appropriations act for FY 2011-12. Also includes supplemental adjustments to modify FY 2010-11 appropriations to the Department of Human Services.
- **S.B. 11-217 (Hodge/Ferrandino):** Reduces the juvenile detention bed cap for the Division of Youth Corrections in the Department of Human Services from 479 beds to 422 beds beginning in FY 2011-12. Reduces the appropriation to the Department for FY 2011-12 by \$1,078,828 General Fund and 8.3 FTE, including a reduction of \$986,568 General Fund for the Division of Youth Corrections and \$92,260 for centrally-appropriated line items. This is expected to annualize to a reduction of \$1,087,000 General Fund and 10.0 FTE to the Division of Youth Corrections in FY 2012-13.
- **H.B. 11-1230 (Duran/Boyd):** Consolidates housing assistance programs in the Department of Human Services into the Department of Local Affairs. The bill specifies that the consolidation is to occur no later than July 1, 2011. The bill transfers \$20,101,143 federal funds and 19.5 FTE from the Department of Human Services to the Department of Local Affairs.

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**APPENDIX C: UPDATE OF FY 2011-12**  
**LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION**

**Long Bill Footnotes**

There were no Long Bill footnotes for FY 2011-12 for the Executive Director's Office, Office of Information Technology Services, and Office of Operations.

**Requests for Information**

5. **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2011 information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2010-11. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2011-12.

Comment: Staff did not receive a response from the Department or the Governor's Office of State Planning and Budgeting in time for this presentation. If the response received is relevant to the Department's FY 2012-13 budget request, staff will include it as part of the figure setting process.

6. **Department of Human Services, Office of Operations; Department Totals** -- The Department is requested to examine its cost allocation methodology and report its findings to demonstrate that all state-wide and departmental indirect costs are appropriately collected and applied. The Department is requested to submit an annual report to the Joint Budget Committee, on or before November 15, that includes: (1) Prior year actual indirect costs allocated by division and corresponding earned revenues by type (cash, reappropriated, and federal); (2) the amount of such indirect costs applied within each division and to Department administration line items in the Executive Director's Office, Office of Operations, and Office of Information Technology Services; (3) a comparison between indirect amounts applied and the amounts budgeted in the Long Bill; and (4) a schedule identifying areas in which collections could potentially be increased and a description of the obstacles to such increases where the discrepancy between the potential and actual collections is \$50,000 or more.

Comment: The response to this request will be submitted to the Joint Budget Committee on November 15, 2011. If the response received is relevant to the Department's FY 2012-13 budget request, staff will include it as part of the figure setting process.

12. **Department of Human Services, Executive Director's Office, General Administration, Injury Prevention Program** -- The Department is requested to provide information regarding the cost-effectiveness of the Injury Prevention Program. Such information should include: actual and planned annual expenditures for this line item, by program; the actual number of workers' compensation claims filed, by type of injury and by program; and the related costs associated with workers' compensation claims filed, by type of injury and by program. This information should be provided to the Joint Budget Committee annually on or before October 15.

Comment: The Department is in compliance with this request. According to the report submitted by the Department, it filed a total of 769 workers' compensation claims in FY 2010-11 resulting in payments of \$5,439,358. The number of claims filed decreased five percent and the cost of claims decreased by over six percent from FY 2009-10. The table below compares the FY 2009-10 cost of claims in specific divisions and/or facilities versus FY 2010-11. The types of injuries commonly reported included strains, struck or injured by a patient, and falls and slips.

<b>Department of Human Services Cost of Claims</b>			
<b>Division / Facility</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>Percentage Change</b>
Fort Logan	\$87,387	\$43,794	(49.9%)
Grand Junction Regional Center	951,547	335,500	(64.7%)
Mount View Youth Services Center	146,211	101,375	(30.7%)
Operations	819,744	456,973	(44.3%)
Disability Determination Services	67,699	8,210	(87.9%)
Trinidad Nursing Home	143,209	68,831	(51.9%)

The Department attributes much of the decrease in incidents and cost of claims to pilot programs at the Grand Junction Regional Center and Mount View Youth Services Center to user observation and feedback to indentify, record, and analyze safe and at-risk behaviors of their co-workers, the purchase of ramps for Office of Operations staff for loading and unloading heavy weights, and the divestiture of the Trinidad Nursing Home to a private company.



## State of Colorado

LEGISLATIVE AUDIT COMMITTEE  
Legislative Services Building - Second Floor  
200 East 14<sup>th</sup> Avenue  
Denver, Colorado 80203

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Senator  
JOE MIKLOSI  
Representative  
SCOTT RENFROE  
Senator

October 31, 2011

Representative Cheri Gerou, Chair  
Joint Budget Committee

Dear Representative Gerou:

The Legislative Audit Committee has been concerned about departments not implementing audit recommendations that they have agreed to implement. The State Auditor and her staff have developed a database to track recommendations and produce reports identifying those not implemented. We are providing this report for your consideration as you evaluate the budget requests for the Department of Human Services.

Attached you will find information regarding the following recommendations:

<b>Department of Human Services</b>		
<u>Number of Recommendations</u>	<u>Audit of Origination</u>	<u>Audit Date</u>
81	State of Colorado Statewide Single Audit	Fiscal Years Ended June 30, 2007, 2008 and 2009

Thank you for integrating this into your budget process.

Sincerely,

Senator Lois Tochtrop, Chair  
Legislative Audit Committee

# Office of the State Auditor Recommendations

## Financial Recommendations Not Entirely Implemented As of Fiscal Year Ending June 30, 2010

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	The Division of Facilities Management should address statutory compliance issues and strengthen controls over the rental of state-owned surplus facilities by: (c) instituting periodic secondary reviews of all leases of State-owned property, to ensure that they are current, documented on the approved Office of the State Architect lease agreement, clearly describe the property to be rented, and are properly authorized.	11c	Deficiency in Internal Control	Not Implemented	March 2011	11c	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	The Division of Facilities Management should address statutory compliance issues and strengthen controls over the rental of state-owned surplus facilities by: (d) renegotiating any leases found after review to be inadequately documented, authorized, expired, or out of compliance.	11d	Deficiency in Internal Control	Partially Implemented	March 2011	11d	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Ensure that the financial data in COFRS related to counties' administration of public assistance programs are accurate and complete by: (a) developing a procedure by which to reconcile the County Financial Management System (CFMS) and COFRS data each month.	13b	Significant Deficiency	Not Implemented	June 2012	13a	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Ensure that the financial data in COFRS related to counties' administration of public assistance programs are accurate and complete by: (b) assigning responsibility to specific employees for conducting the monthly reconciliation process and the supervisory review of the process.	13c	Significant Deficiency	Not Implemented	June 2012	13b	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Ensure that the financial data in COFRS related to counties' administration of public assistance programs are accurate and complete by: (c) reconciling the CFMS and COFRS accounts of the reimbursement due the counties at the end of Fiscal Year 2009 and making the necessary adjustments.	13a	Significant Deficiency	Not Implemented	June 2012	13c	Significant Deficiency	N/A	Agree - original implementation date is June 2010								

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Department of Human Services	Improve controls over financial reporting for Medicare Part D revenue and receivables at the Fort Logan and Pueblo Mental Health Institutes by ensuring monthly and fiscal year-end reconciliations are performed on the Part D revenue and related accounts receivable balances in COFRS to billings from the pharmacy subsystem, and making adjustments as appropriate.	15	Significant Deficiency	Partially Implemented	January 2011	14	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Improve controls over financial reporting of revenue and receivables at the Fitzsimons, Florence, Rifle, and Trinidad nursing homes operated by the Department by implementing and formally documenting a reconciliation process in which monthly and fiscal year-end reconciliations are performed on revenue and related accounts receivable balances in COFRS to amounts recorded in the Achieve-Matrix system, and making adjustments as appropriate.	18	Deficiency in Internal Control	Not Implemented	November 2010	15	Deficiency in Internal Control	N/A	Agree - original implementation date is February 2010								
Department of Human Services	Improve controls over the payroll process by ensuring that time sheets are certified within the timeframes specified in Department policy and are maintained and available for review.	14d	Significant Deficiency	Not Implemented	March 2011	16	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by: (a) continuing to ensure that the staff who prepare the exhibits receive adequate training each year on exhibit preparation.	101a	Significant Deficiency	Partially Implemented	September 2011	17a	Significant Deficiency	N/A	Agree - original implementation date is August 2010								
Department of Human Services	Improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by: (b) continuing to conduct secondary reviews of exhibits, including in-depth, detailed reviews of all supporting documentation used to prepare the exhibits.	101b	Significant Deficiency	Partially Implemented	September 2011	17b	Significant Deficiency	N/A	Agree - original implementation date is August 2010								
Department of Human Services	Improve controls over the processing and deposit of background check payments to ensure that the payments are deposited with the State Treasurer in accordance with State Fiscal Rules.	20	Deficiency in Internal Control	Not Implemented	February 2011	18	Deficiency in Internal Control	N/A	Agree - original implementation date is March 2010								



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Department of Human Services	Establish adequate controls over benefit authorization and issuance data for the cash programs by: (a) performing routine and comprehensive reconciliations among the Colorado Benefits Management System (CBMS), CFMS, the State's Electronic Benefits Transfer service provider, and COFRS to ensure that financial information is accurately and completely recorded.	21	Deficiency in Internal Control	Partially Implemented	September 2012	19a	Significant Deficiency	Deferred	June 2010	8a	Significant Deficiency	N/A	Agree - original implementation date is June 2010				
Department of Human Services	Establish adequate controls over benefit authorization and issuance data for the cash programs by: (b) ensuring that all reconciliations are reviewed by knowledgeable personnel not involved in preparing the reconciliations.	21	Deficiency in Internal Control	Partially Implemented	September 2012	19b	Significant Deficiency	Deferred	June 2010	8b	Significant Deficiency	N/A	Agree - original implementation date is June 2010				
Department of Human Services	Establish adequate controls over benefit authorization and issuance data for the cash programs by: (c) making any necessary adjustments in a timely manner to the appropriate systems.	21	Deficiency in Internal Control	Partially Implemented	September 2012	19c	Significant Deficiency	Deferred	June 2010	8c	Significant Deficiency	N/A	Agree - original implementation date is June 2010				
Department of Human Services	Continue to work with the county departments of human/social services to ensure the accuracy of SNAP/Food Assistance program eligibility determinations and benefits by: (a) monitoring the counties' maintenance of case file documentation, data entry, and follow up on Income, Eligibility, and Verification System (IEVS) discrepancies.	78	Material Weakness	Partially Implemented	Ongoing	100a	Material Weakness	N/A	Implemented and ongoing								
Department of Human Services	Continue to work with the county departments of human/social services to ensure the accuracy of SNAP/Food Assistance program eligibility determinations and benefits by: (b) ensuring that county review reports are provided to the counties within 60 days of completing the review and that corrective action plans are obtained from the counties within 30 days of the report.	78	Material Weakness	Partially Implemented	Ongoing	100b	Material Weakness	N/A	Implemented and ongoing								
Department of Human Services	Continue to work with the counties to ensure that applications for SNAP/Food Assistance benefits are processed within federal and state requirements.	101	Deficiency in Internal Control	Partially Implemented	September 2012	101	Significant Deficiency	N/A	Implemented and ongoing								

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Department of Human Services	Continue to work with the county departments of human/social services to ensure the accuracy of eligibility determinations and benefit payments for the Temporary Aid for Needy Families/Colorado Works (TANF) program by monitoring and reviewing counties' case file documentation and data entry.	98	Deficiency in Internal Control	Partially Implemented	Ongoing	102	Deficiency in Internal Control	N/A	Implemented and ongoing								
Department of Human Services	Improve controls over the Child Support Enforcement program by: (c) ensuring that counties enforce medical support obligations by using the National Medical Support Notice, where appropriate.	97	Significant Deficiency	Partially Implemented	June 2011	103c	Significant Deficiency	N/A	Agree - implemented								
Department of Human Services	Strengthen controls over the reporting process for the federal Social Services Block Grant by: (a) ensuring staff preparing reports are adequately trained on the reporting requirements.	102	Deficiency in Internal Control	Partially Implemented	No implementation date provided	104a	Significant Deficiency	N/A	Agree - original implementation date is June 2009								
Department of Human Services	Strengthen controls over the reporting process for the federal Social Services Block Grant by: (b) ensuring that reports are reviewed by a supervisor prior to being submitted.	102	Deficiency in Internal Control	Partially Implemented	No implementation date provided	104b	Significant Deficiency	N/A	Agree - original implementation date is June 2009								
Department of Human Services	Strengthen controls over the reporting process for the federal Social Services Block Grant by: (c) correcting and resubmitting the 2008 "Post-Expenditure Report" to the federal awarding agency.	102	Deficiency in Internal Control	Partially Implemented	No implementation date provided	104c	Significant Deficiency	N/A	Agree - original implementation date is June 2009								
Department of Human Services	Strengthen controls over case file documentation for the Title IV-E Adoption Assistance program by using training and monitoring programs to ensure that county case workers are aware of all eligibility requirements of the Adoption Assistance program and maintain all required documentation in the case files.	95	Significant Deficiency	Not Implemented	January 2011	106	Deficiency in Internal Control	N/A	Partially agree - original implementation date is January 2010								
Department of Human Services	Ensure through continued monitoring and training that the counties are obtaining and maintaining in the case files all the documents required to demonstrate families' eligibility for Child Care and Development Program Cluster subsidies under the Colorado Child Care Assistance Program.	81	Significant Deficiency	Not Implemented	January 2011	107	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2009 with full implementation by November 2010								

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Department of Human Services	Improve the review of the Colorado Child Care Assistance Program provider attendance records by county departments of human/social services by: (a) providing guidance to the counties on how to select samples of providers' attendance sheets for review.	84	Significant Deficiency	Partially Implemented	March 2011	111a	Significant Deficiency	N/A	Agree - original implementation date is May 2010								
Department of Human Services	Improve oversight of quality initiative spending for Colorado Child Care Assistance Program by county departments of human/social services by: (b) requiring counties to institute formal grant processes for distributing quality initiative funds to child care providers and reviewing the counties' grant processes to ensure that counties distribute and monitor funds appropriately.	86	Significant Deficiency	Not Implemented	November 2010	112b	Significant Deficiency	N/A	Agree - original implementation date is January 2010								
Department of Human Services	Improve controls over the preparation of the Exhibit K and supporting documentation by: (b) ensuring adequate supervisory review of the Exhibit K and supporting documentation.	101	Significant Deficiency	Partially Implemented	September 2011	113b	Significant Deficiency	N/A	Agree - original implementation date is September 2010								
Department of Human Services	Improve controls over the preparation of the Exhibit K and supporting documentation by: (c) continuing to provide training to staff who prepare the Exhibit K and the supporting documentation.	101	Significant Deficiency	Partially Implemented	September 2011	113c	Significant Deficiency	N/A	Agree - original implementation date is September 2010								
Department of Human Services	Improve controls over administrative foster care funds expended by child placement agencies (CPAs) by: (a) evaluating the substance of the relationship between counties and CPAs based on OMB Circular A-133 criteria and concluding on whether CPAs should be considered vendors or subrecipients.	89	Significant Deficiency	Not Implemented	The agency disagrees with the recommendation	117a	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Improve controls over administrative foster care funds expended by child placement agencies (CPAs) by: (b) implementing requirements for audits of CPAs in accordance with the determination suggested in part "a" of the recommendation.	89	Significant Deficiency	Not Implemented	The agency disagrees with the recommendation	117b	Significant Deficiency	N/A	Agree - original implementation date is September 2010								
Department of Human Services	Improve controls over administrative foster care funds expended by child placement agencies (CPAs) by: (c) establishing procedures to review the CPA audits and follow up on any findings identified.	89	Significant Deficiency	Not Implemented	The agency disagrees with the recommendation	117c	Significant Deficiency	N/A	Agree - original implementation date is May 2010								

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Department of Human Services	Improve controls over administrative foster care funds expended by child placement agencies (CPAs) by: (d) evaluating options for reviewing the allowability and appropriateness of CPA expenditures made with child welfare funds.	89	Significant Deficiency	Not Implemented	The agency disagrees with the recommendation	117d	Significant Deficiency	N/A	Agree - original implementation date is May 2010								
Department of Human Services	Ensure that county departments of human/social services pay foster care rates that reflect the foster child's level of care and service needs by: (a) continuing working with counties to develop and implement a validated, statewide level-of-care assessment tool.	87	Significant Deficiency	Partially Implemented	The agency disagrees with the recommendation	118a	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Ensure that county departments of human/social services pay foster care rates that reflect the foster child's level of care and service needs by: (b) updating the Trails system to include fields for recording the child's level of care and requiring counties to include this information in Trails whenever they enter new provider rates.	87	Significant Deficiency	Not Implemented	The agency disagrees with the recommendation	118b	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Ensure that county departments of human/social services pay foster care rates that reflect the foster child's level of care and service needs by: (c) conducting periodic file reviews at counties and analysis of actual rates paid by counties to ensure they are using level-of-care tools to assist with setting and negotiating appropriate foster care rates.	87	Significant Deficiency	Not Implemented	The agency disagrees with the recommendation	118c	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Improve internal controls over purchasing cards by: (a) continuing to train approving officials and cardholders on their responsibilities to ensure compliance with Department policy and imposing consequences for policy violations.	16	Significant Deficiency	Partially Implemented	December 2011	120a	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve internal controls over purchasing cards by: (b) updating all written purchasing card policies to indicate that recurring, automatic charges and payments are prohibited purchases, clearly communicating this requirement to all card holders, and ensuring that all established automatic payments currently being processed are identified and deactivated by the cardholders.	16	Significant Deficiency	Partially Implemented	June 2011	120b	Significant Deficiency	N/A	Agree - original implementation date is April 2010								

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Department of Human Services	Improve internal controls over purchasing cards by: (c) utilizing the automated violation tracking system's reporting function to monitor the results of the Department's internal purchasing card audits and ensuring the actions taken by approving authorities in response to cardholder violations are adequate.	16	Significant Deficiency	Partially Implemented	June 2011	120c	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve internal controls over purchasing cards by: (d) ensuring purchasing card accounts are closed in a timely manner upon employee termination.	16	Significant Deficiency	Partially Implemented	June 2011	120d	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve internal controls over purchasing cards by: (e) coding all procurement card purchases accurately in COFRS.	16	Significant Deficiency	Partially Implemented	June 2011	120e	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Strengthen controls over travel expenditures by: (a) ensuring that employees and supervisors are consistent in their compliance with existing State and Department travel policies, through continuing periodic training and enforcement.	121a	Deficiency in Internal Control	Partially Implemented	May 2011	121a	Significant Deficiency	N/A	Agree - original implementation date is February 2010								
Department of Human Services	Strengthen controls over travel expenditures by: (b) recovering identified overpayments from employees.	121b	Deficiency in Internal Control	Partially Implemented	May 2011	121b	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Strengthen controls over travel expenditures by: (c) considering using its internal audit function to conduct periodic reviews to ensure compliance with State Fiscal Rules and Department policies over travel.	121c	Deficiency in Internal Control	Partially Implemented	May 2011	121c	Significant Deficiency	N/A	Agree - original implementation date is February 2010								
Department of Human Services	Strengthen its controls over the telecommunications payment process by ensuring that all divisions and programs perform monthly reviews of their telecommunications bills in the Telecommunications Financial Management System and submit signed certifications and any identified errors to Central Accounting.	19	Deficiency in Internal Control	Not Implemented	January 2011	122	Deficiency in Internal Control	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve general computer controls over Trails and the Child Care Automated Tracking System (CHATS) by: (a) hardening system configuration settings for Trails as recommended under separate cover.	125a	Deficiency in Internal Control	Not Implemented	December 2010	125a	Deficiency in Internal Control	N/A	Agree - original implementation date is May 2010								

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Department of Human Services	Improve general computer controls over Trails and the Child Care Automated Tracking System (CHATS) by: (b) promptly removing user access for terminated employees and strengthening procedures to ensure that employee termination notifications are initiated and acted upon in a timely manner.	125b	Deficiency in Internal Control	Not Implemented	December 2010	125b	Deficiency in Internal Control	N/A	Agree - original implementation date is May 2010								
Department of Human Services	Improve general computer controls over Trails and the Child Care Automated Tracking System (CHATS) by: (c) requiring supervisors to annually verify the accuracy and relevance of user access for the employees they supervise.	125c	Deficiency in Internal Control	Not Implemented	December 2010	125c	Deficiency in Internal Control	N/A	Agree - original implementation date is May 2010								
Department of Human Services	Improve general computer controls over Trails and the Child Care Automated Tracking System (CHATS) by: (e) implementing password parameters that comply with State Cyber Security Policies.	125e	Deficiency in Internal Control	Partially Implemented	December 2010	125e	Deficiency in Internal Control	N/A	Agree - original implementation date is November 2010								
Department of Human Services	The Division for Developmental Disabilities should improve controls to ensure service plan documentation is sufficient to support the service request and subsequent payments. Specifically, the Department should work with the Department of Health Care Policy and Financing to: (c) eliminate duplicate data entry of service requests in the CCMS and BUS systems by automatically populating the service request in CCMS from the service plan information contained in the BUS system.	126c	Deficiency in Internal Control	Not Implemented	2012	126c	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2009								
Department of Human Services	The Division for Developmental Disabilities should improve its processes for reviewing service requests to ensure that an adequate basis exists for its approval and denial decisions and that clients are treated equitably. Specifically, the Department should: (b) implement an automated mechanism to track data on the number of reviews conducted, the number of and reasons for denials and reductions in service, and the number of service requests that are re-submitted and re-reviewed.	128b	Deficiency in Internal Control	Not Implemented	No implementation date provided	128b	Deficiency in Internal Control	N/A	Agency to re-evaluate resources annually; no implementation date provided								

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Department of Human Services	The Division for Developmental Disabilities should improve its processes for reviewing service requests to ensure that an adequate basis exists for its approval and denial decisions and that clients are treated equitably. Specifically, the Department should: (d) develop a process for supervisory review of service request reviews.	128d	Deficiency in Internal Control	Not Implemented	August 2010	128d	Deficiency in Internal Control	N/A	Agree - original implementation date is December 2009								
Department of Human Services	The Division for Developmental Disabilities should establish mechanisms for monitoring the implementation and operation of appropriate fiscal controls to ensure accountability for services and payments. Specifically, the Department should: (a) develop and issue a comprehensive, written policy and procedures manual for CCBs and update the manual on a routine basis.	132a	Deficiency in Internal Control	Not Implemented	June 2011	132a	Deficiency in Internal Control	N/A	Agree - original implementation date is December 2009								
Department of Human Services	The Division for Developmental Disabilities should establish mechanisms for monitoring the implementation and operation of appropriate fiscal controls to ensure accountability for services and payments. Specifically, the Department should: (b) provide training on the policy and procedures manual to the CCBs.	132b	Deficiency in Internal Control	Not Implemented	June 2011	132b	Deficiency in Internal Control	N/A	Agree - original implementation date is December 2009								
Department of Human Services	Take immediate steps to correct the system problems related to inappropriate restoration payments and enforcement of sanctions in the Colorado Benefits Management System to lessen the risk of errors in benefit payments.	79	Significant Deficiency	Partially Implemented	June 2011	133	Material Weakness	Deferred	December 2009	86	Material Weakness	N/A	Agree - original implementation date is December 2009				
Department of Human Services	Ensure that SNAP/Food Stamps redeterminations and Change Report Forms are processed within federal and state guidelines, as applicable.	78	Material Weakness	Not Implemented	Ongoing	134	Material Weakness	Deferred	December 2009	87	Material Weakness	N/A	Agree - original implementation date is December 2009				
Department of Human Services	Strengthen controls over the Low Income Energy Assistance Program (LEAP) program by: (a) ensuring that eligibility is determined in a timely manner and vendors are contacted when required.	92	Significant Deficiency	Partially Implemented	September 2010	135a	Significant Deficiency	Deferred	September 2009	89a	Significant Deficiency	N/A	Agree - original implementation date is September 2009				
Department of Human Services	Strengthen controls over the Low Income Energy Assistance Program (LEAP) program by: (b) ensuring that required documentation is obtained to support LEAP eligibility, benefit determination, and Estimated Home Heating Cost changes by performing a periodic review of case files.	92	Significant Deficiency	Partially Implemented	September 2010	135b	Significant Deficiency	Deferred	September 2009	89b	Significant Deficiency	N/A	Agree - original implementation date is September 2009				

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Department of Human Services	Strengthen controls over the Low Income Energy Assistance Program (LEAP) program by: (c) strengthening supervisory review process over data entry by instituting an effective supervisory review process.	92	Significant Deficiency	Partially Implemented	September 2010	135c	Significant Deficiency	Deferred	September 2009	89c	Significant Deficiency	N/A	Agree - original implementation date is September 2009				
Department of Human Services	Improve controls related to manual overrides of Colorado Child Care Assistance Program eligibility determinations within the Child Care Automated Tracking System (CHATS) by: (b) requiring that the counties establish supervisory review and approval for all overrides.	82	Significant Deficiency	Not Implemented	March 2011	136b	Significant Deficiency	Deferred	July 2009	95b	Significant Deficiency	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Improve controls related to manual overrides of Colorado Child Care Assistance Program eligibility determinations within the Child Care Automated Tracking System (CHATS) by: (c) ensuring county case managers and supervisors are adequately trained in proper procedures for overrides.	82	Significant Deficiency	Not Implemented	March 2011	136c	Significant Deficiency	Deferred	July 2009	95c	Significant Deficiency	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Improve controls related to manual overrides of Colorado Child Care Assistance Program eligibility determinations within the Child Care Automated Tracking System (CHATS) by: (d) building automatic supervisory review, approval, and reporting capabilities into the CHATS replacement system.	82	Significant Deficiency	Not Implemented	March 2011	136d	Significant Deficiency	Deferred	August 2010	95d	Significant Deficiency	N/A	Agree - original implementation date is August 2010				
Department of Human Services	Ensure that county departments of human/social services properly authorize child care for Colorado Child Care Assistance Program (CCCAP) participants by: (c) improving its monitoring of the counties' CCCAP operations by revising its county case file review process to include developing a risk-based approach that reviews those counties that manage larger CCCAP caseloads and determines why counties make errors.	83	Significant Deficiency	Not Implemented	March 2011	137c	Significant Deficiency	Deferred	July 2009	96	Significant Deficiency	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Ensure that county departments of human/social services properly authorize child care for Colorado Child Care Assistance Program (CCCAP) participants by: (d) requiring that counties submit corrective action plans to address problems identified in part "c" and following up on these plans as appropriate.	83	Significant Deficiency	Not Implemented	March 2011	137d	Significant Deficiency	Deferred	July 2009	96	Significant Deficiency	N/A	Agree - original implementation date is July 2009				



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Department of Human Services	Improve the review of Colorado Child Care Assistance Program provider attendance records by county departments of human/social services by: (a) verifying that counties are conducting the reviews in accordance with Department regulations during the Department's monitoring reviews.	84	Significant Deficiency	Partially Implemented	March 2011	138a	Significant Deficiency	Deferred	July 2009	98a	Significant Deficiency	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Improve its oversight of county-owned child care providers to ensure an arm's-length bargaining relationship between counties and their county-owned providers and to provide assurance that Colorado Child Care Assistance Program payments are reasonable and necessary by: (a) reviewing and approving all rates negotiated between the county department of human/social services and the county-owned provider.	85	Significant Deficiency	Not Implemented	November 2010	139a	Significant Deficiency	Deferred	July 2009	99a	Significant Deficiency	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Improve information for evaluating county administrative and case management costs in the child welfare allocation model by: (a) working with counties to identify and evaluate options for using or modifying existing systems to improve cost information.	88	Significant Deficiency	Partially Implemented	July 2012	140a	Significant Deficiency	Deferred	October 2009	103a	Significant Deficiency	Deferred	October 2009	103a	Significant Deficiency	N/A	Agree - original implementation date is October 2009
Department of Human Services	Strengthen controls over the Colorado Electronic Benefits Transfer (EBT) system by: (e) performing periodic reviews of EBT users, in conjunction with the counties, to ensure terminated users are identified and access levels for current employees remain appropriate.	16e	Deficiency in Internal Control	Not Implemented	August 2010	16e	Deficiency in Internal Control	Not Implemented	April 2010	16e	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2010				
Department of Human Services	The Department of Health Care Policy and Financing and Department of Human Services should improve controls over CBMS user access by: (c) reviewing existing CBMS users and removing all unnecessary incompatible profiles.	91c	Deficiency in Internal Control	Not Implemented	December 2010	91c	Deficiency in Internal Control	Deferred	December 2009	91c	Deficiency in Internal Control	N/A	Agree - original implementation date is December 2009				
Department of Human Services	The Department of Health Care Policy and Financing and Department of Human Services should improve controls over CBMS user access by: (d) implementing a process to periodically review and certify the appropriateness of CBMS user access levels.	91d	Deficiency in Internal Control	Not Implemented	December 2010	91d	Deficiency in Internal Control	Deferred	August 2009	91d	Deficiency in Internal Control	N/A	Agree - original implementation date is August 2009				

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Department of Human Services	Improve the accuracy and completeness of eligibility determinations for the Colorado Child Care Assistance Program (CCCAP) made by county departments of human/social services by: (d) strengthening the Department's and counties' monitoring and supervisory review systems as outlined in Recommendation No. 97 in the 2008 report.	94d	Deficiency in Internal Control	Not Implemented	December 2010	94d	Deficiency in Internal Control	Deferred	July 2009	94d	Deficiency in Internal Control	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Improve its oversight of the foster parent certification process by: (a) requiring county departments of human/social services and child placement agencies to conduct periodic (e.g., annual) desk audits of their certified foster parents to ensure that the parents meet all applicable requirements and that their qualifications are documented in their files.	95a	Deficiency in Internal Control	Partially Implemented	September 2010	95a	Deficiency in Internal Control	Partially Implemented	The agency did not provide a revised implementation date	95a	Deficiency in Internal Control	Partially Implemented	June 2009	95a	Deficiency in Internal Control	N/A	Agree - original implementation date is July 2008
Department of Human Services	Improve its oversight of the foster parent certification process by: (b) developing and applying sanctions when the Department finds discrepancies between county and child placement agency (CPA) attestations and actual foster parent qualifications.	95b	Deficiency in Internal Control	Partially Implemented	September 2010	95b	Deficiency in Internal Control	Not Implemented	June 2010	95b	Deficiency in Internal Control	Deferred	July 2008	95b	Deficiency in Internal Control	N/A	Agree - original implementation date is July 2008
Department of Human Services	Improve its oversight of the foster parent certification process by: (d) working with county departments of human/social services to develop a solution for providing relevant child information to foster parents without violating confidentiality requirements.	95d	Deficiency in Internal Control	Partially Implemented	October 2010	95d	Deficiency in Internal Control	Partially Implemented	The agency did not provide a revised implementation date	95d	Deficiency in Internal Control	Deferred	October 2008	95d	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2008
Department of Human Services	Increase monitoring and oversight of Core Services programs provided by county departments of human/social services to ensure counties provide these services only to families with children at risk of out-of-home placement. Specifically, the Department should: (b) develop written policies to impose fiscal sanctions and/or require repayment of funds from county departments of human/social services for cases in which Core Services eligibility has not been adequately documented.	100b	Finding not classified; not an internal control related issue	Partially Implemented	September 2010	100b	Finding not classified; not an internal control related issue	Not Implemented	May 2010	100b	Finding not classified; not an internal control related issue	Not Implemented	July 2009	100b	Finding not classified; not an internal control related issue	N/A	Agree - original implementation date is July 2008

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Department of Human Services	Increase monitoring and oversight of Core Services programs provided by county departments of human/social services to ensure counties provide these services only to families with children at risk of out-of-home placement. Specifically, the Department should: (c) provide training and technical assistance to the counties to ensure that counties understand how to document eligibility for Core Services and that counties are aware of available Department sanctions if documentation is not sufficient.	100c	Finding not classified; not an internal control related issue	Partially Implemented	September 2010	100c	Finding not classified; not an internal control related issue	Partially Implemented	May 2010	100c	Finding not classified; not an internal control related issue	Partially Implemented	July 2009	100c	Finding not classified; not an internal control related issue	N/A	Agree - original implementation date is July 2008
Department of Human Services	Improve accountability for child welfare expenditures and foster care rates to ensure funds are used cost-effectively by: (a) analyzing the foster care rates being paid to providers, including county-certified providers, against provider costs and benchmark information on a periodic (e.g., annual) basis to determine if the rates being paid by county departments of human/social services are reasonable.	101a	Deficiency in Internal Control	Partially Implemented	September 2010	101a	Deficiency in Internal Control	Partially Implemented	March 2010	101a	Significant Deficiency	Deferred	July 2008	101a	Significant Deficiency	N/A	Partially agree - original implementation date is July 2008
Department of Human Services	Improve accountability for child welfare expenditures and foster care rates to ensure funds are used cost-effectively by: (d) identifying and considering implementing alternative rate-setting methodologies that rely on objective cost data, such as benchmarks on child care and administrative costs, to pay for foster care services.	101d	Deficiency in Internal Control	Partially Implemented	The agency did not provide a revised implementation date	101d	Deficiency in Internal Control	Partially Implemented	The agency did not provide a revised implementation date	101d	Significant Deficiency	Deferred	December 2008	101d	Significant Deficiency	N/A	Partially agree - original implementation date is December 2008
Department of Human Services	Ensure it is claiming Title IV-E-eligible reimbursements for foster care appropriately by: (b) ensuring Department staff and county departments of human/social services record and classify case management services in accordance with the direction provided by DHHS in Part (a).	104b	Deficiency in Internal Control	Partially Implemented	January 2011	104b	Deficiency in Internal Control	Partially Implemented	Summer 2010	104b	Significant Deficiency	Deferred	December 2008	104b	Significant Deficiency	N/A	Partially agree - original implementation date is December 2008

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Department of Human Services	Ensure it is claiming Title IV-E-eligible reimbursements for foster care appropriately by: (c) implementing procedures for verifying that counties are entering rate information into Trails accurately, including bed reservation rates, and for ensuring that payments to counties reflect adjustments for any federal funds claimed incorrectly for reimbursement under Title IV-E.	104c	Deficiency in Internal Control	Partially Implemented	October 2010	104c	Deficiency in Internal Control	Not Implemented	March 2010	104c	Significant Deficiency	Deferred	December 2008	104c	Significant Deficiency	N/A	Partially agree - original implementation date is December 2008
Department of Human Services	Ensure that CPAs pass along the correct child maintenance payments received from county departments of human/social services to foster parents by: (a) implementing routine, periodic reviews of the payments made from CPAs to foster parents to ensure that they match the payments received from counties.	90a	Deficiency in Internal Control	Partially Implemented	January 2011	106a	Deficiency in Internal Control	Partially Implemented	May 2010	106a	Significant Deficiency	Deferred	October 2008	106a	Significant Deficiency	N/A	Partially agree - original implementation date is October 2008
Department of Human Services	Ensure that CPAs pass along the correct child maintenance payments received from county departments of human/social services to foster parents by: (b) following up on identified over- or underpayments to foster parents to determine why the incorrect payments were made and to require that counties and CPAs rectify all incorrect payments.	90b	Deficiency in Internal Control	Not Implemented	The agency disagrees with this part of the recommendation	106b	Deficiency in Internal Control	Not Implemented	The agency did not provide a revised implementation date	106b	Significant Deficiency	Deferred	July 2008	106b	Significant Deficiency	N/A	Partially agree - original implementation date is July 2008