

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2012-13 STAFF FIGURE SETTING
DEPARTMENT OF HUMAN SERVICES**

(Executive Director's Office, Office of Information Technology Services, Office of Operations, and Mental Health and Alcohol and Drug Abuse Services)

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

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FY 2012-13 FIGURE SETTING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE
JBC Working Document: Decisions Subject to Change

DEPARTMENT OF HUMAN SERVICES
(Executive Director's Office, Office of Information Technology Services, Office of Operations, and Mental Health and Alcohol and Drug Abuse Services)

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FY 2012-13 Joint Budget Committee Staff Figure Setting
Department of Human Services
(Executive Director's Office, Office of Information Technology Services,
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	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Staff Recommendation
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DEPARTMENT OF HUMAN SERVICES Reggie Bicha, Executive Director
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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

Personal Services	1,953,299	2,032,593	1,868,934	1,914,648	1,876,929	
<i>FTE</i>	<u>19.2</u>	<u>18.0</u>	<u>21.4</u>	<u>21.4</u>	<u>21.4</u>	
General Fund	(111,006)	(802,371)	602,960	618,044	605,868	
Cash Funds	709,258	433,744	96,206	98,493	96,553	
Reappropriated Funds	192,090	534,333	289,858	296,714	290,869	
Federal Funds	1,162,957	1,866,887	879,910	901,397	883,639	
Health, Life, and Dental	<u>24,261,461</u>	<u>21,781,484</u>	<u>25,074,960</u>	<u>24,799,525</u>	<u>27,129,794</u>	*
General Fund	14,815,062	13,930,869	14,959,023	14,948,341	16,345,734	
Cash Funds	427,706	356,110	393,094	448,546	496,717	
Reappropriated Funds	5,965,171	4,595,103	6,399,073	6,235,665	6,809,767	
Federal Funds	3,053,522	2,899,402	3,323,770	3,166,973	3,477,576	
Short-term Disability	<u>346,171</u>	<u>337,461</u>	<u>377,626</u>	<u>380,299</u>	<u>357,574</u>	*
General Fund	215,293	211,284	232,458	219,628	215,310	
Cash Funds	6,168	5,148	6,645	16,736	6,512	
Reappropriated Funds	76,491	72,047	81,996	86,023	80,356	
Federal Funds	48,219	48,982	56,527	57,912	55,396	

*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	FY 2012-13 Staff Recommendation
S.B. 04-257 Amortization Equalization Disbursement	<u>4,425,165</u>	<u>4,831,721</u>	<u>5,969,014</u>	<u>6,871,285</u>	<u>6,723,657</u> *
General Fund	2,752,621	3,032,825	3,672,562	3,966,488	3,867,168
Cash Funds	77,887	76,042	105,124	302,579	296,571
Reappropriated Funds	987,198	1,063,454	1,297,120	1,555,216	1,533,813
Federal Funds	607,459	659,400	894,208	1,047,002	1,026,105
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>2,725,931</u>	<u>3,363,894</u>	<u>4,800,441</u>	<u>5,908,615</u>	<u>5,766,105</u> *
General Fund	1,692,007	2,104,035	2,955,077	3,412,305	3,311,309
Cash Funds	48,676	53,274	84,474	260,029	254,866
Reappropriated Funds	607,718	743,529	1,042,329	1,336,514	1,318,121
Federal Funds	377,530	463,056	718,561	899,767	881,809
Shift Differential	<u>3,386,914</u>	<u>3,761,311</u>	<u>3,259,236</u>	<u>4,221,299</u>	<u>4,135,023</u> *
General Fund	2,241,471	2,554,941	2,130,716	2,827,935	2,769,526
Cash Funds	5,563	0	4,773	6,283	6,158
Reappropriated Funds	1,134,482	1,199,546	1,119,234	1,380,984	1,353,364
Federal Funds	5,398	6,824	4,513	6,097	5,975
Workers' Compensation	<u>9,771,533</u>	<u>9,659,080</u>	<u>9,986,978</u>	<u>13,721,376</u>	<u>Pending</u>
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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	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Staff Recommendation
Operating Expenses	<u>139,962</u>	<u>377,010</u>	<u>377,010</u>	<u>495,280</u>	<u>495,280</u>
General Fund	139,962	377,010	22,623	139,181	139,181
Cash Funds	0	0	119,393	119,393	119,393
Reappropriated Funds	0	0	158,792	160,504	160,504
Federal Funds	0	0	76,202	76,202	76,202
Legal Services	<u>1,389,932</u>	<u>1,352,869</u>	<u>1,396,017</u>	<u>1,396,017</u>	<u>Pending</u>
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	
Administrative Law Judge Services	<u>1,007,557</u>	<u>792,374</u>	<u>773,370</u>	<u>893,702</u>	<u>Pending</u>
General Fund	1,007,557	744,364	467,444	541,099	
Cash Funds	0	48,010	46,859	54,052	
Federal Funds	0	0	259,067	298,551	
Payment to Risk Management and Property Funds	<u>1,700,473</u>	<u>517,365</u>	<u>1,159,905</u>	<u>1,378,454</u>	<u>Pending</u>
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	
Staff Training	<u>1,501</u>	<u>3,054</u>	<u>31,870</u>	<u>31,870</u>	<u>31,870</u>
General Fund	821	(1,995)	0	0	0
Cash Funds	680	5,049	31,870	31,870	31,870

*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	FY 2012-13 Staff Recommendation
Injury Prevention Program	<u>97,184</u>	<u>105,245</u>	<u>105,970</u>	<u>105,970</u>	<u>105,970</u>
General Fund	94,184	105,245	0	0	0
Reappropriated Funds	3,000	0	105,970	105,970	105,970
Total Funds - (A) General Administration	51,207,083	48,915,461	55,181,331	62,118,340	46,622,202
FTE	<u>19.2</u>	<u>18.0</u>	<u>21.4</u>	<u>21.4</u>	<u>21.4</u>
General Fund	30,623,152	28,481,894	32,438,277	36,014,385	27,254,096
Cash Funds	2,346,506	2,097,507	1,789,023	2,622,390	1,308,640
Reappropriated Funds	12,434,330	11,794,309	14,204,914	16,257,410	11,652,764
Federal Funds	5,803,095	6,541,751	6,749,117	7,224,155	6,406,702
(B) Special Purpose					
Employment and Regulatory Affairs	4,802,390	4,684,422	4,885,262	4,993,250	4,900,446
FTE	<u>63.6</u>	<u>62.2</u>	<u>66.1</u>	<u>66.1</u>	<u>66.1</u>
General Fund	1,852,269	1,870,447	1,790,833	1,833,882	1,799,774
Cash Funds	232,824	280,791	268,453	273,001	267,883
Reappropriated Funds	644,169	700,039	675,224	691,693	678,931
Federal Funds	2,073,128	1,833,145	2,150,752	2,194,674	2,153,858
Administrative Review Unit	2,185,083	2,172,174	2,083,539	2,132,138	2,095,086
FTE	<u>24.0</u>	<u>23.7</u>	<u>24.2</u>	<u>24.2</u>	<u>24.2</u>
General Fund	1,416,269	1,393,948	1,349,610	1,383,043	1,359,049
Federal Funds	768,814	778,226	733,929	749,095	736,037

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	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Staff Recommendation
Records and Reports of Child Abuse or Neglect	474,010	493,520	567,611	577,448	567,260
<i>FTE</i>	<u>7.2</u>	<u>7.6</u>	<u>7.5</u>	<u>7.5</u>	<u>7.5</u>
Cash Funds	474,010	493,520	567,611	577,448	567,260
Child Protection Ombudsman Program	<u>0</u>	<u>66,695</u>	<u>370,000</u>	<u>370,000</u>	<u>370,000</u>
General Fund	0	66,695	370,000	370,000	370,000
Juvenile Parole Board	234,917	245,332	243,285	247,281	243,143
<i>FTE</i>	<u>2.9</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
General Fund	200,587	199,564	199,013	202,200	198,891
Reappropriated Funds	34,330	45,768	44,272	45,081	44,252
Developmental Disabilities Council	819,674	709,160	870,272	876,951	<u>Pending</u>
<i>FTE</i>	<u>4.0</u>	<u>4.0</u>	<u>6.0</u>	<u>6.0</u>	
Federal Funds	819,674	709,160	870,272	876,951	
Colorado Commission for the Deaf and Hard of Hearing	850,494	1,059,230	998,466	1,102,853	<u>Pending</u> *
<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	
Colorado Commission for Individuals who are Blind or Visually Impaired	91,812	88,392	111,002	112,067	<u>Pending</u>
<i>FTE</i>	<u>0.6</u>	<u>0.9</u>	<u>1.0</u>	<u>1.0</u>	
Reappropriated Funds	91,812	88,392	111,002	112,067	

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Health Insurance Portability and Accountability Act of 1996 - Security Remediation	524,085	336,085	372,413	374,505	372,638
<i>FTE</i>	<u>2.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
General Fund	389,793	229,383	276,379	277,931	276,546
Cash Funds	687	0	332	334	332
Reappropriated Funds	103,307	81,274	72,948	73,358	72,992
Federal Funds	30,298	25,428	22,754	22,882	22,768
CBMS Emergency Processing Unit	<u>104,623</u>	<u>120,525</u>	<u>215,168</u>	<u>216,233</u>	<u>212,407</u>
<i>FTE</i>	1.9	2.0	4.0	4.0	4.0
General Fund	52,986	59,650	73,838	74,206	72,894
Cash Funds	(1,345)	(1,011)	17,265	17,350	17,043
Federal Funds	52,982	61,886	124,065	124,677	122,470
Total Funds - (B) Special Purpose	10,087,088	9,975,535	10,717,018	11,002,726	8,760,980
<i>FTE</i>	<u>108.8</u>	<u>109.9</u>	<u>119.1</u>	<u>119.3</u>	<u>105.8</u>
General Fund	4,043,333	3,946,206	4,184,361	4,268,353	4,077,154
Cash Funds	706,176	773,300	853,661	868,133	852,518
Reappropriated Funds	1,592,683	1,788,184	1,777,224	1,897,961	796,175
Federal Funds	3,744,896	3,467,845	3,901,772	3,968,279	3,035,133

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Total Funds - (1) Executive Director's Office	61,294,171	58,890,996	65,898,349	73,121,066	55,383,182
<i>FTE</i>	<u>128.0</u>	<u>127.9</u>	<u>140.5</u>	<u>140.7</u>	<u>127.2</u>
General Fund	34,666,485	32,428,100	36,622,638	40,282,738	31,331,250
Cash Funds	3,052,682	2,870,807	2,642,684	3,490,523	2,161,158
Reappropriated Funds	14,027,013	13,582,493	15,982,138	18,155,371	12,448,939
Federal Funds	9,547,991	10,009,596	10,650,889	11,192,434	9,441,835

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(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.

Personal Services	5,216,612	0	0	0	0
<i>FTE</i>	<u>64.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	4,024,437	0	0	0	0
Cash Funds	180,786	0	0	0	0
Reappropriated Funds	352,542	0	0	0	0
Federal Funds	658,847	0	0	0	0
Operating Expenses	<u>392,276</u>	<u>373,328</u>	<u>335,558</u>	<u>349,399</u>	<u>349,399</u>
General Fund	312,216	297,606	265,167	278,324	278,324
Reappropriated Funds	16,237	15,477	13,790	14,474	14,474
Federal Funds	63,823	60,245	56,601	56,601	56,601
Microcomputer Lease Payments	<u>517,690</u>	<u>424,271</u>	<u>539,344</u>	<u>539,344</u>	<u>539,344</u>
General Fund	301,832	301,832	301,832	301,832	301,832
Cash Funds	15,466	5,745	15,466	15,466	15,466
Reappropriated Funds	128,647	63,563	128,647	128,647	128,647
Federal Funds	71,745	53,131	93,399	93,399	93,399
County Financial Management System	<u>1,506,683</u>	<u>1,494,227</u>	<u>1,494,325</u>	<u>1,494,325</u>	<u>1,494,325</u>
General Fund	775,315	770,740	770,740	770,740	770,740
Federal Funds	731,368	723,487	723,585	723,585	723,585

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Client Index Project	139,970	16,247	17,698	17,698	17,698
<i>FTE</i>	<u>2.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	90,014	10,154	10,154	10,154	10,154
Federal Funds	49,956	6,093	7,544	7,544	7,544
Colorado Trails	8,412,379	4,884,808	4,952,399	4,970,392	4,970,392
<i>FTE</i>	<u>44.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	4,540,925	2,693,335	2,665,468	2,683,461	2,683,461
Federal Funds	3,871,454	2,191,473	2,286,931	2,286,931	2,286,931
National Aging Program Information System	<u>90,574</u>	<u>93,113</u>	<u>93,114</u>	<u>93,114</u>	<u>93,114</u>
General Fund	14,892	23,278	23,278	23,278	23,278
Cash Funds	7,752	0	0	0	0
Federal Funds	67,930	69,835	69,836	69,836	69,836
Child Care Automated Tracking System	<u>60,436</u>	<u>2,070,430</u>	<u>2,325,656</u>	<u>2,709,933</u>	<u>2,709,933</u>
Federal Funds	60,436	2,070,430	2,325,656	2,709,933	2,709,933
Health Information Management System	<u>339,048</u>	<u>337,995</u>	<u>339,168</u>	<u>339,168</u>	<u>339,168</u>
General Fund	211,170	211,290	211,290	211,290	211,290
Reappropriated Funds	127,878	126,705	127,878	127,878	127,878

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Office of Information Technology, Colorado Benefits Management System					
<i>FTE</i>	<u>42.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	5,659,166	5,739,952	0	0	0
Cash Funds	1,155,575	964,313	0	0	0
Reappropriated Funds	8,729,458	8,544,120	0	0	0
Federal Funds	8,097,826	8,435,902	0	0	0
Colorado Benefits Management System, DHS					
Personal Services	<u>0</u>	<u>0</u>	<u>4,592,223</u>	<u>4,592,223</u>	<u>4,504,410</u>
General Fund	0	0	1,126,702	1,126,702	1,093,351
Cash Funds	0	0	212,849	212,849	209,806
Reappropriated Funds	0	0	1,701,419	1,701,419	1,669,012
Federal Funds	0	0	1,551,253	1,551,253	1,532,241
Colorado Benefits Management System, HCPF					
Personal Services	<u>0</u>	<u>0</u>	<u>448,289</u>	<u>448,289</u>	<u>438,280</u>
General Fund	0	0	109,988	109,988	106,186
Cash Funds	0	0	20,778	20,778	20,431
Reappropriated Funds	0	0	166,091	166,091	162,398
Federal Funds	0	0	151,432	151,432	149,265
Colorado Benefits Management System, Centrally Appropriated Items					
General Fund	<u>0</u>	<u>0</u>	<u>517,134</u>	<u>517,134</u>	<u>517,134</u>
General Fund	0	0	126,879	126,879	126,879
Cash Funds	0	0	23,969	23,969	23,969
Reappropriated Funds	0	0	191,598	191,598	191,598
Federal Funds	0	0	174,688	174,688	174,688

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Colorado Benefits Management System, HCPF Only	<u>0</u>	<u>0</u>	<u>812,400</u>	<u>597,480</u>	<u>597,480</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	812,400	597,480	597,480
Federal Funds	0	0	0	0	0
Colorado Benefits Management System, Operating Expenses	<u>0</u>	<u>0</u>	<u>19,512,370</u>	<u>19,437,529</u>	<u>19,437,529</u> *
General Fund	0	0	4,386,325	4,772,010	4,772,010
Cash Funds	0	0	997,137	1,056,309	1,056,309
Reappropriated Funds	0	0	8,089,777	7,013,346	7,013,346
Federal Funds	0	0	6,039,131	6,595,864	6,595,864
CBMS SAS-70 Audit	<u>149,000</u>	<u>137,975</u>	<u>149,000</u>	<u>149,000</u>	<u>149,000</u>
General Fund	35,761	33,635	36,558	36,558	36,558
Cash Funds	7,058	5,906	6,906	6,906	6,906
Reappropriated Funds	53,975	50,545	55,204	55,204	55,204
Federal Funds	52,206	47,889	50,332	50,332	50,332
Purchase of Services from Computer Center	<u>4,311,390</u>	<u>12,857,124</u>	<u>14,244,028</u>	<u>17,857,126</u>	<u>17,389,341</u>
General Fund	1,883,357	6,816,428	7,281,088	9,127,987	8,888,871
Cash Funds	10,188	116,124	179,103	224,534	218,652
Reappropriated Funds	42,511	196,976	254,625	319,212	310,850
Federal Funds	2,375,334	5,727,596	6,529,212	8,185,393	7,970,968

*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	FY 2012-13 Staff Recommendation
Multiuse Network Payments	<u>2,282,929</u>	<u>2,895,996</u>	<u>3,093,056</u>	<u>2,335,491</u>	<u>2,464,416</u>
General Fund	1,392,586	1,996,762	2,034,331	1,536,074	1,620,869
Cash Funds	22,829	4,262	26,750	20,198	21,313
Reappropriated Funds	182,634	169,236	270,623	204,341	215,621
Federal Funds	684,880	725,736	761,352	574,878	606,613
Management and Administration of OIT	<u>800,687</u>	<u>1,615,982</u>	<u>1,660,209</u>	<u>425,448</u>	<u>431,726</u>
General Fund	617,093	1,248,984	1,263,001	323,659	328,435
Cash Funds	18,067	28,230	26,430	6,773	6,873
Reappropriated Funds	62,903	95,688	134,466	34,458	34,967
Federal Funds	102,624	243,080	236,312	60,558	61,451
Communication Services Payments	<u>163,475</u>	<u>187,760</u>	<u>201,019</u>	<u>204,129</u>	<u>183,618</u>
General Fund	138,954	159,596	172,326	174,992	157,409
Cash Funds	24,521	28,164	0	0	0
Reappropriated Funds	0	0	28,693	29,137	26,209
CBMS Client Services Improvement Project	<u>3,138,106</u>	<u>2,211,200</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	742,547	537,641	0	0	0
Cash Funds	149,335	86,724	0	0	0
Reappropriated Funds	1,143,652	795,719	0	0	0
Federal Funds	1,102,572	791,116	0	0	0
TANF-Specific CBMS Changes	<u>0</u>	<u>495,763</u>	<u>0</u>	<u>0</u>	<u>0</u>
Federal Funds	0	495,763	0	0	0

*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	FY 2012-13 Staff Recommendation
Total Funds - (2) Office of Information Technology Services	51,163,280	53,780,506	55,326,990	57,077,222	56,626,307
<i>FTE</i>	<u>154.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	20,740,265	20,841,233	20,785,127	21,613,928	21,409,647
Cash Funds	1,591,577	1,239,468	1,509,388	1,587,782	1,579,725
Reappropriated Funds	10,840,437	10,058,029	11,975,211	10,583,285	10,547,684
Federal Funds	17,991,001	21,641,776	21,057,264	23,292,227	23,089,251

*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	FY 2012-13 Staff Recommendation
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(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

Personal Services	22,534,124	22,553,842	22,162,053	22,667,038	22,228,810
<i>FTE</i>	<u>440.9</u>	<u>433.6</u>	<u>432.8</u>	<u>432.8</u>	<u>432.8</u>
General Fund	10,767,285	11,426,220	12,511,212	12,797,455	12,549,053
Cash Funds	1,969,190	2,416,311	1,928,966	1,961,716	1,933,295
Reappropriated Funds	7,093,398	5,629,391	5,856,262	5,997,145	5,874,886
Federal Funds	2,704,251	3,081,920	1,865,613	1,910,722	1,871,576
Operating Expenses	<u>3,660,635</u>	<u>3,402,170</u>	<u>3,232,769</u>	<u>3,370,651</u>	<u>3,370,651</u>
General Fund	2,941,005	2,803,970	2,338,193	2,454,829	2,454,829
Cash Funds	35,562	17,274	4,294	4,294	4,294
Reappropriated Funds	608,341	465,839	690,663	711,909	711,909
Federal Funds	75,727	115,087	199,619	199,619	199,619
Vehicle Lease Payments	<u>815,012</u>	<u>1,051,421</u>	<u>1,002,732</u>	<u>1,147,433</u>	<u>Pending</u> *
General Fund	537,039	685,449	525,442	598,128	
Cash Funds	47,486	60,448	76,200	82,850	
Reappropriated Funds	170,944	228,564	250,465	284,676	
Federal Funds	59,543	76,960	150,625	181,779	

*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	FY 2012-13 Staff Recommendation
Leased Space	<u>2,180,773</u>	<u>2,230,524</u>	<u>2,410,915</u>	<u>2,410,915</u>	<u>2,410,915</u>
General Fund	559,852	600,733	588,759	588,759	588,759
Cash Funds	9,421	9,855	37,416	37,416	37,416
Reappropriated Funds	0	0	22,527	22,527	22,527
Federal Funds	1,611,500	1,619,936	1,762,213	1,762,213	1,762,213
Capitol Complex Leased Space	<u>1,269,007</u>	<u>1,246,413</u>	<u>1,275,866</u>	<u>1,415,518</u>	<u>Pending</u>
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	
Utilities	<u>7,770,805</u>	<u>7,756,203</u>	<u>7,766,210</u>	<u>7,766,210</u>	<u>7,766,210</u>
General Fund	6,212,185	6,221,740	6,168,693	6,168,693	6,168,693
Cash Funds	0	0	50,000	50,000	50,000
Reappropriated Funds	1,558,620	1,534,463	1,547,517	1,547,517	1,547,517
Total Funds - (A) Administration	<u>38,230,356</u>	<u>38,240,573</u>	<u>37,850,545</u>	<u>38,777,765</u>	<u>35,776,586</u>
FTE	<u>440.9</u>	<u>433.6</u>	<u>432.8</u>	<u>432.8</u>	<u>432.8</u>
General Fund	22,286,373	22,984,525	22,716,795	23,256,337	21,761,334
Cash Funds	2,061,659	2,503,888	2,165,451	2,212,357	2,025,005
Reappropriated Funds	9,431,303	7,858,257	8,441,860	8,646,346	8,156,839
Federal Funds	4,451,021	4,893,903	4,526,439	4,662,725	3,833,408

*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	FY 2012-13 Staff Recommendation
(B) Special Purpose					
Buildings and Grounds Rental	901,309	447,999	460,192	1,018,818	1,010,830 *
<i>FTE</i>	<u>3.7</u>	<u>4.8</u>	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>
Cash Funds	901,309	447,999	460,192	1,018,818	1,010,830
State Garage Fund	<u>640,480</u>	<u>708,287</u>	<u>728,547</u>	<u>731,213</u>	<u>728,620</u>
<i>FTE</i>	2.0	3.0	2.6	2.6	2.6
Cash Funds	0	708,287	0	0	0
Reappropriated Funds	640,480	0	728,547	731,213	728,620
Total Funds - (B) Special Purpose	1,541,789	1,156,286	1,188,739	1,750,031	1,739,450
<i>FTE</i>	<u>5.7</u>	<u>7.8</u>	<u>9.1</u>	<u>9.1</u>	<u>9.1</u>
Cash Funds	901,309	1,156,286	460,192	1,018,818	1,010,830
Reappropriated Funds	640,480	0	728,547	731,213	728,620
Total Funds - (3) Office of Operations	39,772,145	39,396,859	39,039,284	40,527,796	37,516,036
<i>FTE</i>	<u>446.6</u>	<u>441.4</u>	<u>441.9</u>	<u>441.9</u>	<u>441.9</u>
General Fund	22,286,373	22,984,525	22,716,795	23,256,337	21,761,334
Cash Funds	2,962,968	3,660,174	2,625,643	3,231,175	3,035,835
Reappropriated Funds	10,071,783	7,858,257	9,170,407	9,377,559	8,885,459
Federal Funds	4,451,021	4,893,903	4,526,439	4,662,725	3,833,408

*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	FY 2012-13 Staff Recommendation
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(8) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE SERVICES

This section includes mental health community programs, the mental health institutes, alcohol and drug abuse programs, co-occurring behavioral health services, and funds for the central administration of these programs.

(A) Administration

Personal Services	4,295,176	4,108,711	4,388,739	4,462,567	4,369,339
<i>FTE</i>	<u>50.0</u>	<u>48.0</u>	<u>55.9</u>	<u>55.9</u>	<u>55.9</u>
General Fund	1,107,295	1,047,842	1,205,338	1,228,372	1,201,385
Cash Funds	336,900	307,500	309,334	315,620	301,524
Reappropriated Funds	790,417	745,530	805,007	817,724	802,825
Federal Funds	2,060,564	2,007,839	2,069,060	2,100,851	2,063,605
Operating Expenses	<u>254,169</u>	<u>274,615</u>	<u>290,672</u>	<u>292,478</u>	<u>291,668</u>
General Fund	27,392	25,847	17,365	18,729	18,729
Cash Funds	22,412	24,687	39,772	39,772	38,962
Reappropriated Funds	12,160	15,824	15,824	16,266	16,266
Federal Funds	192,205	208,257	217,711	217,711	217,711
Indirect Cost Assessment	<u>296,653</u>	<u>349,077</u>	<u>270,861</u>	<u>270,861</u>	<u>270,861</u>
Cash Funds	3,280	3,280	3,280	3,280	3,280
Federal Funds	293,373	345,797	267,581	267,581	267,581
Federal Programs and Grants	708,275	399,452	2,511,904	2,525,646	2,518,294
<i>FTE</i>	<u>5.5</u>	<u>2.1</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>
Federal Funds	708,275	399,452	2,511,904	2,525,646	2,518,294

*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	FY 2012-13 Staff Recommendation
Other Federal Grants	<u>211,245</u>	<u>303,669</u>	<u>457,383</u>	<u>457,383</u>	<u>457,383</u>
Federal Funds	211,245	303,669	457,383	457,383	457,383
Supportive Housing and Homeless Program	17,991,801	19,055,978	(22,415)	0	0
<i>FTE</i>	<u>16.3</u>	<u>15.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Federal Funds	17,991,801	19,055,978	(22,415)	0	0
Total Funds - (A) Administration	23,757,319	24,491,502	7,897,144	8,008,935	7,907,545
<i>FTE</i>	<u>71.8</u>	<u>65.9</u>	<u>61.9</u>	<u>61.9</u>	<u>61.9</u>
General Fund	1,134,687	1,073,689	1,222,703	1,247,101	1,220,114
Cash Funds	362,592	335,467	352,386	358,672	343,766
Reappropriated Funds	802,577	761,354	820,831	833,990	819,091
Federal Funds	21,457,463	22,320,992	5,501,224	5,569,172	5,524,574
(B) Mental Health Community Programs					
(I) Mental Health Services for the Medically Indigent					
Services for Indigent Mentally Ill Clients	<u>39,650,775</u>	<u>39,274,337</u>	<u>39,170,328</u>	<u>39,170,328</u>	<u>39,170,328</u>
General Fund	33,443,723	32,774,850	32,774,850	32,774,850	32,774,850
Reappropriated Funds	0	0	161,909	161,909	161,909
Federal Funds	6,207,052	6,499,487	6,233,569	6,233,569	6,233,569
Medications for Indigent Mentally Ill Clients	<u>1,713,993</u>	<u>1,713,993</u>	<u>1,713,993</u>	<u>1,713,993</u>	<u>1,713,993</u>
General Fund	1,713,993	1,713,993	1,713,993	1,713,993	1,713,993

*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	FY 2012-13 Staff Recommendation
Early Childhood Mental Health Services	<u>1,109,363</u>	<u>1,135,359</u>	<u>1,146,676</u>	<u>1,146,676</u>	<u>1,146,676</u>
General Fund	1,109,363	1,135,359	1,146,676	1,146,676	1,146,676
Assertive Community Treatment Programs	<u>1,316,734</u>	<u>1,290,400</u>	<u>1,290,400</u>	<u>1,290,400</u>	<u>1,290,400</u>
General Fund	658,367	645,200	645,200	645,200	645,200
Cash Funds	658,367	645,200	645,200	645,200	645,200
Alternatives to Inpatient Hospitalization at a Mental Health Institute	<u>3,112,579</u>	<u>3,138,615</u>	<u>3,138,615</u>	<u>3,138,615</u>	<u>3,138,615</u>
General Fund	3,112,579	3,138,615	3,138,615	3,138,615	3,138,615
Mental Health Services for Juvenile and Adult Offenders	<u>4,136,840</u>	<u>3,794,185</u>	<u>3,455,461</u>	<u>3,455,461</u>	<u>3,308,768</u>
Cash Funds	4,136,840	3,794,185	3,455,461	3,455,461	3,308,768
Family Advocacy Demonstration Sites	<u>142,545</u>	<u>156,923</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	142,545	156,923	0	0	0
Enhanced Mental Health Pilot Services for Detained Youth	<u>84,203</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	84,203	0	0	0	0
Veteran Mental Health	<u>47,106</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	47,106	0	0	0	0

*This line item includes a decision item.

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Total Funds - (I) Mental Health Services for the Medically Indigent	51,314,138	50,503,812	49,915,473	49,915,473	49,768,780
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	40,122,228	39,408,017	39,419,334	39,419,334	39,419,334
Cash Funds	4,984,858	4,596,308	4,100,661	4,100,661	3,953,968
Reappropriated Funds	0	0	161,909	161,909	161,909
Federal Funds	6,207,052	6,499,487	6,233,569	6,233,569	6,233,569

(II) Residential Treatment for Youth

Residential Treatment for Youth (H.B. 99-1116)	<u>1,011,487</u>	<u>862,519</u>	<u>976,994</u>	<u>976,994</u>	<u>976,994</u>
General Fund	530,578	414,673	560,154	560,154	560,154
Cash Funds	275,886	300,000	300,000	300,000	300,000
Reappropriated Funds	205,023	147,846	116,840	116,840	116,840

Total Funds - (B) Mental Health Community Programs	52,325,625	51,366,331	50,892,467	50,892,467	50,745,774
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	40,652,806	39,822,690	39,979,488	39,979,488	39,979,488
Cash Funds	5,260,744	4,896,308	4,400,661	4,400,661	4,253,968
Reappropriated Funds	205,023	147,846	278,749	278,749	278,749
Federal Funds	6,207,052	6,499,487	6,233,569	6,233,569	6,233,569

*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	FY 2012-13 Staff Recommendation
(C) Mental Health Institutes					
Mental Health Institute - Ft. Logan	23,896,703	19,928,717	19,253,228	0	0 *
<i>FTE</i>	<u>270.6</u>	<u>237.7</u>	<u>207.7</u>	<u>0.0</u>	<u>0.0</u>
General Fund	20,536,761	15,928,541	16,238,624	0	0
Cash Funds	2,919,019	3,338,261	2,715,389	0	0
Reappropriated Funds	440,923	661,915	299,215	0	0
Mental Health Institute - Pueblo	69,983,188	70,721,000	70,333,999	0	0 *
<i>FTE</i>	<u>913.8</u>	<u>944.4</u>	<u>942.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	58,269,153	56,819,134	56,418,661	0	0
Cash Funds	5,159,092	6,097,123	6,283,341	0	0
Reappropriated Funds	6,554,943	7,804,743	7,631,997	0	0
Mental Health Institute - Ft. Logan Personal Services	0	0	0	18,378,650	17,841,669
	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>214.6</u>	<u>214.6</u>
General Fund	0	0	0	15,628,812	15,091,831
Cash Funds	0	0	0	2,504,284	2,504,284
Reappropriated Funds	0	0	0	245,554	245,554
Mental Health Institute - Ft. Logan Operating Expenses	0	0	0	1,122,100	1,056,212
General Fund	0	0	0	962,817	896,929
Cash Funds	0	0	0	123,601	123,601
Reappropriated Funds	0	0	0	35,682	35,682

*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	FY 2012-13 Staff Recommendation
Mental Health Institute - Ft. Logan Pharmaceuticals	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,155,027</u>	<u>1,155,027</u>
General Fund	0	0	0	1,017,128	1,017,128
Cash Funds	0	0	0	107,007	107,007
Reappropriated Funds	0	0	0	30,892	30,892
Mental Health Institute - Pueblo Personal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>63,180,249</u>	<u>63,121,473</u>
General Fund	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>950.8</u>	<u>950.8</u>
General Fund	0	0	0	50,583,157	50,524,381
Cash Funds	0	0	0	5,672,298	5,672,298
Reappropriated Funds	0	0	0	6,924,794	6,924,794
Mental Health Institute - Pueblo Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,983,412</u>	<u>4,797,363</u>
General Fund	0	0	0	4,110,210	3,924,161
Cash Funds	0	0	0	403,362	403,362
Reappropriated Funds	0	0	0	469,840	469,840
Mental Health Institute - Pueblo Pharmaceuticals	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,349,683</u>	<u>4,349,683</u>
General Fund	0	0	0	3,705,994	3,705,994
Cash Funds	0	0	0	297,405	297,405
Reappropriated Funds	0	0	0	346,284	346,284
Mental Health Institute - Pueblo Educational Programs	<u>879,531</u>	<u>716,289</u>	<u>133,733</u>	<u>134,788</u>	<u>136,180</u>
<i>FTE</i>	8.9	5.4	2.7	2.7	2.7
General Fund	134,881	100,190	19,564	19,667	19,292
Cash Funds	122,442	27,277	0	0	0
Reappropriated Funds	263,256	216,998	114,169	115,121	116,888
Federal Funds	358,952	371,824	0	0	0

*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	FY 2012-13 Staff Recommendation
General Hospital	678,857	0	0	0	0
<i>FTE</i>	<u>1.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	678,857	0	0	0	0
Total Funds – (C) Mental Health Institutes	95,438,279	91,366,006	89,720,960	93,303,909	92,457,607
<i>FTE</i>	<u>1,194.5</u>	<u>1,187.5</u>	<u>1,152.4</u>	<u>1,168.1</u>	<u>1,168.1</u>
General Fund	79,619,652	72,847,865	72,676,849	76,027,785	75,179,716
Cash Funds	8,200,553	9,462,661	8,998,730	9,107,957	9,107,957
Reappropriated Funds	7,259,122	8,683,656	8,045,381	8,168,167	8,169,934
Federal Funds	358,952	371,824	0	0	0

(D) Alcohol and Drug Abuse Division

(I) Treatment Services

Treatment and Detoxification Contracts	<u>23,115,961</u>	<u>23,127,530</u>	<u>23,179,819</u>	<u>23,179,819</u>	<u>23,179,819</u>
General Fund	11,343,686	11,309,025	11,337,648	11,337,648	11,337,648
Cash Funds	1,156,923	1,209,820	1,218,518	1,218,518	1,218,518
Reappropriated Funds	267,405	275,706	275,706	275,706	275,706
Federal Funds	10,347,947	10,332,979	10,347,947	10,347,947	10,347,947
Case Management for Chronic Detoxification Clients	<u>369,361</u>	<u>369,311</u>	<u>369,311</u>	<u>369,311</u>	<u>369,311</u>
General Fund	2,478	2,428	2,428	2,428	2,428
Federal Funds	366,883	366,883	366,883	366,883	366,883

*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	FY 2012-13 Staff Recommendation
Short-term Intensive Residential Remediation and Treatment (STIRRT)	<u>3,401,037</u>	<u>3,128,717</u>	<u>3,340,683</u>	<u>3,340,683</u>	<u>3,340,683</u>
General Fund	3,017,721	2,935,993	2,957,367	2,957,367	2,957,367
Cash Funds	383,316	192,724	383,316	383,316	383,316
High Risk Pregnant Women Program	<u>1,474,989</u>	<u>1,191,166</u>	<u>1,999,146</u>	<u>1,999,146</u>	<u>1,999,146</u>
Reappropriated Funds	1,474,989	1,191,166	1,999,146	1,999,146	1,999,146
Total Funds - (I) Treatment Services	<u>28,361,348</u>	<u>27,816,724</u>	<u>28,888,959</u>	<u>28,888,959</u>	<u>28,888,959</u>
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	14,363,885	14,247,446	14,297,443	14,297,443	14,297,443
Cash Funds	1,540,239	1,402,544	1,601,834	1,601,834	1,601,834
Reappropriated Funds	1,742,394	1,466,872	2,274,852	2,274,852	2,274,852
Federal Funds	10,714,830	10,699,862	10,714,830	10,714,830	10,714,830
(II) Prevention and Intervention					
Prevention Contracts	<u>3,831,628</u>	<u>3,702,449</u>	<u>3,886,951</u>	<u>3,886,951</u>	<u>3,886,951</u>
General Fund	34,061	33,649	33,649	33,649	33,649
Cash Funds	5,000	5,000	27,072	27,072	27,072
Federal Funds	3,792,567	3,663,800	3,826,230	3,826,230	3,826,230
Persistent Drunk Driver Programs	<u>901,903</u>	<u>1,251,268</u>	<u>1,670,823</u>	<u>1,670,823</u>	<u>1,670,823</u>
Cash Funds	901,903	1,251,268	1,670,823	1,670,823	1,670,823
Law Enforcement Assistance Fund Contracts	<u>213,216</u>	<u>168,559</u>	<u>255,000</u>	<u>255,000</u>	<u>255,000</u>
Cash Funds	213,216	168,559	255,000	255,000	255,000

*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	FY 2012-13 Staff Recommendation
Total Funds - (II) Prevention and Intervention	4,946,747	5,122,276	5,812,774	5,812,774	5,812,774
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	34,061	33,649	33,649	33,649	33,649
Cash Funds	1,120,119	1,424,827	1,952,895	1,952,895	1,952,895
Federal Funds	3,792,567	3,663,800	3,826,230	3,826,230	3,826,230

(III) Other Programs

Federal Grants	<u>2,974,790</u>	<u>2,276,054</u>	<u>5,063,429</u>	<u>5,063,429</u>	<u>2,625,422</u>
Reappropriated Funds	0	0	195,500	195,500	0
Federal Funds	2,974,790	2,276,054	4,867,929	4,867,929	2,625,422
Balance of Substance Abuse Block Grant Programs	<u>7,235,208</u>	<u>8,642,456</u>	<u>6,671,360</u>	<u>6,671,360</u>	<u>6,671,360</u>
General Fund	189,763	175,442	185,968	185,968	185,968
Federal Funds	7,045,445	8,467,014	6,485,392	6,485,392	6,485,392
Community Prevention and Treatment	<u>990,115</u>	<u>888,082</u>	<u>816,621</u>	<u>816,621</u>	<u>782,400</u>
Cash Funds	990,115	888,082	816,621	816,621	782,400
Gambling Addiction Counseling Services	<u>98,768</u>	<u>71,129</u>	<u>144,727</u>	<u>144,727</u>	<u>57,949</u>
Reappropriated Funds	98,768	71,129	144,727	144,727	57,949

*This line item includes a decision item.

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Department of Human Services
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	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Staff Recommendation
Rural Substance Abuse Prevention and Treatment	<u>0</u>	<u>0</u>	<u>88,443</u>	<u>88,443</u>	<u>88,443</u>
Cash Funds	0	0	88,443	88,443	88,443
Total Funds - (III) Other Programs	11,298,881	11,877,721	12,784,580	12,784,580	10,225,574
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	189,763	175,442	185,968	185,968	185,968
Cash Funds	990,115	888,082	905,064	905,064	870,843
Reappropriated Funds	98,768	71,129	340,227	340,227	57,949
Federal Funds	10,020,235	10,743,068	11,353,321	11,353,321	9,110,814
Total Funds - (D) Alcohol and Drug Abuse Division	44,606,976	44,816,721	47,486,313	47,486,313	44,927,307
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	14,587,709	14,456,537	14,517,060	14,517,060	14,517,060
Cash Funds	3,650,473	3,715,453	4,459,793	4,459,793	4,425,572
Reappropriated Funds	1,841,162	1,538,001	2,615,079	2,615,079	2,332,801
Federal Funds	24,527,632	25,106,730	25,894,381	25,894,381	23,651,874

(E) Co-occurring Behavioral Health Services

**Behavioral Health Services for Juveniles and Adults
at Risk or Involved in the Criminal Justice System
(H.B. 10-1284)**

General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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*This line item includes a decision item.

FY 2012-13 Joint Budget Committee Staff Figure Setting
Department of Human Services
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	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	FY 2012-13 Staff Recommendation
Substance Use Disorder Offender Services (H.B. 10-1352)	<u>0</u>	<u>0</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>
Reappropriated Funds	0	0	1,450,000	1,450,000	1,450,000
Total Funds - (E) Co-occurring Behavioral Health Services	0	0	1,450,000	1,450,000	1,450,000
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Reappropriated Funds	0	0	1,450,000	1,450,000	1,450,000
Total Funds - (8) Mental Health and Alcohol and Drug Abuse Services	216,128,199	212,040,560	197,446,884	201,141,624	197,488,233
FTE	<u>1,266.3</u>	<u>1,253.4</u>	<u>1,214.3</u>	<u>1,230.0</u>	<u>1,230.0</u>
General Fund	135,994,854	128,200,781	128,396,100	131,771,434	130,896,378
Cash Funds	17,474,362	18,409,889	18,211,570	18,327,083	18,131,263
Reappropriated Funds	10,107,884	11,130,857	13,210,040	13,345,985	13,050,575
Federal Funds	52,551,099	54,299,033	37,629,174	37,697,122	35,410,017

*This line item includes a decision item.

(1) EXECUTIVE DIRECTOR'S OFFICE

The Executive Director's Office (EDO) is responsible for the general policy of the Department of Human Services, and contains staff and associated resources for implementing this policy. It is organized into two functional components: General Administration and Special Purpose. General Administration includes the Department's Executive Director and his or her administrative staff, as well as the Department's budgeting office, Public Information Officer, Legislative Liaison, County Liaison, and Field Administration staff. The EDO also is the location of many of the centrally appropriated items for the Department, although certain items (e.g., Purchase of Services from the Computer Center) are reflected in the Office of Information Technology Services or the Office of Operations.

(A) General Administration

Personal Services

Description: This line item provides funding for employees' salaries and wages, as well as the associated State contribution to the Public Employees Retirement Association (PERA) and the State share of federal Medicare taxes. This line item also provides funding for certain professional and temporary services. The table below summarizes the positions assigned to employees funded by this line item.

Staffing Summary - Executive Director's Office, General Administration, Personal Services				
Position	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Request	FY 2012-13 Rec'd
Dept Executive Director	1.0	1.0	1.0	1.0
Program Assistant II	0.4	1.0	1.0	1.0
General Professionals	9.5	9.0	9.0	9.0
Management	1.3	3.9	3.9	3.9
Budget/Policy Analyst	5.8	6.0	6.0	6.0
Temporary Aide	0.0	0.5	0.5	0.5
Total	18.0	21.4	21.4	21.4

Request: The Department requests an appropriation of \$1,914,648 total funds (including \$714,411 net General Fund) and 21.4 FTE for FY 2012-13. The request includes the restoration of the 2.5 percent reduction in personal services due to the Public Employees Retirement Association (PERA) adjustment.

Recommendation: Staff recommends an appropriation of \$1,876,929 total funds and 21.4 FTE for FY 2012-13. Staff's recommendation consists of \$605,868 General Fund, \$96,553 cash funds from patient fees collected by the State's two mental health institutes, \$290,869 reappropriated funds from the Department of Health Care Policy and Financing (including \$94,469 Medicaid General Fund) and various sources, and \$883,639 federal funds from Temporary Assistance for Needy Families (TANF), Section 110 vocational rehabilitation funds, Child Care Development Funds, federal cost allocation recoveries, Substance Abuse Prevention and Treatment Block Grant, and various sources. The table below summarizes the calculations for staff's recommendation.

Executive Director's Office, General Administration, Personal Services						
	Total	GF	CF	RF	FF	FTE
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$1,914,648	\$618,044	\$98,493	\$296,714	\$901,397	21.4
S.B. 11-076	(45,714)	(15,084)	(2,287)	(6,856)	(21,487)	0.0
Subtotal: FY 2011-12 Appropriation	1,868,934	602,960	96,206	289,858	879,910	21.4
Restore FY 2011-12 PERA Reduction	45,714	15,084	2,287	6,856	21,487	0.0
Two Percent Personal Services Base Reduction	(37,719)	(12,176)	(1,940)	(5,845)	(17,758)	0.0
Recommended FY 2012-13 Appropriation	\$1,876,929	\$605,868	\$96,553	\$290,869	\$883,639	21.4

Health, Life, and Dental

Description: The Health, Life, and Dental (HLD) appropriation is designed to cover the State's contribution for the premium on each employee's HLD insurance policy. This insurance benefit is paid jointly by the State and State employees on a predetermined rate based on the tier that each employee selected (e.g., Employee, Employee + Spouse, etc.).

Request: The Department requests an appropriation of \$24,799,525 total funds (including \$17,663,021 net General Fund) for FY 2012-13.

Recommendation: **Per prior Committee action, staff recommends an appropriation of \$27,129,794 total funds for FY 2012-13.** Staff's recommendation consists of \$16,345,734 General Fund, \$496,717 cash funds from various sources, \$6,809,767 reappropriated funds from the Department of Health Care Policy and Financing (including \$3,085,568 Medicaid General Fund) and various sources, and \$3,477,576 federal funds from Temporary Assistance for Needy Families (TANF), Section 110 vocational rehabilitation funds, federal cost allocation recoveries, Substance Abuse Prevention and Treatment Block Grant, and various sources. Note, staff's recommendation incorporates the Committee's decision concerning staffing at the State's two mental health institutes made during the FY 2011-12 supplemental process.

Short-term Disability

Description: This line item is used to purchase short-term disability coverage. Pursuant to Section 24-50-609 (13), C.R.S., short-term disability provides for a partial payment of an employee's salary if an individual becomes disabled and cannot perform his or her duties. This benefit is available to all employees and is paid entirely by the State. The coverage provides for a 30-day waiting period, and it will pay 60.0 percent of an employee's salary for a maximum of five months.

Request: The Department requests an appropriation of \$380,299 total funds (including \$256,337 net General Fund) for FY 2012-13.

Recommendation: **Per prior Committee action, staff recommends an appropriation of \$357,574 total funds for FY 2012-13.** Staff's recommendation consists of \$215,310 General

Fund, \$6,512 cash funds from various sources, \$80,356 reappropriated funds from the Department of Health Care Policy and Financing (including \$37,904 Medicaid General Fund) and various sources, and \$55,396 federal funds from Temporary Assistance for Needy Families (TANF), Section 110 vocational rehabilitation funds, federal cost allocation recoveries, Substance Abuse Prevention and Treatment Block Grant, and various sources. Note, staff's recommendation incorporates the Committee's decision concerning staffing at the State's two mental health institutes made during the FY 2011-12 supplemental process.

S.B. 04-257 Amortization Equalization Disbursement

Description: This line item funds the Amortization Equalization Disbursement, which increases the employer contribution to the Public Employees Retirement Association (PERA) Trust Fund to amortize the unfunded liability in the Trust Fund beginning in January 2006.

Request: The Department requests an appropriation of \$6,871,285 total funds (including \$4,634,604 net General Fund) for FY 2012-13.

Recommendation: **Per prior Committee action, staff recommends an appropriation of \$6,723,657 total funds for FY 2012-13.** Staff's recommendation consists of \$3,867,168 General Fund, \$296,571 cash funds from various sources, \$1,533,813 reappropriated funds from the Department of Health Care Policy and Financing (including \$682,880 Medicaid General Fund) and various sources, and \$1,026,105 federal funds from Temporary Assistance for Needy Families (TANF), Section 110 vocational rehabilitation funds, federal cost allocation recoveries, Substance Abuse Prevention and Treatment Block Grant, and various sources. Note, staff's recommendation incorporates the Committee's decision concerning staffing at the State's two mental health institutes made during the FY 2011-12 supplemental process.

S.B. 06-235 Supplemental Amortization Equalization Disbursement

Description: This line item funds the Amortization Equalization Disbursement, which increases the employee's contribution to the Public Employees Retirement Association (PERA) Trust Fund to amortize the unfunded liability in the Trust Fund beginning in January 2008.

Request: The Department requests an appropriation of \$5,908,615 total funds (including \$3,988,206 net General Fund) for FY 2012-13.

Recommendation: **Per prior Committee action, staff recommends an appropriation of \$5,766,105 total funds for FY 2012-13.** Staff's recommendation consists of \$3,311,309 General Fund, \$254,866 cash funds from various sources, \$1,318,121 reappropriated funds from the Department of Health Care Policy and Financing (including \$584,042 Medicaid General Fund) and various sources, and \$881,809 federal funds from Temporary Assistance for Needy Families (TANF), Section 110 vocational rehabilitation funds, federal cost allocation recoveries, Substance Abuse Prevention and Treatment Block Grant, and various sources. Note, staff's recommendation incorporates the Committee's decision concerning staffing at the State's two mental health institutes made during the FY 2011-12 supplemental process.

Shift Differential

This line item is used to fund the pay adjustment for employees of the Department who perform work outside of the normal Monday through Friday 8:00 a.m. to 5:00 p.m. work schedule. The Department requires shift work for operations such as the Mental Health Institutes, the Regional Centers, and state-operated nursing homes.

Request: The Department requests an appropriation of \$4,221,299 total funds (including \$3,454,059 net General Fund) for FY 2012-13.

Recommendation: **Per prior Committee action, staff recommends an appropriation of \$4,135,023 total funds for FY 2012-13.** Staff's recommendation consists of \$2,769,526 General Fund, \$6,158 cash funds from various sources, \$1,353,364 reappropriated funds from the Department of Health Care Policy and Financing (including \$568,547 Medicaid General Fund) and various sources, and \$5,975 federal funds from Temporary Assistance for Needy Families (TANF), Section 110 vocational rehabilitation funds, federal cost allocation recoveries, Substance Abuse Prevention and Treatment Block Grant, and various sources. Note, staff's recommendation incorporates the Committee's decision concerning staffing at the State's two mental health institutes made during the FY 2011-12 supplemental process.

Workers' Compensation

Description: Workers' compensation appropriations are used to pay for the Department's estimated share for participating in the State's Workers' Compensation Program. This program, run by the Department of Personnel and Administration's Risk Management Services program, is used to pay workers' compensation benefits to State employees. The State of Colorado is self-insured for workers' compensation claims.

Request: The Department requests an appropriation of \$13,721,376 total funds (including \$9,175,426 net General Fund) for FY 2012-13.

Recommendation: **Staff's recommendation is pending the approval of the workers' compensation common policy by the Committee.** Staff requests permission to adjust the line item after the Committee has determined the common policy.

Operating Expenses

Description: This line item pays for the general operating needs of the Executive Director's Office. It also includes capital outlay funding used throughout the Department.

Request: The Department requests an appropriation of \$495,280 total funds (including \$214,176 net General Fund) for FY 2012-13. The request includes the restoration of the FY 2010-11 five percent operating expenses reduction (\$117,414 net General Fund).

Recommendation: **Staff recommends an appropriation of \$495,280 total funds for FY 2012-13.** The recommendation consists of \$139,181 General Fund, \$119,393 cash funds from patient fees collected at the State's two mental health institutes, \$160,504 reappropriated funds from the Department of Health Care Policy and Financing (including \$74,995 Medicaid General Fund) and various sources, and \$76,202 federal funds from Temporary Assistance for Needy Families

(TANF), Section 110 vocational rehabilitation funds, federal cost allocation recoveries, Substance Abuse Prevention and Treatment Block Grant, and various sources.

Legal Services for 18,439 Hours

Description: This line item provides funding for the Department for its use of attorneys and paralegals in the Department of Law.

Request: The Department requests a continuation level appropriation of \$1,396,017 total funds (including \$1,159,664 net General Fund) for FY 2012-13.

Recommendation: **Staff's recommends the Committee approve the Department's request to purchase 18,439 hours of legal services from the Department of Law in FY 2012-13.** The dollar amount of staff's recommendation is pending the determination of the hourly rate for legal services by the Committee. **Staff requests permission to adjust the line item after the Committee has determined the hourly rate for legal services.**

Administrative Law Judge Services

Description: The line item is used to pay a share of the costs for operating the Administrative Hearings Division in the Department of Personnel and Administration. The Department uses services for items such as food stamp fraud, low energy income assistance, expungement of juvenile delinquency records, and child care.

Request: The Department requests an appropriation of \$893,702 total funds (including \$541,099 net General Fund) for FY 2012-13.

Recommendation: **Staff's recommendation is pending the approval of the administrative law judge services common policy by the Committee.** Staff requests permission to adjust the line item after the Committee has determined the common policy.

Payment to Risk Management and Property Funds

Description: The payments to risk management and property funds line item pays for the Department of Human Services' share of the Statewide costs for two programs (the liability program and the property program) operated by the Risk Management Services program in the Department of Personnel and Administration. The State's liability program is used to pay liability claims and expenses brought against the State. The property program provides insurance coverage for state-owned buildings and their contents.

Request: The Department requests an appropriation of \$1,378,454 total funds (including \$1,151,939 net General Fund) for FY 2012-13.

Recommendation: **Staff's recommendation is pending the approval of the payment to risk management and property funds common policy by the Committee.** Staff requests permission to adjust the line item after the Committee has determined the common policy.

Staff Training

Description: The appropriation to the staff training line item provides funding for the conferences and training enterprise fund managed by the Mental Health Institute at Fort Logan and the Grand Junction Regional Center for charges made by non-Department employees who participate in selected staff training programs.

Request: The Department requests a continuation level appropriation of \$31,870 cash funds for FY 2012-13.

Recommendation: **Staff recommends a continuation level appropriation of \$31,870 cash funds for FY 2012-13.** The source of funds is fees and charges for workshops and conferences.

Injury Prevention Program

Description: This line item, established in FY 1996-97, provides funding for employee injury prevention, loss control initiatives, and infection control at State regional centers and nursing homes, mental health institutes, and youth corrections' facilities.

Request: The Department requests a continuation level appropriation of \$105,970 reappropriated funds for FY 2012-13.

Recommendation: **Staff recommends a continuation level appropriation of \$105,970 reappropriated funds transferred from the Department of Health Care Policy and Financing (including \$52,985 Medicaid General Fund) for FY 2012-13.**

(B) Special Purpose

Note: Additional line items in this Long Bill section are addressed in other staff figure setting presentations for the Department of Human Services.

Employment and Regulatory Affairs

Description: This line item, previously labeled the Office of Performance Improvement, is responsible for several separate functions of the Department of Human Services, including audits, Food Stamp quality assurance, and human resources. It also includes oversight of Boards and Commissions, the Office of Appeals, and an overall management function. Specifically, the unit performs the following functions.

- Audits. This program independently verifies, through internal and external audits, that State and federal financial assistance has been distributed correctly. The Audit Division is responsible for federally mandated sub-recipient monitoring of federal and State funds to insure that the awards are used for authorized purposes in compliance with laws, rules and regulations, and grant provisions.
- Food Stamp Quality Assurance. This program performs the federally mandated food stamp quality control function. Included in the quality control function are monthly reviews to ensure eligibility and the correct allotment of food stamps. Reviews are used to calculate the State's food stamp error rate, assist in corrective action and payment accuracy strategies, and establish the State's eligibility for enhanced federal funding or liability for payment error rates that exceed the national tolerance level.
- Human Resources. This program performs all activities related to the Department's personnel/employees. These activities include, but are not limited to, recruitment, examinations, orientation, benefits administration, evaluations, workers' compensation case management, performance management, and personnel records maintenance.

The table below summarizes the positions assigned to employees funded by this line item.

Staffing Summary - Executive Director's Office, Special Purpose, Employment and Regulatory Affairs				
Position	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Request	FY 2012-13 Rec'd
Admin Assistants	4.3	5.4	5.4	5.4
Technicians	9.6	12.0	12.0	12.0
Program Assistants	2.1	2.3	2.3	2.3
Hearings Officer	0.4	1.0	1.0	1.0
General Professionals	37.2	36.4	36.4	36.4
Management	0.1	1.0	1.0	1.0
Comp Insurance Spec	1.0	1.0	1.0	1.0
Auditors	7.1	7.0	7.0	7.0
Temporary Aide	0.4	0.0	0.0	0.0
Total	62.2	66.1	66.1	66.1

Request: The Department requests an appropriation of \$4,993,250 total funds (including \$2,179,933 net General Fund) and 66.1 FTE for FY 2012-13. The request includes the restoration of the 2.5 percent reduction in personal services due to the Public Employees Retirement Association (PERA) adjustment and the restoration of the FY 2010-11 five percent operating expenses reduction.

Recommendation: Staff recommends an appropriation of \$4,900,446 total funds and 66.1 FTE for FY 2012-13. The recommendation consists of \$1,799,774 General Fund, \$267,883 cash funds from patient revenue collected by the State's two mental health institutes and various other sources, \$678,931 reappropriated funds from the Department of Health Care Policy and Financing (including \$ Medicaid General Fund), and \$2,153,858 federal funds from Temporary Assistance for Needy Families (TANF), Section 110 vocational rehabilitation funds, federal cost allocation recoveries, Substance Abuse Prevention and Treatment Block Grant, and various sources. The table below summarizes the calculations for staff's recommendation.

Executive Director's Office, Special Purpose, Employment and Regulatory Affairs						
	Total	GF	CF	RF	FF	FTE
Personal Services						
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$4,670,645	\$1,716,587	\$257,592	\$642,290	\$2,054,176	66.1
S.B. 11-076	(100,416)	(37,065)	(4,548)	(14,881)	(43,922)	0.0
Restore FY 2011-12 PERA Reduction	100,416	37,065	4,548	14,881	43,922	0.0
Two Percent Personal Services Base Reduction	<u>(92,804)</u>	<u>(34,108)</u>	<u>(5,118)</u>	<u>(12,762)</u>	<u>(40,816)</u>	<u>0.0</u>
Subtotal - Personal Services	4,577,841	1,682,479	252,474	629,528	2,013,360	66.1
Operating Expenses						
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	315,033	111,311	15,409	47,815	140,498	0.0
Restore FY 2010-11 Five Percent Operating Reduction	<u>7,572</u>	<u>5,984</u>	<u>0</u>	<u>1,588</u>	<u>0</u>	<u>0.0</u>
Subtotal - Operating Expenses	322,605	117,295	15,409	49,403	140,498	0.0
Recommended FY 2012-13 Appropriation	\$4,900,446	\$1,799,774	\$267,883	\$678,931	\$2,153,858	66.1

Health Insurance Portability and Accountability Act of 1996 - Security Remediation

Description: The Department is considered a covered entity under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as it is responsible for the administration of numerous programs that handle health information. Specifically, the security rule covers the Mental Health Institutes at Pueblo and Fort Logan, Mental Health Services, the Alcohol and Drug Abuse Division, Department-wide security, the Department's accounting program, the Office of Information Technology Services, the Regional Centers at Wheat Ridge, Pueblo, and Grand Junction, the Division of Developmental Disabilities, and the nursing homes at Rifle and Fitzsimmons.

Responsibilities of this section include the development of a Department-wide, system-based risk assessment and integration of this assessment into the Departments' operations. The staff also conducts periodic evaluations for all systems where technical, environmental, or operational changes have occurred. The section is responsible for the continuation of consolidation efforts associated with protected health information covered by the security rules, for an annual test that details the Department's security management processes, and for on-going privacy and security training.

Request: The Department requests an appropriation of \$374,505 total funds (including \$314,610 net General Fund) and 1.0 FTE for FY 2012-13. The request includes the restoration of the 2.5 percent reduction in personal services due to the Public Employees Retirement Association (PERA) adjustment.

Recommendation: **Staff recommends an appropriation of \$372,638 total funds and 1.0 FTE for FY 2012-13.** The recommendation consists of \$276,546 General Fund, \$332 cash funds from, \$72,992 reappropriated funds from the Department of Health Care Policy and Financing (including \$36,496 Medicaid General Fund). The table below summarizes the calculations for staff's recommendation.

Executive Director's Office, Special Purpose, Health Insurance Portability and Accountability Act of 1996 - Security Remediation						
	Total	GF	CF	RF	FF	FTE
Personal Services						
FY 2011-12 Long Bill						
Appropriation (S.B. 11-209)	\$93,450	\$69,345	\$81	\$18,310	\$5,714	1.0
S.B. 11-076	(2,092)	(1,552)	(2)	(410)	(128)	0.0
Restore FY 2011-12 PERA						
Reduction	2,092	1,552	2	410	128	0.0
Two Percent Personal Services						
Base Reduction	(1,867)	(1,385)	(2)	(366)	(114)	0.0
Subtotal - Personal Services	91,583	67,960	79	17,944	5,600	1.0
Operating Expenses						
FY 2011-12 Long Bill						
Appropriation (S.B. 11-209)	281,055	208,586	253	55,048	17,168	1.0
Subtotal - Operating Expenses	281,055	208,586	253	55,048	17,168	1.0
Total Recommended FY 2012-13 Appropriation	\$372,638	\$276,546	\$332	\$72,992	\$22,768	2.0

CBMS Emergency Processing Unit

Description: The initial deployment of the Colorado Benefits Management System (CBMS) was contested in court. The court allowed the deployment to go forward, but issued a temporary order that required the State to meet several conditions. An emergency processing unit (EPU) to support benefit applicants was created to meet one of the conditions. Continued operation of the EPU was included in a subsequent agreement between plaintiffs and the State during negotiations toward a settlement of the lawsuit, and is part of the final order that was issued when the case was settled. The unit was initially staffed with contract workers, but those positions were converted to State employees when it became clear that the function would be ongoing. The table on the following page summarizes the positions assigned to employees funded by this line item.

Staffing Summary - Executive Director's Office, Special Purpose, CBMS Emergency Processing Unit				
Position	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Request	FY 2012-13 Rec'd
Technicians	1.5	4.0	4.0	4.0
Temporary Aide	0.5	0.0	0.0	0.0
Total	2.0	4.0	4.0	4.0

Request: The Department requests an appropriation of \$216,233 total funds (including \$74,206 General Fund) and 4.0 FTE for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$212,407 total funds and 4.0 FTE for FY 2012-13.** The recommendation consists of \$72,894 General Fund, \$17,043 cash funds from various sources, and \$122,470 federal funds from various sources. The table below summarizes the calculations for staff's recommendation.

Executive Director's Office, Special Purpose, CBMS Emergency Processing Unit					
	Total	GF	CF	FF	FTE
Personal Services					
FY 2011-12 Long Bill					
Appropriation (S.B. 11-209)	\$183,718	\$62,988	\$14,749	\$105,981	4.0
S.B. 11-076	(1,065)	(368)	(85)	(612)	0.0
Restore FY 2011-12 PERA					
Reduction	1,065	368	85	612	0.0
Two Percent Personal Services					
Base Reduction	<u>(3,826)</u>	<u>(1,312)</u>	<u>(307)</u>	<u>(2,207)</u>	<u>0.0</u>
Subtotal - Personal Services	179,892	61,676	14,442	103,774	4.0
Operating Expenses					
FY 2011-12 Long Bill					
Appropriation (S.B. 11-209)	<u>32,515</u>	<u>11,218</u>	<u>2,601</u>	<u>18,696</u>	<u>0.0</u>
Subtotal - Operating Expenses	32,515	11,218	2,601	18,696	0.0
Recommended FY 2012-13					
Appropriation	\$212,407	\$72,894	\$17,043	\$122,470	4.0

(2) OFFICE OF INFORMATION TECHNOLOGY SERVICES

The budget for the Department of Human Services' Office of Information Technology Services (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.

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 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.

Personal Services

Description: Prior to the consolidation of Statewide information technology staff resources in the Governor's Office of Information Technology, this line item funded the salaries and the State's share of PERA payments and Medicare taxes for a little less than half of the FTE in the Division. Most of the FTE associated with the line were information technology professionals who supported various systems throughout the Department, as well as management, financial and administrative support staff for the Division.

As part the consolidation of information technology staff resources in the Governor's OIT, the FTE and moneys associated with the personnel appropriated to this line item were transferred to the Governor's OIT. Beginning in FY 2010-11, the Governor's Office of Information Technology bills the Department for the salaries, the State's share of PERA payments and Medicare taxes, and centrally appropriated expenses (health, life, and dental insurance, short-term disability, workers' compensation, etc.) for the employees formerly appropriated to this line item. The Department is appropriated funds through four information technology common policies to cover the costs of the Governor's Office of Information Technology billings. Prior to the consolidation, the line item expended \$5.2 million (including \$4.0 million General Fund) and 64.3 FTE in FY 2009-10.

Request: The Department did not request and appropriation for this line item for FY 2012-13.

***Recommendation:* Staff recommends the Committee make no appropriation for the line item for FY 2012-13.**

Operating Expenses

Description: The line item pays for the operating expenses associated with the Divisions' systems, plus much of the centralized hardware and software infrastructure used by the Department.

Request: The Department requests continuation funding of \$349,399 total funds (including \$285,561 net General Fund) for FY 2012-13. The request includes the restoration of the FY 2010-11 five percent operating expenses reduction (\$13,499 net General Fund).

***Recommendation:* Staff recommends an appropriation of \$349,399 total funds for FY 2012-13.** Staff's recommendation consists of \$278,324 General Fund, \$14,474 reappropriated funds from the Department of Health Care Policy and Financing (including \$7,237 Medicaid General Fund), and \$56,601 federal funds from Temporary Assistance for Needy Families (TANF), Child Care Development Funds, and various sources.

Microcomputer Lease Payments

Description: The appropriation is used for lease payments for the 800 to 850 personal computers and related equipment used in the Department. The line item was originally recommended and approved in FY 1998-99 for the transition of purchased microcomputers to new leased microcomputers as part of the Y2K conversion process. The original appropriation was \$839,914, which has been reduced due to decreasing microcomputer costs and a low interest rate negotiated for the next eight fiscal years.

Request: The Department requests continuation funding of \$539,344 (including \$333,614 net General Fund) for FY 2012-13.

***Recommendation:* Staff recommends the Department's request of \$539,344 total funds for FY 2012-13.** Staff's recommendation consists of \$301,832 General Fund, \$15,466 cash funds from various sources, \$128,647 reappropriated funds from the Department of Health Care Policy

and Financing (including \$31,782 Medicaid General Fund) and various sources, and \$93,399 federal funds from various sources.

County Financial Management System

Description: This appropriation pays for expenses associated with maintaining the County Financial Management System (CFMS). The system tracks program 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. Funding for CFMS is used for contractual services (information technology programmers) and hardware and software maintenance.

CFMS is built on the Oracle Financials Systems framework, and the primary system contractor is Ciber, Inc. Ciber, Inc. receives nearly 90 percent of the total line item appropriation each year. HP Financial Services and DRC, Inc. consume the remaining ten percent of the appropriation for servers and county infrastructure support, respectively.

Request: The Department requests a continuation level appropriation of \$1,494,325 total funds (including \$770,740 General Fund) for FY 2012-13.

Recommendation: **Staff recommends a continuation level appropriation of \$1,494,325 total funds for FY 2012-13.** The recommendation consists of \$770,740 General Fund and \$723,585 federal funds from various sources.

Client Index Project

Description: The appropriation pays the contract and operating costs associated with maintaining the Client Index Project. The system assures that each recipient of State benefits has a unique identifier. Each program uploads the name, gender, date of birth, social security number, and other identifying information for any individual served, and the Index looks for other duplicate entries and assigns a unique identifier. The Index retains both this unique identifier and the identifiers assigned by each respective program's system. By maintaining a central, unduplicated listing of clients served, the Index enhances interagency coordination and cooperation, reduces data entry requirements, reduces referrals for duplicated services, reduces fraud, and provides information for program evaluations.

Request: The Department requests a continuation level appropriation of \$17,698 total funds (including \$10,154 General Fund) for FY 2012-13 for contract and operating costs.

Recommendation: **Staff recommends an appropriation of \$17,698 total funds for contract and operating costs in FY 2012-13.** The recommendation consists of \$10,154 General Fund and \$7,544 federal funds from various sources.

Colorado Trails

Description: The appropriation pays the contract and equipment costs associated with Colorado Trails. Colorado Trails is a statewide system, operational since 2002, that supports activities in the Department's Division of Child Welfare and the Division of Youth Corrections (DYC). The

Trails database links all divisions of DYC staff located in facilities and offices throughout the state, as well as State and county child welfare workers, supervisors, and support staff. The system provides case management support for direct client workers, decision-making support tools for managers, and access to client information across all DYC and child welfare populations in the state. The client/server-based system also provides an interface with the Colorado Integrated Criminal Justice Information System (CICJIS).

The Division of Child Welfare portion of Trails includes functions for intake, eligibility, resource management, court processing, case management, facilities management, financial management, and administration. The DYC portion of Trails allows users to track the stages a youth goes through in terms of their placements and counselor assignments. Workers can create, modify, and maintain treatment plans and release goals, and identify and assess resource providers.

DRC, Inc. receives nearly 50 percent of the total line item appropriation each year for county infrastructure support. HP Financial Services consumes nearly 40 percent of the remaining appropriation for server leases.

Request: The Department requests an appropriation of \$4,970,392 total funds (including \$2,683,461 General Fund) for FY 2012-13. The request includes the restoration of the FY 2010-11 five percent operating expenses reduction (\$17,993).

Recommendation: **Staff recommends the Department's request of \$4,970,392 total funds for contract and operating costs in FY 2012-13.** The recommendation includes \$2,683,461 General Fund and \$2,286,931 federal funds from Title IV-E of the Social Security Act, Temporary Assistance for Needy Families, and Child Care Development Funds.

National Aging Program Information System

Description: The line item appropriates funds for the system the Department uses to comply with federal reporting requirements regarding clients served through Older Americans Act programs. Funding is primarily used to purchase contract programmer services and to partially fund the cost of leasing and purchasing microcomputers for area agencies on aging (AAA's) and service providers. Federal funds are from Title III of the Older Americans Act, and this grant requires a 25.0 percent match.

Request: The Department requests a continuation level appropriation of \$93,114 total funds (including \$23,278 General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$93,114 total funds for FY 2012-13.** Staff's recommendation consists of \$23,278 General Fund and \$69,836 federal funds from Title III of the Older Americans Act.

Child Care Automated Tracking System

Description: The line item, added through the FY 2009-10 supplemental process, provides funds for the information technology system supporting the Colorado Child Care Assistance Program (CCCAP). CCCAP provides financial assistance to low-income families that are working,

searching for employment or are in training, and families that are enrolled in the Colorado Works Program and need child care services to support their efforts toward self-sufficiency. CCCAP is administered through county departments of social services under the direction of the Department's Division of Child Care.

CHATS is the tool used to manage family, provider, county, and payment data. After cases are entered into the system, it determines child care eligibility based on family information and county policy. The family authorization, provider rate, and payment information is then stored in CHATS. Provider payment information is generated from attendance records captured by a point-of-service (POS) tool whereby families swipe a benefit card when dropping off and picking up their child from a provider. Currently, the POS tool generates a paper confirmation for providers to track attendance and resolve payment issues that may arise.

When CHATS was originally designed, it was envisioned that providers would have the ability to access a tool to view and modify system data. This component was to be implemented after the system was implemented in county agencies. Once CHATS was in place in county agencies and the POS was in place in provider locations (December 6, 2010), it was evident that providers needed access to more information and increased information security than was originally assumed to effectively and efficiently track billable amounts and reconcile payments received.

As a result, the Department requested (and the Committee approved) a supplemental appropriation of \$26,063 for FY 2011-12 and a companion budget amendment for \$410,340 for FY 2012-13 in federal Child Care Development Funds to implement a web-based access point to CHATS for providers. The table below summarizes the supplemental and budget amendment.

Provider Self-service Portal Project Components			
Component	FY 11-12	FY 12-13	Notes
Install and Configure Provider Self-service Portal (PSSP)	\$26,063	\$0	Based on a vendor estimate
Customize Oracle Identity Management (OIM) Tool	0	54,640	470 hours of work (3 months) X \$116 per hour
New Functionality	0	172,260	1,566 hours of work (9 months) X \$110 per hour
Implementation Support			
Project Manager	0	114,400	1,040 hours of work (6 months) X \$110 per hour
PSSP Trainer	0	32,640	480 hours of work (3 months) X \$68 per hour
Customer Support Coordinator	0	36,400	1,040 hours of work (6 months) X \$35 per hour
Total	\$26,063	\$410,340	

The reporting solution under development will supply providers with the following data:

- Authorization information for children in the provider's care;
- Payments received;
- Attendance for children swiped in to the facility; and
- Fiscal agreements between providers and the counties for which they are authorized to do business with for the provision of child care.

Request: The Department requests an appropriation of \$2,709,933 federal funds from Child Care Development Funds for FY 2012-13.

Recommendation: Staff recommends an appropriation of \$2,709,933 federal funds from the Child Care Development Funds for FY 2012-13. Calculations for the staff recommendation are found in the table below.

Office of Information Technology Services, CHATS			
	Total	FF	FTE
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$2,299,593	\$2,299,593	0.0
FY 2011-12 Supplemental Adjustments (H.B. 12-1186)	26,063	26,063	0.0
Subtotal: FY 2011-12 Appropriation	2,325,656	2,325,656	0.0
Annualize Supplemental Adjustments	384,277	384,277	0.0
Recommended FY 2012-13 Appropriation	\$2,709,933	\$2,709,933	0.0

Health Information Management System

Description: The appropriation pays for operating and contract costs associated with maintaining the Health Information Management System. The automated system supports clinical and administrative business functions at the Mental Health Institutes, the Regional Centers for persons with developmental disabilities, and the Division of Youth Corrections' detention and institutional facilities. The system was implemented in October 1995 in response to a requirement by the federal Health Care Financing Administration for providers to itemize all services and bill Medicare under a physician fee schedule. The system includes medical records, census, billing and accounts receivable, client banking, nutrition, laboratory, pharmacy, and clinical assessment and treatment information. The Health Information Management System was renamed "AVATAR" in 2007.

Request: The Department requests a continuation level appropriation of \$339,168 total funds (including \$211,290 General Fund) for FY 2012-13.

Recommendation: Staff recommends an appropriation of \$339,168 total funds for FY 2012-13. The recommendation consists of \$211,290 General Fund and \$127,878 reappropriated funds transferred from the State's two mental health institutes, the Department's regional centers, and the Department's Division of Youth Corrections.

Colorado Benefits Management System

The Colorado Benefits Management System (CBMS) provides automated eligibility determination and benefit calculation to the following Department of Human Services and Department of Health Care Policy and Financing-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 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. The table below outlines the roles and responsibilities of the four main CBMS players, the Governor’s Office of Information Technology, Department of Human Services, Department of Health Care Policy and Financing, and county agencies.

Colorado Benefits Management System Organizational Responsibilities	
Entity	Roles and Responsibilities
Governor's Office of Information Technology	<ul style="list-style-type: none"> ▪ Infrastructure maintenance and support, including servers, database, storage area network (SAN), and overall framework for operating applications.
	<ul style="list-style-type: none"> ▪ Application development and maintenance, including all of the primary applications such as Eligibility Determination and Benefit Calculation (EDBC).
	<ul style="list-style-type: none"> ▪ Management of Deloitte service contract for infrastructure and application maintenance and support.
Department of Human Services	<ul style="list-style-type: none"> ▪ 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).
Department of Health Care Policy and Financing	<ul style="list-style-type: none"> ▪ Policy formulation of benefits determination (definitions) and claims processing for medical assistance programs, such as Medicaid and Children's Basic Health Plan.
	<ul style="list-style-type: none"> ▪ Maintenance and Support of Medicaid Management Information System (provider approval and payment systems), which is not consolidated into OIT.
	<ul style="list-style-type: none"> ▪ Negotiation and Operation of MAXIMUS contract for "Eligibility & Enrollment Services for Medical Assistance Programs."
Counties	<ul style="list-style-type: none"> ▪ Operations and case management using the applications provided by OIT for Eligibility Determination and Benefit Calculation (EDBC) when interfacing with clients.

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, Department of Health Care Policy and Financing;
- Reggie Bicha, Executive Director, Department of Human Services;
- Kevin Patterson, Deputy Chief of Staff, Office of the Governor;

- Susan Beckman, Arapahoe County Commissioner, Colorado Counties, Inc. 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.

Supplemental Request: CBMS Improvements in FY 2011-12 and FY 2013-14

Background

Though not without problems, the Colorado Benefits Management System (CBMS) went live on September 1, 2004 as the single integrated system for determining eligibility and calculating benefits based on paper applications and paper client notices. 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 and financial 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. Unfortunately, many of the early objections have proved accurate, as the system has been plagued with performance issues since its inception. In February 2012, the Governor outlined the technical issues (and their subsequent impacts) facing the system today, and proposed a series of technical solutions to mitigate ongoing issues. The overarching goal of the Governor’s technical proposal is to deliver timely, accurate benefits to Colorado citizens.

Defining Technical Issues

CBMS was designed and developed based on technology of the late 1990s to serve a model whereby prospective and current State-supervised assistance program benefit recipients travelled to a county office to conduct business. Since 2004, the model for serving and assisting prospective and current benefit recipients has broadened beyond what was envisioned when pre-internet, 1990s technology was implemented as the preferred solution. Today, prospective and current benefit recipients interact with State-supervised assistance programs at Presumptive Eligibility Sites, Medical Assistance sites, and on the internet in addition to travelling to a county office. The pressures of serving a variety of access points to State-supervised assistance programs, growing caseloads for State-supervised assistance programs, and policy changes impacting State-supervised assistance programs have highlighted several issues with the 1990s technology design.

- The programming code is difficult to change without causing system-wide delays for users. Policy changes, which occur frequently, are driven by a combination of factors, including State and federal legislation, federal and court ordered timely application processing requirements, and State and federal audits. Many policy changes require a programming code change to CBMS. The current CBMS programming environment requires the system to grind to a halt until changes are made to accommodate the policy changes.
- The processing of applications for assistance programs is not done in real-time (or near real-time), rather all applications are processed as a batch at one time. Batch processing, as it is known, delays the processing of applications without cause.
- The system is unable to expand to process applications in a timely manner as the number of users and applications increases for assistance programs.
- The underlying infrastructure experiences delays and bottlenecks due to outdated server technologies used to provide information to users.
- The system reporting tools used to generate client correspondence do not present accurate information to the client or the user.

Technical Issues Impact State Program Performance

The technical issues defined above negatively impact the performance of State-supervised assistance programs. The Department of Health Care Policy and Financing processed 72 percent of all new Medicaid applications within a timely manner (within 45 days) in FY 2010-11. Redeterminations of Medicaid benefits were processed within a timely manner only 52 percent during the same timeframe.

The Department of Human Services' Food Assistance Program has continually struggled to process applications for families applying for benefits. The Department processed 85 percent of Food Assistance expedited cases within a timely manner (seven days) in February 2012. During the same timeframe, 93 percent of regular Food Assistance cases were processed in a timely

manner (within 30 days). In terms of benefit redeterminations for the program, 2011 saw a timely processing rate of 64 percent.

Applications for the Department of Human Services' Temporary Assistance for Needy Families (TANF) program were processed within a timely manner (45 days) 94 percent of the time in February 2012. In terms of benefit redeterminations for the program, February 2012 saw a timely processing rate of 75 percent, 20 points below the required 95 percent rate.

Technical Issues Impact Citizens

The technical issues defined above negatively impact the ability of citizens to interact with State-supervised assistance programs in a timely and beneficial manner. Applicants frequently have a delay in processing and determining their benefits. This is detrimental to the citizen (and the State) for several reasons.

- Individuals who do not receive medical benefits in a timely manner may forgo preventive care and end up in costly emergency rooms.
- Families receiving financial benefits may not be able to pay shelter bills in a timely manner, resulting in a loss to families and property owners.
- Verification that an individual submits at the time of application is frequently irrelevant by the time the application can be processed, requiring the individual to submit more current documentation to complete the application process. This delays an individual from accessing needed medical and financial assistance.

In addition to delays in processing and determining benefits, citizens are often provided with confusing, conflicting, and erroneous notices sent from CBMS reports. This scenario creates a lack of trust, and requires additional reassurances provided to citizens by county staff or through legal representation. This causes individuals to spend time navigating the system and resolving report notices that could be used to take steps to become self-sufficient.

Technical Issues Impact County Workers

The technical issues defined above negatively impact county workers administering State-supervised assistance programs. The timeliness of processing applications is impacted in three ways.

- Increases the amount of time required to perform an eligibility determination from start to finish for an assistance program. County users are often locked out of the system due to too many concurrent users, subjected to freezing computer screens during data entry, and forced to submit help desk tickets to resolve confusing error messages.
- Prevents the determination of eligibility for an assistance program for a period of days while system updates and fixes are finalized and ready for the production environment.
- Requires manual processes and cumbersome workarounds to complete the eligibility determination process for an assistance program.

Additionally, as mentioned above, confusing, conflicting, and erroneous notices sent from CBMS reports to citizens are not uncommon. These errors in client correspondence result in appeals, calls, increased lobby traffic at county offices, and overall increased workload to county workers. This increased workload at the county level detracts workers from processing applications and providing more targeted and useful assistance to citizens. The user workload is focused more on navigating and maneuvering the inadequate technology to determine and issue benefits than providing citizens with case management, resource referrals, and other critical services.

Similarly, although food, financial and medical assistance programs currently collaborate on policy changes, CBMS is not wired for program integration to consider cross program impacts. For example, a positive change to one program may result in a negative unintended consequence for another that is not flagged for the county staffer or the citizen. This results in additional workload for the county worker as the citizen receives a confusing notice, calls the county to figure out what happened, appeals the decision, and ultimately visits the county offices a second time to resolve the issue.

Technical Issues Impact Vulnerability to Lawsuits and Sanctions

The technical issues defined above negatively impact the ability of the State to reduce its vulnerability to lawsuits and federal sanctions related to State-supervised assistance programs. The Department of Health Care Policy and Financing and the Department of Human Services recently settled lawsuits with advocacy groups to maintain a prescribed level of timeliness every month, which if not met, could reopen these lawsuits and expose the State to additional expenditures. On a related note, the most recent Centers for Medicare and Medicaid Services (CMS) audit focused on CBMS' timeliness, compliance, and client notifications. While CMS noted that the State has implemented several system and process remediation and plans around these areas, unfortunately the efforts were not sufficient and, if not fixed soon, could result in lost funding as well as new sanctions. Below is a description of the three interrelated CBMS issues that leave the State open to future lawsuits and federal sanctions if not remedied.

- The inability of CBMS to keep up with rising caseloads in assistance programs due to its slow performance, inability to scale to meet demand, and limits on the number of concurrent users leaves the State vulnerable to lawsuits and sanctions.
- The inability of CBMS to adapt to the changing demands of State and federal legislation, federal and court ordered timely application processing requirements, and State and federal audits leaves the State vulnerable to lawsuits and sanctions.
- The inability of CBMS to issue correct notifications to citizens poses various problems such as improper noticing, unnecessary repetitive volume of notices, excessive postage costs, and contradictory notices leaves the State vulnerable to lawsuits.

Governor's Proposed Technical Solutions

The Governor's Office proposes a series of technical and process solutions to deliver timely, accurate benefits to Colorado citizens. The solutions include enhancements and technology upgrades to CBMS, improvements to business processes, changes to help desk activities that

support users across the state, and improvements to worker training. The proposal categorizes the technical and process solutions into five categories:

- “Any Door is the Right Door” seeks to eliminate unnecessary tasks for county workers through efficient screening mechanisms;
- “Providing Workers the Right Tools” seeks to improve county worker productivity by eliminating time consuming functions and redundant activities;
- “Building Infrastructure that Supports the Customer” seeks to manage caseload volume by ensuring that the technology infrastructure supports county workers and assistance benefit applicants;
- “Ensuring Correct Decisions are Made on Eligibility” seeks to make correct decisions on eligibility and enrollment on first contact with a citizen; and
- “Increasing Effective Communication and Training” seeks to develop, implement, and maintain a comprehensive training system for all users of CBMS (county workers, state workers, medical assistance site staff, etc.) to ensure a consistent and standardized set of procedures for interacting with CBMS.

The five technical and process solution categories contain 15 specific, overarching (and sometimes overlapping) actions designed to meet each of the category goals listed above. These 15 actions represent a summary of 93 items contained in the CBMS 18-Month Work Plan.

- Enhance the online application (PEAK) to allow real-time eligibility determinations to minimize workload at the county level.
- Convert the existing rigid eligibility and financial calculations to a modern calculation engine that can be easily modified to accommodate policy changes without impacting overall system performance.
- Redesign citizen notification to reduce the volume of paper notices sent out and improve the accuracy of the language contained in the notice.
- Add infrastructure and web-based access to CBMS to reduce the reliance on outdated server technologies that add delays and bottlenecks in processing applications for county workers.
- Add infrastructure to allow more concurrent users of CBMS. The current environment does not have the capacity to accommodate the number of users concurrently accessing the system that is required by increases in caseload and the number of workers required to process the increased applications.
- Introduce a process to troubleshoot performance issues, such as freezing computer screens, and remedy the source to eliminate the occurrence of future system degradation.

- Upgrade infrastructure to increase disaster recovery capabilities.
- Redesign the business process workflow in CBMS to only display the information needed by a county worker to complete a given task.
- Migrate CBMS to a computing power model that allows the State to manage increases in server needs caused by caseload increases in an on-demand manner.
- Build CBMS web tools and services that can be interoperable with other systems.
- Process applications and reports in a manner that does not negatively impact the overall performance of CBMS.
- Create a log-on routine that does not require users to enter multiple user IDs and passwords to be authenticated to use CBMS.
- Provide county workers with dual monitors to increase productivity.
- Implement changes for outstanding audit findings from federal regulators to eliminate federal sanctions.
- Expedite improvements to mitigate a potential lawsuit by three legal groups that represent clients who have been impacted by delays in eligibility determination.

Proposed Technical Solutions Impacting State Program Performance

The proposed technical and process solutions outlined above are slated to positively impact State program performance. The Department of Health Care Policy and Financing goal is to process 90 percent of family Medicaid and Child Health Plan Plus (CHP+) applications in real-time, five percent of family Medicaid and Child Health Plan Plus applications within 45 days, and 95 percent of adult Medicaid and Long Term Care applications within 45 and 90 days, respectively. The proposed technical and process solutions would allow the Department to reach its application processing goals. The changes would also enable the State to comply with the October 2013 federal requirement of real-time, online determinations for the family Medicaid and CHP+ programs.

The Department of Human Services expects to process 95 percent of all applications in a timely manner by September 2012 as a result of the proposed technical and process solutions. In addition to the timeliness of application for assistance supervised by the Department of Human Services, the Department indicates the following programmatic performance improvements would occur as a result of the proposed technical and process solutions.

- The Food Assistance Program is expected to improve in a federal performance measure that evaluates how clearly a household is informed of the reason why they were denied food assistance benefits. The proposed technical and process solutions would reduce the error rate from 66 percent in 2012 to six percent in 2013.

- The Food Assistance Program exceeded the national payment error rate in 2011 for the first time since 2007. The State expects the error rate to drop below the national average as a result of the proposed technical and process solutions.
- The proposed Income and Eligibility Verification System's Internal Revenue Service interface would automatically verify lottery and gambling income, self-employment wages, and interest payments to assist county workers with eligibility determinations for Temporary Assistance for Needy Families (TANF) and other public assistance programs. Programs will use this data to ensure payment accuracy, to detect and prevent citizen fraud, and to verify citizen statements regarding their finances.
- The proposed corrections to the interface between CBMS and the Child Support Automated System would ensure that all required children are referred to Child Support Enforcement for services. This could result in a savings for the TANF program by ensuring child support is pursued and used correctly in the TANF payment calculation.

Proposed Technical Solutions Impacting Citizens

The proposed technical and process solutions outlined above will positively impact citizens' interactions with State-supervised assistance benefits programs. Many, if not all, of the proposed solutions would benefit citizens. The examples below represent a subset of the total benefits to citizens.

- Enhancing the online application tool (PEAK) to allow real-time eligibility determinations to minimize workload at the county level would allow citizens to spend less time applying for benefits and waiting for a confirmation or rejection.
- Redesigning citizen notification to reduce the volume of paper notices sent out and improve the accuracy of the language contained in the notice would assist citizens in navigating the State's assistance programs and provide them with more time to focus on becoming self-sufficient.
- Redesigning the business process workflow in CBMS to only display the information needed by a county worker to complete a given task would get citizens processed faster at the time of application.
- Converting the existing rigid eligibility and financial calculations to a modern calculation engine that can be easily modified to accommodate policy changes without impacting overall system performance would provide citizens with the most accurate and up-to-date benefit information upon application or redetermination.

Proposed Technical Solutions Impacting County Workers

The proposed technical and process solutions outlined above will positively impact county workers workload. Many counties have a "same-day" processing philosophy, and the CBMS technical and process solutions will help to achieve this expected level of service. Specifically:

- Electronic Document Management project would allow workers to scan a citizen's paper documents and store them electronically, significantly reducing the time and effort needed to file and store the paper documents and then retrieve them during redetermination.
- Improvements to migrate from batch processing to real-time (or near real-time) processing, data archival, and web expansion would reduce the latency that county workers face in the current system, allowing them to focus time on processing applications in a more timely and accurate manner.
- A more flexible programming environment in which to make system changes would result in less system downtime, alleviating the need for cumbersome and time consuming manual workaround processes.
- More accurate client correspondence would reduce county worker time spent resolving confusion via phone, dealing with appeals, and visiting with citizens at county offices.
- Dual monitors would allow county workers to verify information from multiple sources while simultaneously entering data in CBMS.
- The development of a single sign-on tool would help county workers maintain one set of authentication credentials to log on to CBMS. Currently, if the county worker does not recall a password, he/she must submit a help desk request to reset the password. This is a costly loss of time needed to process applications in a timely manner.
- An integrated CBMS and online help tool would provide a county worker with the ability to maintain his/her current workflow and access help tips concurrently. Today, CBMS users must exit CBMS, losing all data entered in the process, to access help documents.

Proposed Technical Solutions Impacting Vulnerability to Lawsuits and Sanctions

The proposed technical and process solutions outlined above will reduce the State's vulnerability to lawsuits and federal sanctions caused by issues of timeliness in processing applications and redeterminations, inaccurate client correspondence, and compliance with a State and federal legislation, federal and court ordered timely application processing requirements, and State and federal audits.

- Today, CBMS only allows 2,100 concurrent users to access the system. Timeliness of eligibility determination and processing would increase through the addition to 250 user licenses.
- Adding infrastructure and web-based access to CBMS to reduce the reliance on outdated server technologies that add delays and bottlenecks in processing applications for county workers would increase the timeliness of eligibility determination and processing.

- Improvements to migrate from batch processing to real-time (or near real-time) processing would ease system-wide performance degradation while batch processing is occurring and would increase the timeliness of eligibility determination and processing.
- Converting the existing rigid eligibility and financial calculations to a modern calculation engine that can be easily modified to accommodate policy changes without impacting overall system performance would assist the State in maintaining compliance with State and federal legislation, federal and court ordered timely application processing requirements, and State and federal audits.
- Redesigning the client notification process would make correspondence easier to read, reduce the number of notices sent out, remove contradictory notices, and move toward more cost effective electronic notifications.

Governor's Financial Request

The Governor's Office of Information Technology, Department of Health Care Policy and Financing, and the Department of Human Services jointly request an increase of \$23.2 million total funds (including \$13.7 million General Fund) and 22.0 FTE for use in FY 2011-12 and FY 2012-13 (via roll forward authority) and an additional \$7.2 million total funds (including \$4.2 million General Fund) and 5.0 FTE for FY 2013-14 to make the technical CBMS changes needed to mitigate negative State assistance program performance, provide citizens with the expected level of service, ease unnecessary workload burdens on county employees administering State-assisted benefits, and reduce the risk of future lawsuits and federal sanctions. The table below summarizes the request for each State agency impacted.

FY 2011-12 CBMS Supplemental Request (roll-forward authority through FY 2012-13 requested)						
	Total	GF	CF	RF	FF	FTE
DHS						
Personal Services	\$825,118	\$313,380	\$28,582	\$304,510	\$178,646	11.0
Operating Expenses	64,797	24,610	2,245	23,913	14,029	0.0
HCPF Personal Services	997,655	378,909	34,559	368,184	216,003	0.0
Contract Expenses	21,230,022	6,796,131	382,058	11,549,222	2,502,611	0.0
Centrally Appropriated Items	<u>107,740</u>	<u>40,919</u>	<u>3,732</u>	<u>39,762</u>	<u>23,327</u>	<u>0.0</u>
DHS Total	\$23,225,332	\$7,553,949	\$451,176	\$12,285,591	\$2,934,616	11.0
HCPF						
Personal Services	\$825,119	\$0	\$0	\$825,119	\$0	11.0
Operating Expenses	64,796	0	0	64,796	0	0.0
Centrally Appropriated Items	107,740	0	0	107,740	0	0.0
DHS Medicaid Funding	<u>12,285,591</u>	<u>6,128,387</u>	<u>19,229</u>	<u>0</u>	<u>6,137,975</u>	<u>0.0</u>
HCPF Total	\$13,283,246	\$6,128,387	\$19,229	\$997,655	\$6,137,975	11.0
GOV						
Contract Expenses	<u>\$21,230,022</u>	<u>\$0</u>	<u>\$0</u>	<u>\$21,230,022</u>	<u>\$0</u>	<u>0.0</u>
GOV Total	\$21,230,022	0	0	21,230,022	0	0.0
Total Request Minus RF*	\$23,225,332	13,682,336	470,405	n/a	9,072,591	22.0

*Reappropriated funds are not included in the total to avoid double counting. All reappropriated funds shown in the Department of Human Services are derived from the Department of Health Care Policy and Financing.

The federal Centers for Medicare and Medicaid Services (CMS) are providing funds to states to assist in building or upgrading eligibility systems, such as CBMS. Under the terms of the program, CMS provides 90 percent of the funding for system development costs and the state provides the remaining ten percent. This funding structure is often referred to as “90/10.”

The Department of Health Care Policy and Financing has taken the initial step to receive 90/10 funding for CBMS improvements. On December 30, 2011 the Department received approval from CMS to develop an implementation plan for CBMS technical solutions. This is the first step in the State being granted the 90/10 enhanced federal match rate for the project.

The Department of Health Care Policy and Financing has taken the initial step to receive the enhanced federal funding to upgrade and modernize CBMS. On December 30, 2011, the Department received approval of a Planning Advanced Planning Document which authorizes the Department to receive enhanced federal funding to develop an implementation plan to receive enhanced federal funding related to the system change provided in the 18-month plan. If funding is approved by the General Assembly for this supplemental request, the Department will integrate the components that are eligible for enhanced federal funding into a comprehensive and detailed implementation plan for CMS to review. Through this plan, CMS will allocate enhanced federal funding to the Department. Since federal approval is not expected to be received until June 2012, funding from the General Assembly has been requested at the standard federal match rates for FY 2011-12. Through the supplemental budget process, the appropriation will be adjusted to account to the additional federal funds which will reduce General Fund expenditure. If the 90/10 funding is received as anticipated, the FY 2011-12 General Fund appropriation (and subsequent requested roll-forward) would be reduced to approximately \$7.5 million from the current requested \$13.7 million request.

Joint Budget Committee Staff Recommendation

It is undeniable that CBMS is in need of a massive technology upgrade to mitigate negative State assistance program performance, provide citizens with the expected level of service, ease unnecessary workload burdens on county employees administering State-assisted benefits, and reduce the risk of future lawsuits and federal sanctions. As detailed above, the current technology inefficiencies of CBMS are negatively impacting the finances of the State, the finances of counties, and the finances and well-being of citizens. The Governor’s Office has worked closely with staff to ensure that technical problems with the system have been identified, the impacts of the technical problems on State programs, county workers, and citizens have been thoroughly identified, and proposed technical and process solutions directly align with the impacted populations and programs.

It is also undeniable that improving and modernizing CBMS is a massive undertaking for the State not only in terms of financial risk, but also technological complexity. It is staff’s opinion that the 18 Month Plan submitted for funding by the Governor’s Office represents a level of rigor expected for a project of this size and scope. It is clear from the documentation provided that the plan has been thoroughly vetted by State and county officials in consultation with experts from the private sector. Staff has no qualms with the technical and process solutions proposed.

It is also staff's opinion that a project of this magnitude requires a consortium of leaders possessing a combination of technical acumen, project management expertise, and overall experience with large information technology endeavors. Staff believes that the Governor's Office has worked diligently to assemble a cast of individuals, whether they are leaders within the Governor's Office of Information Technology or county officials, with the necessary qualities to make the requested project a success.

Due to the past performance issues of CBMS and the subsequent negative public attention, the Committee's decision to approve or reject funding to upgrade the system is more complex than simply reviewing a 18 Month Plan to ensure that it is technically and financially sound. A large variable in the decision to approve or reject funding to upgrade the system is trust. Trust that the project addresses clearly identified needs, trust that the project best serves citizens, trust that the project will accomplish its goals, trust that the State has enlisted the assistance of qualified leaders to steer the project on a successful path, and trust that the entire project will be as transparent and accountable as possible. In short, the Committee must trust that it is making a wise investment before proceeding to approve funding to upgrade the system.

Given the past performance issues of CBMS and the subsequent negative public attention, staff developed a plan to build trust with the project in a phased approach. Staff urged the Governor's Office to rework its FY 2011-12 supplemental request from a one-time appropriation with roll forward authority into a series of planned appropriation requests flowing from FY 2011-12 through FY 2013-14. Staff's original proposition called for appropriation requests to be submitted to the Committee at the following junctures:

- FY 2011-12 Long Bill add-on appropriation
- FY 2012-13 Long Bill appropriation
- FY 2012-13 Supplemental Appropriation
- FY 2013-14 Long Bill Budget Request
- FY 2013-14 Budget Amendment Request

This approach would provide the Committee and the Governor's Office with an opportunity to develop trust by setting goals, reporting on goals, and outlining the next phase. As confidence and trust in the project is gauged based on meeting goals, the Committee would make funding decisions. Unfortunately, the Governor's Office indicates that the only acceptable funding timeline to achieve the necessary changes to rebuild CBMS is for \$23 million total funds and 22.0 FTE to be appropriated across the Governor's Office of Information Technology, Department of Health Care Policy and Financing, and the Department of Human Services in FY 2011-12 with roll-forward authority through FY 2012-13.

The Governor's Office explains that any potential funding delays that cause work stoppages would cause this project to fail. The 18 Month Plan funding request provides the flexibility to keep working on CBMS projects without potentially running out of funding and creating a scenario whereby CBMS remains in a tenuous position with delayed projects. Specifically, the Governor's Office indicates that the plan submitted has been carefully developed using the following guidelines:

- Current State contracting rules add a minimum of six-to-eight weeks of additional delay before the implementation vendor can begin work on authorized changes. The requested plan and funding represent an attempt to minimize the need for additional contract amendments each time new funding is approved for the work plan.
- Items that affect the CMS Audit and performance of the system have been prioritized to be completed across FY 2011-12 and FY 2012-13. Roll forward authority though FY 2012-13 because many of these projects must be implemented by August and September 2012, and can only be successfully delivered if the work begins in FY 2011-12.
- There are inter-dependencies and economies of scales that have been assumed to be gained by starting many of the projects on a particular date. The 18 month timeline is by itself a very aggressive undertaking, and hence the Governor's Office used creative ways to make sure the projects would be distributed optimally in order to make the most efficient use of State and vendor resources.

If the Governor's Office were to provide a plan in accordance with staff's request to structure it in a phased-funding approach, the Governor's Office indicates several issues would arise.

- The work plan would be extended beyond the 18 month timeline as there are additional delays that would have to be accounted for because of the four new amendments. This would either cause a staffing ramp up and down on a frequent basis or carrying a larger team throughout the entire year.
- The CMS Audit items plan items would extend beyond the expected date of completion as many of the items cannot be completed within the an alternative timeframe.
- The overall integrity of the current plan would be lost. The estimated effort for State and vendor resources would have to be reassessed as the efficiencies created through the original draft work plan would no longer be intact.

To remedy the accountability and reporting concerns staff, the Governor's Office offered to have the Executive Steering Committee of CBMS present quarterly progress reports to the Committee in an effort to promote full transparency, provide project updates, and review finances.

Given the lack of a formal legislative oversight mechanism for the financial investment made in this project, staff recommends the Committee reject the request from the Governor's Office. Staff fully believes in the need to upgrade CBMS, the technical plan and its goals, the leaders engaged in the project, and the total amount proposed for project. The history of CBMS and prior investments made to bring about technical changes, though, necessitate a measured and phased approach to investment that the Governor's Office indicates is not feasible for successful project completion. Staff applauds the Governor's Office for offering quarterly project updates to the Committee, however, staff is not comfortable recommending the approval of a \$23 million total funds and 22.0 FTE investment without a formal mechanism (such as the appropriations process) to evaluate and consider if the project is proceeding at a level that warrants future investment.

Staff understands the challenges the Committee faces in choosing to approve or reject the proposal from the Governor's Office. While CBMS has been plagued with issues throughout its life-span, it is still an integral component of many State-funded programs. The option to approve staff's recommendation leaves the system in a precarious state which will undoubtedly lead to further issues in the future that negatively impact State programs, citizens, and counties. Recognizing this, staff has compiled a list of options for the Committee to consider.

1. Approve staff's recommendation to not fund the project due to its current legislative oversight deficiencies.
2. Reject staff's recommendation and fund the project as requested by the Governor's Office.
3. Craft legislation separately from the FY 2012-13 Long Bill that would provide funding for the project and reporting requirements.

Colorado Benefits Management System, DHS Personal Services

Description: The line item provides funding for employees' salaries and wages, as well as the associated State contribution to the Public Employees Retirement Association (PERA) and the State share of federal Medicare taxes. The moneys are transferred to the Governor's Office of Information Technology for the service provision.

Request: The Department requests an appropriation of \$4,592,223 total funds (including \$1,971,671 net General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$4,504,410 total funds for FY 2012-13.** The recommendation consists of \$1,093,351 General Fund, \$209,806 cash funds, \$1,669,012 reappropriated funds (including \$828,859 Medicaid General Fund), and \$1,532,241 federal funds. Calculations for staff's recommendation are found in the table below.

Office of Information Technology Services, Colorado Benefits Management System, DHS Personal Services						
	Total	GF	CF	RF	FF	FTE
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$4,592,223	\$1,126,702	\$212,849	\$1,701,419	\$1,551,253	0.0
Subtotal: FY 2011-12 Appropriation	4,592,223	1,126,702	212,849	1,701,419	1,551,253	0.0
Two Percent Personal Services Base Reduction	(87,813)	(33,351)	(3,043)	(32,407)	(19,012)	0.0
Recommended FY 2012-13 Appropriation	\$4,504,410	\$1,093,351	\$209,806	\$1,669,012	\$1,532,241	0.0

Colorado Benefits Management System, HCPF Personal Services

Description: The line item provides funding for employees' salaries and wages, as well as the associated State contribution to the Public Employees Retirement Association (PERA) and the

State share of federal Medicare taxes. The moneys are transferred to the Governor’s Office of Information Technology for the service provision.

Request: The Department requests an appropriation of \$448,289 total funds (including \$192,473 net General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$438,280 total funds for FY 2012-13.** The recommendation consists of \$106,186 General Fund, \$20,431 cash funds, \$162,398 reappropriated funds (including \$80,649 Medicaid General Fund), and \$149,265 federal funds. Calculations for staff’s recommendation are found in the table below.

Office of Information Technology Services, Colorado Benefits Management System, HCPF Personal Services						
	Total	GF	CF	RF	FF	FTE
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$448,289	\$109,988	\$20,778	\$166,091	\$151,432	0.0
Subtotal: FY 2011-12 Appropriation	448,289	109,988	20,778	166,091	151,432	0.0
Two Percent Personal Services Base Reduction	(10,009)	(3,802)	(347)	(3,693)	(2,167)	0.0
Recommended FY 2012-13 Appropriation	\$438,280	\$106,186	\$20,431	\$162,398	\$149,265	0.0

Colorado Benefits Management System, Centrally Appropriated Items

Description: The line item provides funding for employees' centrally appropriated benefits (health, life, and dental, etc.). The moneys are transferred to the Governor’s Office of Information Technology for the service provision.

Request: The Department requests a continuation appropriation of \$517,134 total funds (including \$222,032 net General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$517,134 total funds for FY 2012-13.** The recommendation consists of \$126,879 General Fund, \$23,969 cash funds, \$191,598 reappropriated funds (including \$82,485 Medicaid General Fund), and \$111,963 federal funds.

Colorado Benefits Management System, Operating and Contract Expenses

Description: The line item provides funds for the operating and contract expenses associated with the operation of CBMS. Contracts are awarded to vendors for maintenance, operation, and enhancements to CBMS. The moneys are transferred to the Governor’s Office of Information Technology.

CBMS Electronic Data Management – HCPF DI #13

Description: The Governor’s Office of Information Technology, Department of Human Services, and the Department of Health Care Policy and Financing submitted a decision item to the Committee to provide an appropriation 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.

Request: The agencies’ request an appropriation of \$1.3 million (including \$0.5 million General Fund) in FY 2012-13 for the project. The table below summarizes the financing structure of the request.

CBMS Electronic Document Management System Decision Item						
	Total	GF	CF	RF	FF	FTE
DHS Contract Expenses	\$1,257,600	\$303,065	\$43,576	\$464,126	\$446,833	0.0
HCPF DHS Medicaid Funding	464,126	230,708	462	1,392	231,564	0.0
GOV Contract Expenses	1,257,600	0	0	1,257,600	0	0.0
Total Request Minus RF*	\$1,257,600	533,773	44,038	n/a	678,397	0.0

*Reappropriated funds are not included in the total to avoid double counting. All reappropriated funds shown in the Department of Human Services are derived from the Department of Health Care Policy and Financing.

Recommendation: **Staff recommends approving the request for \$1.3 million for the electronic document management system.** The current paper-based archiving is riddled with opportunities for error and lost time for both county workers and citizens.

Request: The Department requests an appropriation of \$19,437,529 total funds (including \$8,247,414 net General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$19,437,529 total funds for FY 2012-13.** The recommendation consists of \$4,772,010 General Fund, \$1,056,309 cash funds, \$7,013,346 reappropriated funds (including \$3,475,404 Medicaid General Fund), and \$6,595,864 federal funds. Calculations for staff’s recommendation are found in the table below.

Office of Information Technology Services, Colorado Benefits Management System, Operating and Contract Expenses						
	Total	GF	CF	RF	FF	FTE
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$18,858,730	\$4,585,647	\$1,034,792	\$6,924,731	\$6,313,560	0.0
FY 2011-12 Supplemental Adjustments (H.B. 12-1186)	653,640	(199,322)	(37,655)	1,165,046	(274,429)	0.0
Subtotal: FY 2011-12						

Office of Information Technology Services, Colorado Benefits Management System, Operating and Contract Expenses						
	Total	GF	CF	RF	FF	FTE
Appropriation	19,512,370	4,386,325	997,137	8,089,777	6,039,131	0.0
Annualization of Prior Year Budget Actions	(255,272)	(9,955)	(1,880)	(230,104)	(13,333)	0.0
Annualization of Prior Year Legislation	316,604	78,211	14,764	119,637	103,992	0.0
Annualization of Supplemental Adjustments	(1,466,040)	0	0	(1,466,040)	0	0.0
CBMS Electronic Data Management System	1,257,600	303,065	43,576	464,126	446,833	0.0
Restoration of FY 2010-11 Five Percent Operating Reduction	58,227	14,364	2,712	21,910	19,241	0.0
Hospital Provider Fee Administrative True-up Request	14,040	0	0	14,040	0	0.0
Recommended FY 2012-13 Appropriation	\$19,437,529	\$4,772,010	\$1,056,309	\$7,013,346	\$6,595,864	0.0

Colorado Benefits Management System, HCPF Only

Description: This line item was added during the FY 2011-12 supplemental process to capture the appropriations associated with the H.B. 09-1293 project adding expansion populations to Medicaid eligibility and for CBMS compliance with low income subsidy and disability determination services federal requirements. The moneys for this project were previously appropriated to the CBMS Operating and Contract Expenses line item. The moneys appropriated to this line item are transferred to the Governor’s Office of Information Technology.

Request: The Department requests a continuation appropriation of \$597,480 reappropriated funds transferred from the Department of Health Care Policy and Financing for FY 2012-13.

***Recommendation:* Staff recommends a continuation appropriation of \$597,480 reappropriated funds transferred from the Department of Health Care Policy and Financing for FY 2012-13.**

CBMS SAS-70 Audit

Description: The line item appropriation funds an on-going audit of CBMS. A Statement on Auditing Standards (SAS) 70 audit focuses on management policies, standards and procedures, state and county staff training and subsequent adherence to standards and procedures, general controls over system development, acquisition, maintenance, and change management, operational controls over change management of software, logical and physical security, and contingency planning, and application controls over source documents, data input, editing and processing, data output, and system access. The audit, conducted by a third party consultant, requires an assessment regarding which functions (including reports) of CBMS are currently operating as intended and as necessary and which, if any, functions are not working as intended and/or as necessary.

Request: The Department requests a continuation funding level of \$149,000 total funds (including \$63,974 net General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$149,003 total funds for FY 2012-13.** Staff's recommendation is comprised of \$36,558 General Fund, \$6,906 cash funds, \$54,989 reappropriated funds (including \$27,416 Medicaid General Fund), and \$50,332 federal funds.

Purchase of Services from Computer Center

Description: This item provides funding for the Department's share of Statewide computer services provided by the Governor's Office of Information Technology. The Office plans, manages, operates, and delivers the computing infrastructure to customer entities, which include all State agencies and certain institutions of higher education. The Office is responsible for managing the operating system, transaction processing scheduling, and systems management software associated with these resources.

Request: The Department requests an appropriation of \$17,857,126 total funds (including \$9,261,090 net General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$17,389,341 total funds for FY 2012-13 based on Committee action on the information technology policies.** Staff's recommendation consists of \$8,888,871 General Fund, \$218,652 cash funds, \$310,850 reappropriated funds (including \$129,617 Medicaid General Fund), and \$7,970,968 federal funds.

Multiuse Network Payments

Description: This line item is used to pay the Department's share of the statewide multiuse network. The multiuse network (MNT) is a service providing secure, high-speed broadband access to State agencies, schools, colleges, libraries, hospitals, and local governments. The MNT is essentially the state's wide area network, providing network connectivity to every county in the state.

MNT payments represent the cost to the State for administering its share of the MNT build-out with the private consortium. Reimbursements for this functional area are expended for contracts with Qwest (and its consortium), and are based on anticipated billings, using a circuit inventory conducted department by department, for all agencies.

Request: The Department requests an appropriation of \$2,335,491 total funds (including \$1,600,292 net General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$2,464,417 total funds for FY 2012-13 based on Committee action on the information technology policies.** Staff's recommendation consists of \$1,620,869 General Fund, \$21,313 cash funds from, \$215,621 reappropriated funds (including \$67,763 Medicaid General Fund), and \$606,613 federal funds.

Management and Administration of OIT

Description: Senate Bill 08-155 (Cadman/Kerr, A.) required that billing methodologies be developed to allocate costs for central OIT administrative services, including a "back office" business services staff for financial and human resource services to the consolidated office. Beginning with FY 2008-09, allocation appropriations were made to executive branch agencies for this function.

Request: The Department requests an appropriation of \$425,448 total funds (including \$336,020 net General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$431,726 total funds for FY 2012-13 based on Committee action on the information technology policies.** Staff's recommendation consists of \$328,435 General Fund, \$6,873 cash funds, \$34,967 reappropriated funds (including \$12,544 Medicaid General Fund), and \$61,451 federal funds.

Communication Services Payments

Description: This line item is used to pay the Department's share of the state's microwave radio infrastructure and the Digital Trunked Radio System (DTRS). DTRS provides interoperability between public safety agencies and emergency responders. It is anticipated that the Department will be billed for the use of over 700 radios in FY 2012-13.

Request: The Department requests an appropriation of \$204,129 total funds (including \$174,992 net General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$183,618 total funds for FY 2012-13 based on Committee action on the information technology policies.** Staff's recommendation consists of \$157,409 General Fund and \$26,209 reappropriated funds.

(3) OFFICE OF OPERATIONS

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.

- The Division of Accounting includes roughly 25 percent of the staff in the Office of Operations. The Division manages all departmental financial operations and resources, including payments to counties and service providers throughout the state for human services programs, Medicaid, Medicare and private party billing for the Department's various community and institutional programs, and overall accounts and controls over expenditures and revenues from multiple state and federal sources.
- The Division of Facilities Management accounts for nearly 70 percent of the staff in the Office of Operations. The Division is responsible operating, cleaning, and maintaining all Department buildings and facilities, including youth correctional facilities, the two State mental health institute campuses, and three regional centers for the developmentally disabled, in addition to Department office buildings. Overall, the Division operates 299 buildings and over 3.25 million gross square feet of space. It is also responsible for acquisition, operation and management of utility services, planning, design and construction of capital construction and controlled maintenance projects, and the Department's commercial and vehicle leases.
- The Procurement Division includes roughly five percent of Office of Operations appropriated staff. The Purchasing Unit has been delegated autonomous authority by the Department of Personnel and Administration and is responsible for purchasing goods and services for Departmental programs in excess of \$35 million per year. The Materials Management Unit is responsible for providing warehouse and distribution for all Department programs which house direct care clients. This includes ordering and inventory control of food and non-food items through three primary warehouse and office facilities throughout the State.
- The Contract Management Unit consists of less than one percent of Office of Operations staff. It is responsible for managing the contracting process in the Department including development, approval, and oversight of performance of all Department contracts.

(A) Administration

Personal Services

Description: The Personal Services line item provides funding for employees' salaries and wages, as well as the associated State contribution to PERA and the State share of federal Medicare taxes. This line item also provides funding for contracted professional and temporary services. The table on the following page summarizes the positions assigned to employees funded by this line item.

Staffing Summary - Office of Operations, Administration, Personal Services				
Position	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Request	FY 2012-13 Rec'd
Electrical Trades	9.4	9.0	9.0	9.0
Pipe/Mech Trades	50.7	51.0	51.0	51.0
Structural Trades	41.2	42.0	42.0	42.0
Utility Plant Operator	2.0	2.0	2.0	2.0
Equipment Mechanic	2.7	3.0	3.0	3.0
Equipment Operator	2.1	2.0	2.0	2.0
Production	3.8	4.0	4.0	4.0
Custodian	127.7	116.9	116.9	116.9
General Labor II	0.1	0.0	0.0	0.0
Grounds & Nursery	13.1	15.0	15.0	15.0
Ltc Trainee II	0.9	1.0	1.0	1.0
Materials Handler	11.9	12.0	12.0	12.0
Materials Supervisor	1.6	2.0	2.0	2.0
Ltc Operations I	11.0	11.0	11.0	11.0
Project Planner	6.0	6.0	6.0	6.0
Admin Assistant	5.6	6.0	6.0	6.0
Program Assistant	9.1	9.0	9.0	9.0
General Professional	29.1	31.0	31.0	31.0
Management	2.0	2.0	2.0	2.0
Accountant	90.9	94.4	94.4	94.4
Controller	2.7	3.0	3.0	3.0
Designer/Planner	1.0	1.0	1.0	1.0
Architect	1.0	1.0	1.0	1.0
Professional Engineer II	1.0	1.0	1.0	1.0
Civil Eng Proj Manager II	1.0	1.0	1.0	1.0
Electronics Specialist	<u>6.0</u>	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>
Total	433.6	432.8	432.8	432.8

Request: The Department requests an appropriation of \$22,667,038 total funds (including \$14,303,086 net General Fund) and 432.8 FTE for FY 2012-13. The request includes the restoration of the 2.5 percent reduction in personal services due to the Public Employees Retirement Association (PERA).

Recommendation: **Staff recommends an appropriation of \$22,228,810 total funds (including \$14,026,027 net General Fund) and 432.8 FTE for FY 2012-13.** The recommendation consists of \$12,549,053 General Fund, \$1,933,295 cash funds from patient cash collected at the State's two mental health institutes, Early Intervention Service Trust Fund, Business Enterprise Program Cash Fund, and various sources, \$5,874,886 reappropriated funds from the Department of Health Care Policy and Financing (including \$1,476,974 Medicaid General Fund), Department of Corrections, nursing home indirect cost collections, and various sources, and \$1,871,576 federal funds from Section 110 vocational rehabilitation funds, Social Security Administration for disability determination services, Child Care Development Funds, Substance Abuse Prevention and Treatment Block Grant, U.S. Department of Human Services Office of

Refugee Resettlement, Temporary Assistance for Needy Families (TANF), and various sources. The table below summarizes the calculations for staff's recommendation.

Office of Operations, Administration, Personal Services						
	Total	GF	CF	RF	FF	FTE
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$22,892,878	\$12,994,455	\$1,961,716	\$5,997,145	\$1,939,562	433.3
H.B. 11-1230	(28,840)	0	0	0	(28,840)	(0.5)
S.B. 11-076	(504,985)	(286,243)	(32,750)	(140,883)	(45,109)	0.0
FY 2011-12 Supplemental Adjustments (H.B. 12-1186)	(197,000)	(197,000)	0	0	0	0.0
Subtotal: FY 2011-12 Appropriation	22,162,053	12,511,212	1,928,966	5,856,262	1,865,613	432.8
Restore FY 2011-12 PERA Reduction	504,985	286,243	32,750	140,883	45,109	0.0
Two Percent Personal Services Base Reduction	(438,228)	(248,402)	(28,421)	(122,259)	(39,146)	0.0
Recommended FY 2012-13 Appropriation	\$22,228,810	\$12,549,053	\$1,933,295	\$5,874,886	\$1,871,576	432.8

Operating Expenses

Description: The Operating Expenses line item provides for most of the non-personal services costs of the Office with the exception of leased space, leased vehicles and utilities. The expenses include the materials and supplies needed by the Office of Operations Divisions of Facilities Management, Accounting, and Procurement.

Request: The Department requests an appropriation of \$3,370,651 total funds (including \$2,633,266 net General Fund) for FY 2012-13. The request includes the restoration of the FY 2010-11 five percent operating expenses reduction.

Recommendation: **Staff recommends an appropriation of \$3,370,651 total funds (including \$2,633,266 net General Fund) for FY 2012-13.** The recommendation consists of \$2,454,829 General Fund, \$4,294 cash funds from various sources, \$711,909 reappropriated funds from the Department of Health Care Policy and Financing (including \$178,437 Medicaid General Fund) and various sources, and \$199,619 federal funds from various sources.

Vehicle Lease Payments

Description: This line item provides funding for annual payments to the Department of Personnel and Administration for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles. The vehicle lease payment line item provides for the fixed portion of the vehicle leases from fleet management. The Department currently has 465 vehicles.

Decision Item #6: Division of Vocational Rehabilitation Leased Vehicles

Request: Decision Item #6 seeks to lease four State vehicles from the Department of Personnel and Administration for use by Division of Vocational Rehabilitation (DVR) staff rather than reimbursing staff for their personal vehicle mileage. Staff currently uses their personal vehicles to assist eligible individuals with disabilities by providing employment training and vocational related services. Mandated services are provided in 24 field office and nine satellite locations through the state. 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.

Recommendation: **Staff recommends approving the Department’s request to lease four State vehicles from the Department of Personnel and Administration for use by DVR staff.** Based on the personal mileage reimbursement costs the average actual mileage from FY 2008-09 through FY 2010-11 and FY 2012-13 projected leased vehicle costs, the request represents a \$16,993 total funds (including \$3,619 General Fund and \$13,374 federal funds) savings to the State. Calculations for staff’s recommendation are found in the table below.

FY 2012-13 DVR Vehicle Request Calculations			
Leased Vehicle Cost Component	Cost	Number of Vehicles	Total Cost Per Year
Fixed Cost Per Vehicle Per Year	\$4,104	4	\$16,416
Variable Cost Per Vehicle Per Year	<u>\$3,396</u>		<u>\$13,584</u>
Total Cost Per Leased Vehicle Per Year	\$7,500		\$30,000
Estimated Personal Vehicle Mileage Reimbursement			\$46,993
Difference Between Vehicle Lease and Personal Vehicle Reimbursement			(\$16,993)

Request: The Department requests an appropriation of \$1,147,433 total funds (including \$722,942 net General Fund) for FY 2012-13. The request includes the decision item detailed above and Statewide vehicle fleet adjustments.

Recommendation: **Staff's recommendation is pending the approval of the vehicle lease payments common policy by the Committee.**

Leased Space

Description: The appropriation for this line item provides funding for 45 commercial space leases throughout the state associated with nine major program areas, including Alcohol and Drug Abuse Services, Child Care, Disability Determination, Vocational Rehabilitation, and Youth Corrections. The Department leases approximately 143,827 square feet.

Request: The Department requests a continuation level appropriation of \$2,410,915 total funds (including \$588,759 General Fund) for FY 2012-13.

Recommendation: **Staff recommends a continuation level appropriation of \$2,410,915 total funds for FY 2012-13.** Staff's recommendation consists of \$588,759 General Fund, \$37,416 cash funds from various sources, \$22,527 reappropriated funds from various sources, and \$1,762,213 federal funds from Section 110 vocational rehabilitation funds, Social Security Administration for disability determination services, and various sources.

Capitol Complex Leased Space

Description: Capitol Complex Leased Space is appropriated based on usable square footage used by each state department. Currently, for the Department, this includes 99,087 square feet at 1575 Sherman Street in Denver and 3,104 square feet at the State Office Building in Grand Junction.

Request: The Department requests a continuation level appropriation of \$1,415,518 total funds (including \$670,405 net General Fund) for FY 2012-13. The request includes an increase of \$139,652 total funds (including \$66,141 net General Fund) for Capitol Complex cost adjustments.

Recommendation: **Staff's recommendation is pending the approval of the Capitol Complex common policy by the Committee.**

Utilities

Description: This line item funds utilities expenditures including natural gas, electricity, water and waste water expenses for the Department's residential facilities (Division of Youth Corrections, Mental Health Institutes, and Regional Centers for Persons with Developmental Disabilities) and other facilities supported by the Office of Operations on the Fort Logan and Pueblo campuses. Utility costs for Department office space, excluding that on the two Department campuses or within residential facilities, is incorporated into Capitol Complex and leased space rates.

Request: The Department requests an appropriation of \$7,766,210 total funds (including \$670,405 net General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$7,766,210 total funds for FY 2012-13.** The recommendation consists of \$6,168,693 General Fund, \$50,000 cash funds from various sources, and \$1,547,517 reappropriated funds from the Department of Health Care Policy and Financing (including \$594,246 Medicaid General Fund) and various sources.

(B) Special Purpose

Buildings and Grounds Rental

Description: The appropriation for this line item provides cash fund spending authority for FTE and operating expenses associated with the maintenance, repair, and upkeep of the Departments' facilities and grounds that are leased to public and private agencies pursuant to Section 26-1-133.5, C.R.S. The Department leases space to other State agencies or non-profit organizations for offices or for the direct provision of services.

Most of these rentals are at the Colorado Mental Health Institute at Fort Logan with agencies having missions compatible with the Department. Rents collected are deposited into the Buildings and Grounds Cash Fund to be used for the operating, maintaining, remodeling or demolishing of the rental properties. The rates paid by agencies are based on the Department's calculated costs for maintenance, repair, and upkeep of the rented spaces. Spending authority for this line item is based on anticipated revenue from the leasing agencies. H.B. 08-1268 (White/Johnson) expanded the Department's authority to rent property at other locations, which was previously restricted to the Fort Logan campus only. The table below summarizes the positions assigned to employees funded by this line item.

Staffing Summary - Office of Operations, Special Purpose, Buildings and Grounds Rental				
Position	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Request	FY 2012-13 Rec'd
Structural Trades II	0.9	1.0	1.0	1.0
Custodian I	1.5	1.5	1.5	1.5
Grounds & Nursery I	0.1	1.0	1.0	1.0
Ltc Operations I	1.0	1.0	1.0	1.0
Admin Assistant III	0.0	2.0	2.0	2.0
Temporary Aide	<u>1.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	4.8	6.5	6.5	6.5

Decision Item #8 – Buildings and Grounds Cash Fund Adjustment
<p><i>Request:</i> The Department 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.</p> <p>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 the Departments’ 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</p>

provide moneys for “operating, repairing, remodeling, or demolishing the facilities of any properties rented by” the Department.

The Department 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.

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

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. Below is a list of anticipated operating expenses and projects included in the Department’s request:

- **Materials \$1.08 per foot X 137,028 square feet:** Historically through the benchmark studies conducted by the Office of Operations’ Division of Facilities Management the materials cost should be \$1.08. This cost was then applied to all the rentable square footage that is vacant to total \$147,990. Materials include items listed below:
 - Kitchen equipment repairs, thermostats, timers, relays, burners gas valves, strainers, freon, steam valves, for dishwashers, fryers stoves, mixers, fans, blowers, and hood systems;
 - Landscaping: fertilizer, snow melt, irrigation pipe, heads timers, small hand equipment, saws, blades, pesticides, fuel mowers, snow plow repair parts, bedding materials, and pot hole patching;
 - Locksmith: keys, locks door handles, door repairs, and electronic lock replacement;

- Heat Plant: boiler and generator repair, parts and maintenance items such as valves, fluids, belts, and mechanical maintenance repairs;
 - Plumbing: plumbing fixtures such as sinks, tubs, toilets, piping, pumps, drains, water lines, and sewer lines fire suppression systems.
 - Electrical: lighting, security systems, fire alarms (Fort Logan alone has over 3000 fire alarm devises), motors switchgear, transformers, panels, switches, and distributions systems;
 - Paint: paint, rollers, sprayers, drywall repair, and FRP sheeting;
 - Electronics: Energy management systems, cameras, VCR's, digital recording devices, electronic locks, and panic alarms;
 - General Maintenance: windows, glazing, flooring, fencing, sidewalks, signage, wall repairs, and roofing;
 - HAVC: air conditioners, heating systems, fans, blowers, and control systems; and
 - Janitorial: paper products, toilet papers, hand towels, floor finishes, wax strip and seal, carpet care, sanitation, infection control, and chemicals.
- **Utilities \$1.75 x 35,878 square feet:** This cost is an estimated amount for the square footage served through central heat plants or electrical distribution systems, and is not sub-metered. Typically the utilities are placed in the lease as a tenant responsibility. However, without sub-metering this is not possible.
 - **Contract Services:** This cost for contract services such as trash removal and pest control related to leased square footage.
 - **Indirect Cost:** This value was based on the 2011 actual expenditures, then projected based on additional vacant square feet.
 - **Special Projects:**
 - *\$114,000 Sheridan Health Services:* Tenant improvements agreed to in the lease. The University of Colorado agreed to provide an upfront payment of \$73,489, while the remaining \$40,511 was incorporated into the monthly lease payment amortized over the term of the lease. This allows for improvement to the space such as painting, handicap restrooms, parking areas, ADA accessibility improvements and secure entry doors;
 - *\$11,000 Building 5 design of fire suppression system:* The leases for the ART's buildings recognize the desires to improve the life safety condition, "The parties agree that certain life safety improvements are required for the building comprising the premises. DHS shall prepare plans, specifications and budget for the life safety improvements (the" Life Safety Improvements"), a copy of which shall be provided to the lessee for review." The \$11,000 is the cost to hire an engineer to design the fire suppression system, provide bid documents, conduct construction monitoring and commission the new fire suppression system; and
 - *Deferred maintenance:* Using the revenue from the rent the Department will be able to install a new roof at the KC building. The roof is expected to cost \$64,000. The fire life safety program is continuing in the ART's buildings with at least

three more fire suppression systems to be installed at an approximate cost of \$62,000 per building (three buildings remain). Additionally buildings that were not in the ART's inventory will require the same types of improvements (2 more buildings).

- **Depreciation:** This is the estimated cost for depreciation based on the anticipated FY 2012-13 depreciation schedule.

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.

Request: The Department requests an appropriation of \$1,018,818 cash funds from the Department of Human Services Buildings and Grounds Cash Fund and 6.5 FTE for FY 2012-13.

Recommendation: Staff recommends an appropriation of \$1,010,830 cash funds from the Department of Human Services Buildings and Grounds Cash Fund and 6.5 FTE for FY 2012-13. The table below summarizes the calculations for staff's recommendation.

Office of Operations, Special Purpose, Buildings and Grounds Rental			
	Total	CF	FTE
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$464,222	\$464,222	6.5
S.B. 11-076	(4,030)	(4,030)	0.0
Subtotal: FY 2011-12 Appropriation	460,192	460,192	6.5
Buildings and Grounds Cash Fund Adjustment (DI #8)	554,596	554,596	0.0
Restore FY 2011-12 PERA Reduction	4,030	4,030	0.0
Two Percent Personal Services Base Reduction	(7,988)	(7,988)	0.0
Recommended FY 2012-13 Appropriation	\$1,010,830	\$1,010,830	6.5

State Garage Fund

Description: The Department has an agreement with the Department of Personnel and Administration to operate vehicle maintenance and fueling stations at three State facilities, including the Mental Health Institutes at Fort Logan and Pueblo, and Grand Junction Regional Center. The Office is reimbursed by divisions within the Department and by other State agencies

(Department of Transportation and the Colorado State Patrol) for maintenance, repair, storage and fueling of State-owned passenger motor vehicles. Revenues are deposited into the State Garage Fund. This line item provides the spending authority for the Department to receive and spend such reimbursement. The table below summarizes the positions assigned to employees funded by this line item.

Staffing Summary - Office of Operations, Special Purpose, State Garage Fund				
Position	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Request	FY 2012-13 Rec'd
Equipment Mechanic III	3.0	2.0	2.0	2.0
General Professional V	0.0	0.6	0.6	0.6
Total	3.0	2.6	2.6	2.6

Request: The Department requests an appropriation of \$731,213 cash funds from the State Garage Fund and 2.6 FTE for FY 2012-13.

Recommendation: **Staff recommends an appropriation \$728,620 cash funds from the State Garage Fund and 2.6 FTE for FY 2012-13.** The table below summarizes the calculations for staff's recommendation.

Office of Operations, Special Purpose, State Garage Fund				
	Total	RF	FTE	
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$731,213	\$731,213	2.6	
S.B. 11-076	(2,666)	(2,666)	0.0	
Subtotal: FY 2011-12 Appropriation	728,547	728,547	2.6	
Restore FY 2011-12 PERA Reduction	2,666	2,666	0.0	
Two Percent Personal Services Base Reduction	(2,593)	(2,593)	0.0	
Recommended FY 2012-13 Appropriation	\$728,620	\$728,620	2.6	

(8) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE SERVICES

The delivery of mental health and substance abuse services by the Department of Human Services is primarily carried out by the Office of Behavioral Health, including the Division of Behavioral Health (consisting of mental health and substance abuse community programs), the Mental Health Institute Division (operation of two Mental Health Institutes at Fort Logan and Pueblo), and the Domestic Violence Program.

(A) Administration

Personal Services

Description: This line item provides funding for employees' salaries and wages, as well as the associated State contribution to the Public Employees Retirement Association (PERA) and the State share of federal Medicare taxes. The table below summarizes the positions assigned to employees funded by this line item. Note, this line item was consolidated with one other line item in FY 2011-12, hence the large increase in FTE from FY 2010-11 to FY 2011-12.

Staffing Summary – Mental Health and Alcohol and Drug Abuse Services, Administration, Personal Services				
Position	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Request	FY 2012-13 Rec'd
Administrative Assistants	2.0	2.0	2.0	2.0
General Professionals	9.8	36.0	36.0	36.0
Health Professionals	9.6	10.9	10.9	10.9
Management	1.1	2.3	2.3	2.3
Office Manager	0.0	1.0	1.0	1.0
Program Assistants	1.0	3.0	3.0	3.0
Statistical Analysts	<u>0.0</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>
Total	23.5	55.9	55.9	55.9

Request: The Department requests an appropriation of \$4,462,567 total funds (including \$1,418,904 net General Fund) and 55.9 FTE for FY 2012-13. The request includes the restoration of the 2.5 percent reduction in personal services due to the Public Employees Retirement Association (PERA).

Recommendation: **Staff recommends an appropriation of \$4,369,339 total funds and 55.9 FTE for FY 2012-13.** The recommendation consists of \$1,201,385 General Fund, \$301,524 cash funds from the Offender Mental Health Services Fund, patient revenues earned by the State's two mental health institutes, Alcohol and Drug Abuse Community Prevention and Treatment Fund, Law Enforcement Assistance Fund, Persistent Drunk Driver Cash Fund, Controlled Substances Program Fund, and Addiction Counselor Training Fund, \$802,825 reappropriated funds transferred from the Department of Health Care Policy and Financing (including \$186,027 Medicaid General Fund), Judicial Department for the Alcohol and Drug Driving Safety Program, and Local Government Limited Gaming Impact Fund, and \$2,063,605 federal funds from the Substance Abuse Prevention and Treatment Block Grant, Mental Health Services Block Grant, and various sources. The table on the following page summarizes the calculations for staff's recommendation.

Mental Health and Alcohol and Drug Abuse Services, Administration, Personal Services						
	Total	GF	CF	RF	FF	FTE
FY 2011-12 Long Bill						
Appropriation (S.B. 11-209)	\$4,462,567	\$1,228,372	\$315,620	\$817,724	\$2,100,851	55.9
S.B. 11-076	(73,828)	(23,034)	(6,286)	(12,717)	(31,791)	0.0
Subtotal: FY 2011-12						
Appropriation	4,388,739	1,205,338	309,334	805,007	2,069,060	55.9
Restore FY 2011-12 PERA						
Reduction	73,828	23,034	6,286	12,717	31,791	0.0
Two Percent Personal Services						
Base Reduction	(86,497)	(26,987)	(7,365)	(14,899)	(37,246)	0.0
Tobacco Settlement Revenue						
Adjustment	(6,731)	0	(6,731)	0	0	0.0
Recommended FY 2012-13						
Appropriation	\$4,369,339	\$1,201,385	\$301,524	\$802,825	\$2,063,605	55.9

Operating Expenses

Description: This appropriation includes operating expenditures for the Office of Behavioral Health and Housing's central administration staff.

Request: The Department requests an appropriation of \$292,478 total funds (including \$24,842 net General Fund) for FY 2012-13. The request includes the restoration of the FY 2010-11 five percent operating expenses reduction.

Recommendation: **Staff recommends an appropriation of \$291,668 total funds for FY 2012-13.** The recommendation consists of \$18,729 General Fund, \$38,962 cash funds from Offender Mental Health Services Fund, Alcohol and Drug Abuse Community Prevention and Treatment Fund, Law Enforcement Assistance Fund, Persistent Drunk Driver Cash Fund, and Addiction Counselor Training Fund, \$16,266 reappropriated funds transferred from the Department of Health Care Policy and Financing (including \$6,113 Medicaid General Fund) and the Judicial Department for the Alcohol and Drug Driving Safety Program, and \$217,711 federal funds from the Substance Abuse Prevention and Treatment Block Grant, Mental Health Services Block Grant, and various sources. Staff's recommendation includes a decrease of \$810 cash funds due to the Committee's action on the distribution of tobacco settlement moneys.

Indirect Cost Assessment

Description: This line item reflects the monies anticipated to be recovered from cash funds and federal sources that allow for Statewide and departmental indirect administrative costs.

Request: The Department requests a continuation appropriation of \$270,861 total funds for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$270,861 total funds for FY 2012-13.** The recommendation consists of \$3,280 cash funds from the Law Enforcement Assistance Fund and \$267,581 federal funds from the Substance Abuse Prevention and Treatment Block Grant, Mental Health Services Block Grant, and various sources.

Federal Programs and Grants

Description: The Division applies for a variety of federal grants designed to enhance mental health services in Colorado. This line item includes special purpose demonstration projects and research program grants funded at the Division level by the federal government. Programs include county services to children from birth to age five with serious emotional disturbance and a data infrastructure project to develop comprehensive performance indicators.

Request: The Department requests an appropriation of \$2,525,646 federal funds and 6.0 FTE for FY 2012-13. The request includes the restoration of the 2.5 percent reduction in personal services due to the Public Employees Retirement Association (PERA).

Recommendation: **Staff recommends an appropriation of \$2,518,294 federal funds and 6.0 FTE for FY 2012-13.** The recommendation consists of federal funds from various sources. The table below summarizes the calculations for staff's recommendation.

Mental Health and Alcohol and Drug Abuse Services, Administration, Federal Programs and Grants			
	Total	FF	FTE
Personal Services			
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$406,979	\$406,979	6.0
S.B. 11-076	(13,742)	(13,742)	0.0
Restore FY 2011-12 PERA Reduction	13,742	13,742	0.0
Two Percent Personal Services Base Reduction	<u>(7,352)</u>	<u>(7,352)</u>	<u>0.0</u>
Subtotal - Personal Services	399,627	399,627	6.0
Operating Expenses			
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	<u>31,900</u>	<u>31,900</u>	<u>0.0</u>
Subtotal - Operating Expenses	31,900	31,900	0.0
Grants			
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	<u>2,086,767</u>	<u>2,086,767</u>	<u>0.0</u>
Subtotal - Grants	2,086,767	2,086,767	0.0
Total Recommended FY 2012-13 Appropriation	\$2,518,294	\$2,518,294	6.0

Other Federal Grants

Description: The Department receives the majority of its substance abuse federal funding from the Substance Abuse Prevention and Treatment Block Grant awarded by the Substance Abuse and Mental Health Services Administration (SAMHSA). However, additional moneys from discretionary grants are awarded to the State by SAMHSA. The Department uses the funds to expand and/or enhance substance abuse prevention and treatment in state.

Request: The Department requests a continuation appropriation of \$457,383 federal funds for FY 2012-13.

***Recommendation:* Staff recommends an appropriation of \$457,383 federal funds from various discretionary substance abuse and treatment grants for FY 2012-13.**

Supportive Housing and Homeless Programs

The Supportive Housing and Homeless Program (SHHP) was transferred to the Division of Housing in the Department of Local Affairs via H.B. 11-1230 (Duran/Boyd). FY 2012-13 requested appropriations for the Program appear in the Department of Local Affairs.

(B) Mental Health Community Programs

(1) Mental Health Services for the Medically Indigent

The Department contracts with 17 community mental health centers (CMHCs) across the state to provide a variety of mental health treatment options, including inpatient, outpatient, emergency, and consultative and educational services to medically indigent individuals. The medically indigent are individuals whose income is less than 300.0 percent of the federal poverty level, are not eligible for Medicaid, and do not receive mental health services from any other system. The contracts that the Department enters into with CMHCs require the provision of services to a targeted number of indigent individuals across age categories. In turn, CMHCs provide a variety of services to targeted individuals, including:

- Case Management;
- Individual Therapy;
- Assessment;
- Med Management; and
- Group Therapy.

Each of the 17 CMHCs provides services to citizens in specific geographic boundaries. The table below outlines the geographic structure of the CMHCs with which the Department contracts for service provision.

Mental Health Center	Counties Served
Community Reach Center	Adams
Arapahoe/Douglas Mental Health Network	Douglas and Arapahoe (except the City of Aurora)
Asian Pacific	N/A
Aurora Mental Health Center	Adams and Arapahoe
Mental Health Center Serving Boulder and Broomfield Counties	Boulder and Broomfield
Centennial Mental Health Center	Logan, Sedgwick, Phillips, Yuma, Washington, Morgan, Elbert, Lincoln, Kit Carson, and Cheyenne
Colorado West Regional Mental Health Center	Moffat, Rio Blanco, Garfield, Mesa, Pitkin, Eagle, Grand, Jackson, Routt, and Summit
Jefferson Center for Mental Health	Jefferson, Gilpin, and Clear Creek
Larimer Center for Mental Health	Larimer
Mental Health Center of Denver	City and County of Denver
Midwestern Colorado Mental Health Center	Gunnison, Delta, Montrose, San Miguel, Ouray, and Hinsdale
North Range Behavioral Health	Weld
AspenPointe, Inc.	El Paso, Teller, and Park
San Luis Valley Comprehensive Community Mental Health Center	Alamosa, Saguache, Mineral, Rio Grande, Conejos, and Costilla

Mental Health Center	Counties Served
Servicios De La Raza	N/A
Southeast Mental Health Services	Crowley, Kiowa, Otero, Bent, Prowers, and Baca
Axis Health System, Inc.	Dolores, San Juan, Montezuma, La Plata, and Archuleta
Spanish Peaks Mental Health Center	Pueblo, Huerfano, and Los Animas
West Central Mental Health Center	Fremont, Custer, Chaffee, and Lake

While there is statutory authority for the General Assembly to appropriate funds for medically indigent individuals with a need for mental health services, it is not an individual entitlement nor is the appropriation driven by caseload. The amount of available funding appropriated by the General Assembly determines the number of people who receive services. The State's contracted rate for the medically indigent population is a little over \$3,000 per person. The number of targeted clients served through DHS contracts with the CMHCs has hovered around 10,000 individuals for the past few fiscal years. The number of indigent clients contracted for service does not include the number of clients served with other State funding sources, such as Medicaid payments made on behalf of individuals enrolled in BHOs.

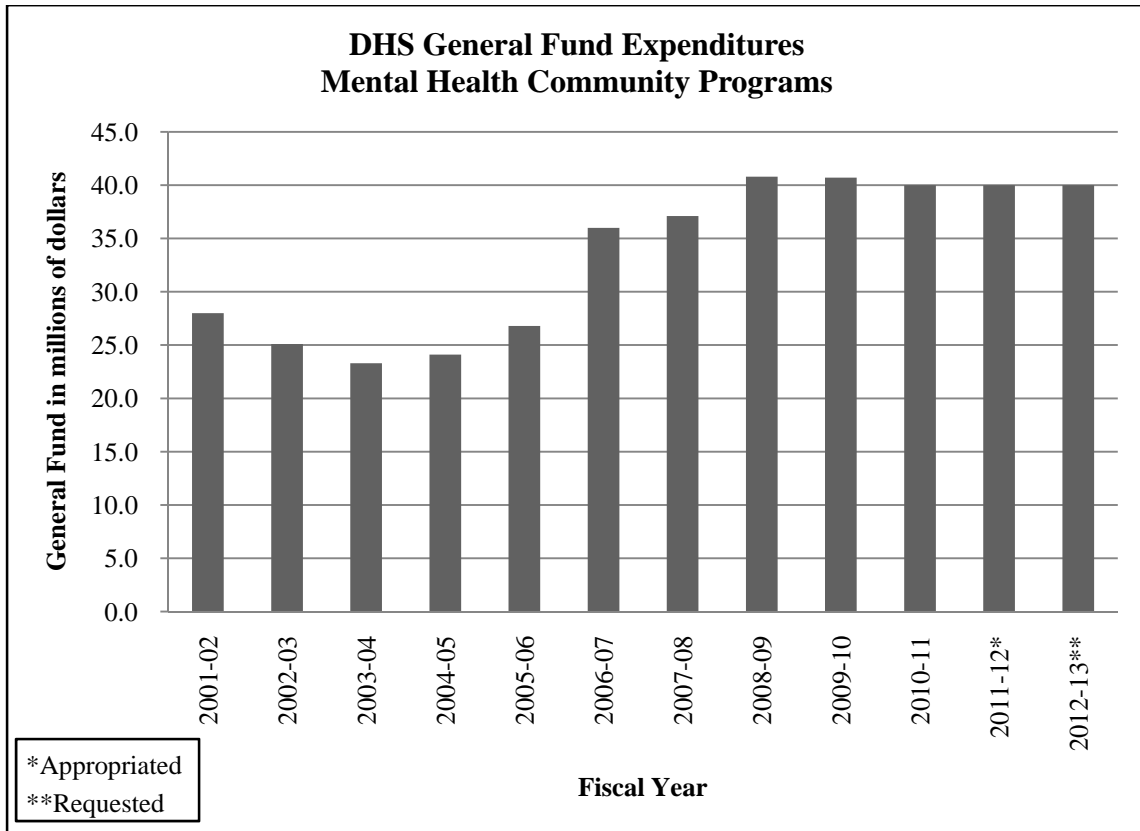
To ensure that community provider arrangements are viable over the long-term, the General Assembly has regularly adjusted community provider rates to account for inflationary changes. The rate changes each year are determined by the Joint Budget Committee in a common policy decision. The table below shows the rate changes for community provider programs in the Division from FY 2007-08 through the FY 2012-13 Department request.

Changes in Community Provider Rates							
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13*
Rate Change	3.25%	1.50%	1.50%	0.00%	-2.00%	0.00%	0.00%

*Department request

Historically, the General Assembly has adjusted appropriations to community providers of mental health services in addition to the provider rate inflationary common policy process. For example, the FY 2003-04 appropriation included a decrease of \$3.6 million General Fund as part of a reduction in services for non-Medicaid individuals with mental illnesses and the elimination of various pilot programs designed to assist targeted populations as part of the Statewide revenue shortfall. Conversely, the FY 2006-07 appropriation included an increase of \$4.4 million General Fund to serve more non-Medicaid individuals with mental illnesses and the FY 2007-08 appropriation included an increase of \$1.4 million General Fund for the same purpose.

The table below summarizes General Fund spending by the Division for mental health community programs from FY 2001-02 through the FY 2012-13 budget request.



In addition to General Fund appropriations, the Department is appropriated cash funds and federal funds. As the designated "State Mental Health Authority," the Department receives federal funding from the Mental Health Services Block Grant administered by the U.S. Department of Health and Human Services' Substance Abuse and Mental Health Services Administration (SAMHSA). In FY 2011-12 the Block Grant provided the State with approximately \$6.5 million. The moneys are provided to community mental health centers for the provision of services, and appropriated to the Department for administrative purposes and research.

The Department receives cash funds from tobacco litigation settlement moneys for the provision of mental health services. The Offender Mental Health Services Fund receives 12 percent of tier two settlement moneys for the purchase of mental health services from community mental health centers for juvenile and adult offenders who have mental health problems and are involved in the criminal justice system. For FY 2011-12, the Department received an appropriation of \$3.5 million from the Offender Mental Health Services Fund for this purpose.

Services for Indigent Mentally Ill Clients

Description: Community programs provide the majority of the services delivered in the public mental health system. Colorado's public mental health system is comprised of community-based mental health programs overseen by the Department. This line item provides for the following services: partial care, outpatient, case management, long term care, inpatient care, residential care, sheltered workshop/vocational, chronically mentally ill services, and children's crisis services. The State's contracted rate for the medically indigent population is a little over \$3,100

per person. The number of clients served through DHS contracts with the CMHCs has hovered around the 10,000 individuals level for the past few fiscal years. The number of indigent clients contracted for service does not include the number of clients served with other State funding sources, such as Medicaid payments made on behalf of individuals enrolled in BHOs.

Request: The Department requests a continuation appropriation of \$39,170,328 (including \$32,774,850 General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$39,170,328 total funds for FY 2012-13.** The recommendation is comprised of \$32,774,850 General Fund, \$161,909 reappropriated funds from the Department's Division of Vocational Rehabilitation, and \$6,233,569 federal funds from the Mental Health Services Block Grant and the Projects for Assistance in Transition from Homelessness (PATH) Grant.

Medications for Indigent Mentally Ill Clients

Description: As part of the FY 2008-09 supplemental process, a new line item was added to the Long Bill for medications for indigent mentally ill clients in order to separate community provider and medication funding and to increase transparency. Funds may be used by the CMHCs for direct purchase of medications or to employ an individual to negotiate the purchase of medications.

Request: The Department requests a continuation level appropriation of \$1,713,993 General Fund for FY 2012-13.

Recommendation: **Staff recommends a continuation level appropriation of \$1,713,993 General Fund for FY 2012-13.**

Early Childhood Mental Health Services

Description: The program supports early childhood mental health specialists in each of the 17 CMHCs and psychiatric services for children with serious emotional disturbance. The moneys build a network of professionals with knowledge and capacity to identify and provide services for early childhood mental health issues.

Request: The Department requests a continuation appropriation of \$1,146,676 General Fund for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$1,146,676 General Fund for FY 2012-13.**

Assertive Community Treatment Programs

Description: Assertive Community Treatment (ACT) is a service delivery model for providing comprehensive community-based treatment to adults with serious and persistent mental illness. The ACT model includes a mobile mental health unit that functions interchangeably to provide the treatment, rehabilitation, and support services that adults with serious mental illnesses need to live in the community and avoid contact with the criminal justice system. The line item was established in FY 2000-01 for intensive outpatient case management services for severely

mentally ill adults. Approximately 120 severely and persistently mentally ill clients are provided new or enhanced services through competitive grants to CMHCs. Currently, the Mental Health Center Serving Boulder and Broomfield Counties, the Mental Health Center of Denver, and the San Luis Valley Comprehensive Community Mental Health Center receive funds for the ACT service delivery model.

Last year, the Mental Health Center of Denver indicated that its ACT program attained significant success. Over a three year period, participants experienced a 70 percent decrease in the number of total emergency room visits after the consumers were admitted into the program. In regards to psychiatric hospitalizations, an 80 percent decrease in the number of admissions, with a 97 percent reduction in bed days was found. Furthermore reductions were also found in hospital admissions for medical purposes, where 50 percent fewer hospital admissions occurred after admission to the program.

Request: The Department requests a continuation appropriation of \$1,290,400 total funds (including \$645,200 General Fund) for FY 2012-13. The General Fund contribution is matched by local funds.

Recommendation: **Staff recommends an appropriation of \$1,290,400 total funds for FY 2012-13.** The recommendation is comprised of \$645,200 General Fund and \$645,200 cash funds from local sources.

Alternatives to Inpatient Hospitalization at a Mental Health Institute

Description: The line item represents the consolidation of several previous line items, including Alternatives to Inpatient Hospitalization at the Mental Health Institute at Pueblo, Alternatives to Inpatient Hospitalization at the Mental Health Institute at Fort Logan, the Alternatives to the Fort Logan Aftercare Program, and the Alternatives to Inpatient Hospitalization for Youth line items. As the line item name implies, the appropriation is used to fund alternative placements for people who would otherwise require hospitalization at one of the State's two mental health institutes. Services include (but are not limited to) physical therapy, behavioral programs, medication administration education and practice, occupational therapy, and other services to improve the patient's level of functioning to enhance his or her success in the community.

Request: The Department requests a continuation appropriation of \$3,138,615 General Fund for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$3,138,615 General Fund for FY 2012-13.**

Mental Health Services for Juvenile and Adult Offenders

Description: The program was created by S.B. 07-097 (Fitzgerald/Madden), funded with tobacco litigation settlement moneys, and serves juvenile and adult offenders with mental health and substance abuse services who are involved in the criminal justice system.

Many of the 17 CMHCs across the state have designed and implement S.B. 07-097 programs in accordance with the legislation. The outcome data available for the past few years indicate the

occurrence of decreased levels of incarceration, decreased levels of mental health symptom severity, decreased levels of hospitalization, decreased incarceration levels and recidivism, decreased ambulance transportation, and increases in employment and training.

Request: The Department requests a continuation appropriation of \$3,455,461 cash funds from the Offender Mental Health Services Fund for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$3,308,768 cash funds from the Offender Mental Health Services Fund for FY 2012-13.** The recommendation is consistent with the Committee's prior action in regard to the distribution of tobacco settlement moneys.

(2) Residential Treatment of Youth (H.B. 99-1116)

Residential Treatment of Youth (H.B. 99-1116)

Description: House Bill 99-1116 (Arnold/Keller) established the Child Mental Health Treatment Act (CMHTA), which provides parents the option of mental health treatment residential services for children without requiring a dependency and neglect action. House Bill 04-1421 (Witwer/Teck) allocated tobacco settlement moneys for the implementation of the child mental health treatment program. The program provides parents the option of residential services for mental health treatment without going through the local county departments of social services or the court.

The program provides funding to assist the family in placing a child in a therapeutic residential child care facility (TRCCF) when the child is not categorically eligible for Medicaid based on income criteria or suitable for placement based on dependency and neglect criteria. Funding helps to cover the initial costs of treatment and room and board costs for the child who will subsequently be Medicaid eligible based on a disability and temporary placement in the residential treatment center.

Request: The Department requests a continuation appropriation of \$976,994 total funds (including \$618,574 net General Fund) for FY 2012-13.

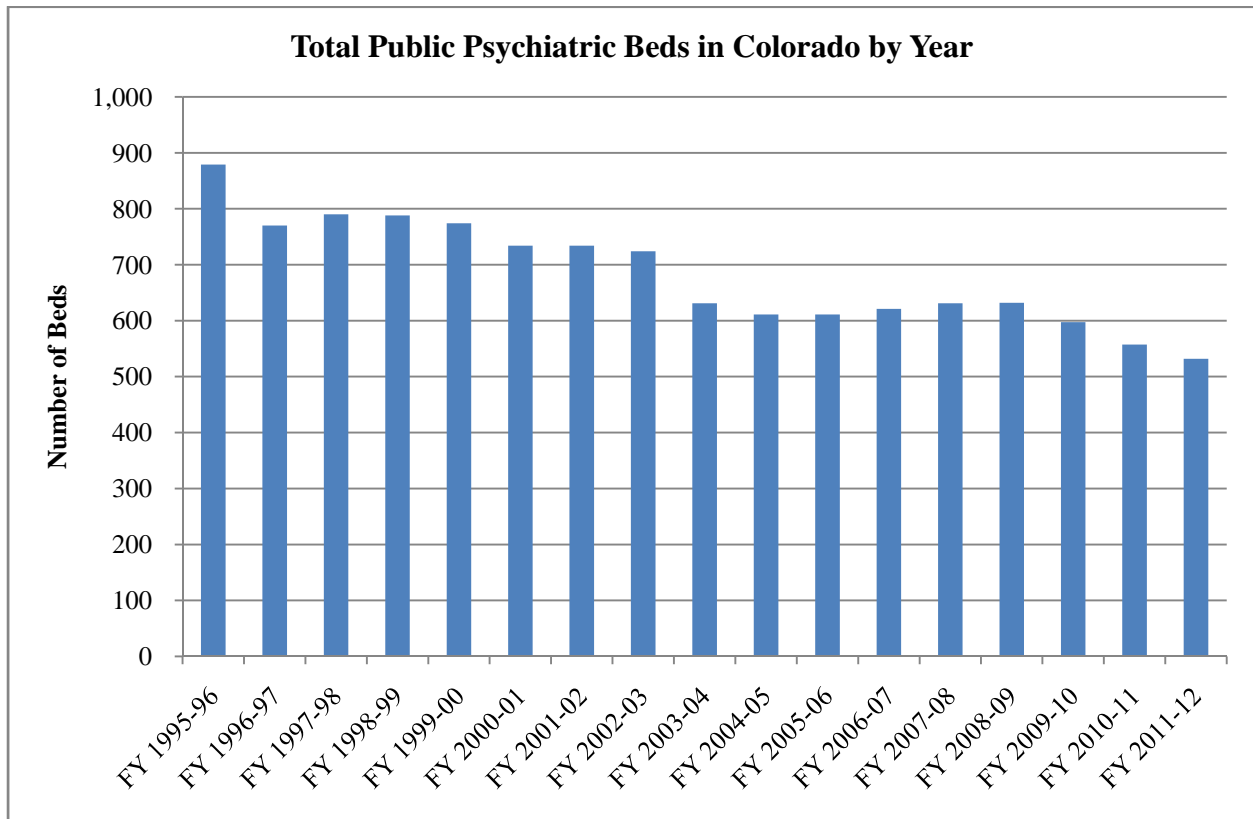
Recommendation: **Staff recommends a continuation appropriation of \$976,994 total funds for FY 2012-13.** The recommendation consists of \$560,154 General Fund, \$300,000 cash funds from the Tobacco Litigation Settlement Cash Fund, and \$116,840 reappropriated funds (including \$58,420 Medicaid General Fund) transferred from the Department of Health Care Policy and Financing.

(C) Mental Health Institutes

The Department operates the State's two mental health institutes in Denver and Pueblo. The Colorado Mental Health Institute at Pueblo opened as the Colorado State Insane Asylum in 1879 to provide services to 11 patients admitted from different counties across the state. By 1923, the census at the facility rose to over 2,000 patients and continued to grow until 1961 when the hospital had nearly 6,000 patients.

The Fort Logan facility in Denver was born as an Army post for the federal government in 1887. The fort consisted of officers' quarters, a headquarters building, hospital, enlisted men's barracks, stables, and warehouses. The fort was officially closed in 1946, and the United States Veterans Administration (VA) used the hospital temporarily while the new VA hospital was constructed in Denver. Over 300 acres of the fort land was deeded to the State of Colorado in 1960 to establish a State hospital, which became the Fort Logan Mental Health Center.

Colorado was part of the nationwide deinstitutionalization movement in the mid 1960s, as individuals with mental illness were targeted for treatment in the community rather than treatment in a public psychiatric facility. The graph below depicts the number of beds at the two institutes over the past 16 years as an example of the changes occurring in public bed counts in the state.



Pueblo and Fort Logan are both considered Institutions for Mental Disease (IMD) under federal law because both have more than 16 beds and are primarily engaged in providing diagnosis,

treatment, or care of persons with mental health disorders, including medical attention, nursing care, and related services. Under the IMD exclusion, Medicaid will not reimburse the State for the inpatient hospitalization of an adult who is between 21 and 64-years-old at Fort Logan or Pueblo. Medicaid will pay for community mental health treatment services for an eligible adult between the ages of 21 and 64. However, when the same adult enters Fort Logan or Pueblo, the cost of his or her care is transferred entirely to the General Fund. Additionally, the 45-day Medicaid inpatient psychiatric benefit limit (implemented in FY 2003-04) has also put pressure on the institutes to reduce the length of stay for patients under age 21 and age 65 and over. In the absence of an alternative revenue stream, the care of patients age 21 and under and age 65 and over is covered by General Fund following the 45 -day limit.

Today, the average daily census across the two institutes is approximately 480 individuals (390 patients at Pueblo and 90 patients at Fort Logan). As is seen in the graph above, since FY 1995-96, the bed count across the institutes has decreased by 39.5 percent (347 beds). Of the 532 available beds in the institutes today, 294 are dedicated to the Institute for Forensic Psychiatry (IFP) at the Colorado Mental Health Institute at Pueblo. The IFP provides services to patients placed in the legal custody of DHS by the courts for competency evaluations and restoration to competency services. The forensics treatment division also provides services to individuals found not guilty by reason of insanity (NGRI). The table below summarizes the number of beds per treatment division, the current occupancy rate, and the average annual cost per bed, for the operating units at Pueblo and Fort Logan today.

Current State Mental Health Institute Beds			
Institute	Number of Beds	Current Occupancy Rate*	Average Annual Cost Per Bed
Fort Logan			
Adult	94	95.9%	\$269,519
Total - FL	94	95.9%	
Pueblo			
Forensics	294	91.3%	\$211,123
Adolescents	20	52.8%	405,168
Geriatrics	40	93.4%	199,074
Adult	64	93.1%	213,247
Circle	20	83.5%	211,532
Total - Pueblo	438	89.7%	
Total All	532	90.80%	

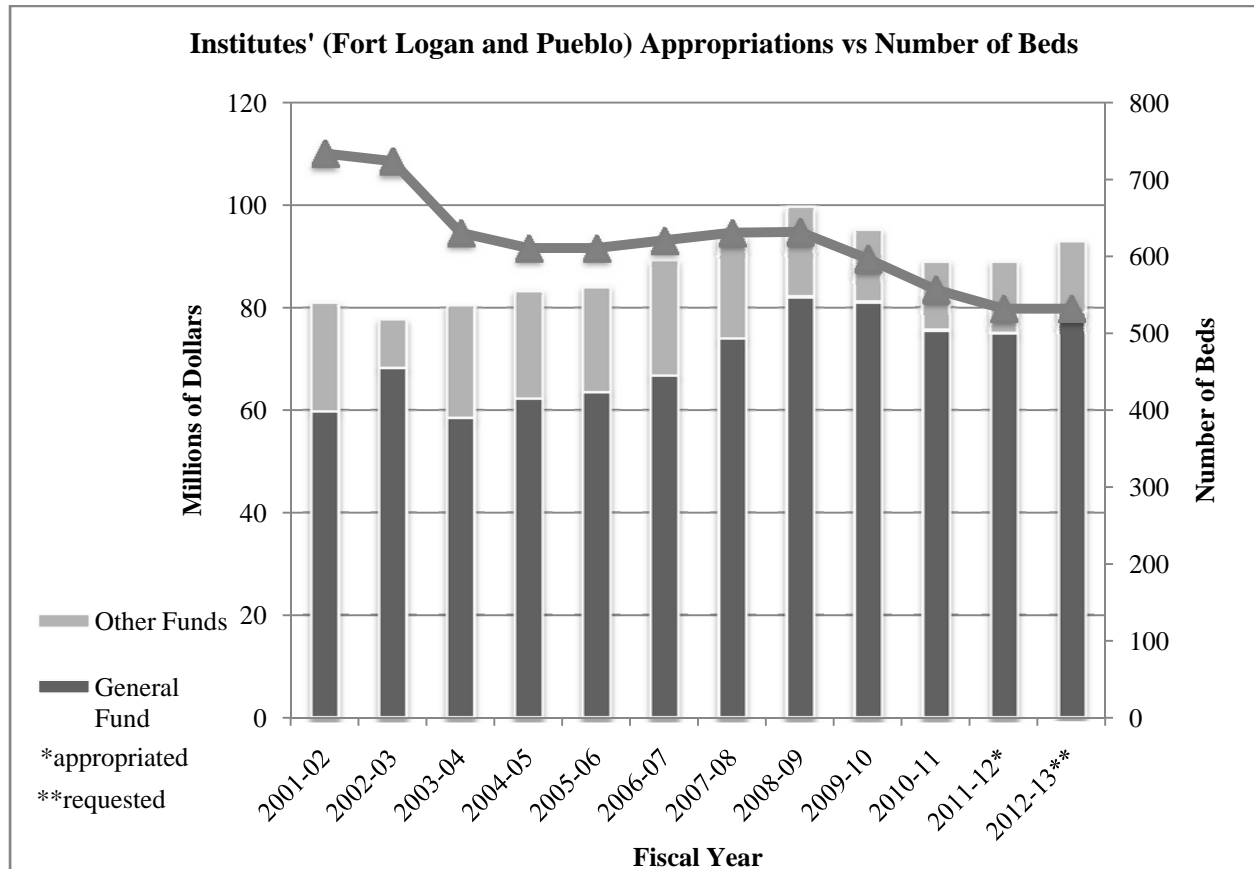
*As of February 12, 2012

During FY 2009-10, the General Assembly approved the closure of the childrens, adolescent, and geriatric treatment divisions at Fort Logan (59 beds). The division closures resulted in an ongoing savings of \$3.7 million General Fund across DHS and the HCPF. As part of the closures, funds were appropriated to community providers for the provision of services for individuals displaced.

The Therapeutic Residential Childcare Facility (TRCCF) treatment division at Fort Logan was approved for closure in FY 2011-12. While the TRCCF served as a safety net for hard to serve children, it was feasible that individuals receiving services in the treatment division could receive

similar services in the community. Closing the treatment division resulted in a General Fund savings of approximately \$0.6 million.

The graph below represents the relationship between expenditures and the number of beds available in the State institutes from FY 2001-02 through the FY 2012-13 budget request.



The Department's FY 2012-13 budget request does not include additional treatment division closures. The primary drivers in the FY 2012-13 budget request for the institutes are the restoration of the FY 2011-12 reduced State contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 11-076 that accounts for an increase of \$1.4 million total funds (including \$1.2 million General Fund) and the increase in staffing and pharmaceuticals approved by the Committee during the FY 2011-12 supplemental appropriation process.

<p>Decision Item #2 – Electronic Health Record and Pharmacy System Feasibility Study at the Mental Health Institutes</p>
<p><i>Description:</i> The Office of the State Auditor published a performance audit, Psychiatric Medication Practices for Adult Civil Patients Colorado Mental Health Institutes, in May 2011 indicating that the Department's use of paper-based medical records presents potential for fragmentation of patients' clinical data. Fragmentation at the two State mental health institutes resulted in 4.5 medication errors per 100 episodes of care in calendar year 2010 and 4.9 errors</p>

per 100 episodes of care at Pueblo over the same time period. A peer group of 116 psychiatric hospitals averaged 2.7 medication errors for every 100 episodes of care in calendar year 2010.

To improve help improve the safe and effective delivery of health care to patients, the Department's FY 2012-13 budget request includes \$75,000 to conduct a feasibility study of an electronic health record and pharmacy system for use by the State's two mental health institutes. The feasibility study would accomplish the following:

- Estimate the costs of a complete implementation versus a phased in approach;
- Explore options for vendor-hosted solutions versus Governor's Office of Information Technology maintained platforms;
- Survey psychiatric hospitals in other states to determine best practices; and
- Provide the basis for a future budget request to fund the development of the system.

During its hearing with the Committee, the Department indicated that it has obtained an estimate to implement an electronic health record and pharmacy system from its current health information system vendor, NetSmart. The estimate totaled approximately \$4.1 million for the initial purchase and installation of an electronic health record and pharmacy system (including the first year of vendor maintenance and support costs). Annual vendor maintenance and support costs after the first year implementation cost are estimated at approximately \$1.7 million, including \$241,000 and 3.0 FTE to maintain, support and make programming modifications to the system.

Request: The Department requests an appropriation of \$75,000 General Fund for FY 2012-13. The request consists of \$16,224 General Fund for Fort Logan and \$58,776 General Fund for Pueblo.

Recommendation: **Staff recommends the Committee reject the Department's request for \$75,000 General Fund to conduct a feasibility study of an electronic health record and pharmacy system.** Staff acknowledges that the need exists for the Department to work with the Governor's Office of Information Technology to develop and implement a solution to the ongoing problem of fragmented patient data at the State's two mental health institutes that leads to ineffective health care provision. However, staff is uncomfortable recommending \$75,000 General Fund to conduct a feasibility study when the Department has already consulted with vendors and determined that it is feasible. The Department is to be applauded for taking a proactive approach to address a core need at the two institutes, though. It is staff's opinion that the two institutes work closely with the Governor's Office of Information Technology to identify the specific needs of the system and submit a budget request to the Committee to implement and maintain the system.

Note: Yearly appropriations for the Colorado Mental Health Institute at Fort Logan and the Colorado Mental Health Institute at Pueblo are currently housed in two line items (one for Fort Logan and one for Pueblo). During the FY 2011-12 supplemental process, the Committee approved splitting the Fort Logan and Pueblo line items into three distinct line items in the FY 2012-13 Long Bill: Personal Services, Operating Expenses, and Pharmaceuticals. This action gives the legislature increased access to the budgetary drivers associated with the operation of the facilities.

Mental Health Institute – Ft. Logan Personal Services (new line item)

Description: This line item provides funding for employees' salaries and wages, as well as the associated State contribution to the Public Employees Retirement Association (PERA) and the State share of federal Medicare taxes.

Request: The Department requests an appropriation of \$18,378,650 total funds (including \$15,628,812 General Fund) and 214.6 FTE for FY 2012-13. The request includes the restoration of the 2.5 percent reduction in personal services due to the Public Employees Retirement Association (PERA), the annualization of the closure of the Therapeutic Residential Childcare Facility, the electronic health record and pharmacy system feasibility study decision item detailed above, and the staffing, pharmaceutical, and information technology increases sought during the FY 2011-12 supplemental process and continued through FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$17,841,669 total funds and 214.6 FTE for FY 2012-13.** The recommendation consists of \$15,091,831 General Fund, \$2,504,284 cash funds from patient revenues, and \$245,554 reappropriated funds transferred from the Department of Health Care Policy and Financing.

Staff's recommendation does not apply the Committee-approved two percent personal services base reduction. The FY 2011-12 supplemental process increased appropriations for this line item by \$86,204 General Fund and 1.4 FTE (annualizing to \$530,131 General Fund and 8.3 FTE in FY 2012-13) to increase the ratio of direct care staff to patient to 1.35. This action was taken by the legislature to improve patient and staff safety and to improve patient care. Additionally, the action mitigates sanctions from the federal Centers for Medicare and Medicaid for the provision of inadequate care. It is staff's opinion that applying a two percent personal service would undermine the legislatures' efforts to increase direct care staff to patient ratios to a level needed to operate the facility safely and in compliance with federal regulations.

The table below summarizes the calculations for staff's recommendation.

Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, Mental Health Institutes - Fort Logan Personal Services					
	Total	GF	CF	RF	FTE
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$17,353,909	\$15,434,105	\$1,618,546	\$301,258	206.3
Supplemental Adjustments	86,204	(743,830)	885,738	(55,704)	1.4

Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, Mental Health Institutes - Fort Logan Personal Services					
	Total	GF	CF	RF	FTE
(H.B. 12-1186)					
S.B. 11-076	(323,011)	(290,595)	(19,503)	(12,913)	0.0
Subtotal: FY 2011-12 Appropriation	17,117,102	14,399,680	2,484,781	232,641	207.7
Annualize Supplemental Actions	443,927	443,927	0	0	6.9
Restore FY 2011-12 PERA Reduction	323,011	290,595	19,503	12,913	0.0
Annualize Closure of Fort Logan TRCCF	(42,371)	(42,371)	0	0	0.0
Recommended FY 2012-13 Appropriation	\$17,841,669	\$15,091,831	\$2,504,284	\$245,554	214.6

Mental Health Institute – Ft. Logan Operating Expenses (new line item)

Description: This line item pays for the general operating needs of the facility including food and medical/laboratory supplies.

Request: The Department requests an appropriation of \$1,122,100 total funds (including \$962,817 General Fund) for FY 2012-13. The request includes the restoration of the FY 2010-11 five percent operating expenses reduction and the staffing, pharmaceutical, and information technology increases sought during the FY 2011-12 supplemental process and continued through FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$1,056,212 total funds for FY 2012-13.** The recommendation consists of \$896,929 General Fund, \$123,601 cash funds from patient revenue, and \$35,682 reappropriated funds transferred from the Department of Health Care Policy and Financing. The table below summarizes the calculations for staff's recommendation.

Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, Mental Health Institutes - Fort Logan Operating Expenses					
	Total	GF	CF	RF	FTE
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$1,041,304	\$882,021	\$123,601	\$35,682	0.0
Supplemental Adjustments (H.B. 12-1186)	5,478	5,478	0	0	0.0
Subtotal: FY 2011-12 Appropriation	1,046,782	887,499	123,601	35,682	0.0
Restore FY 2010-11 Operating Expenses Reduction	10,298	10,298	0	0	0.0
Annualize Supplemental Adjustments	(868)	(868)	0	0	0.0
Recommended FY 2012-13 Appropriation	\$1,056,212	\$896,929	\$123,601	\$35,682	0.0

Mental Health Institute – Ft. Logan Pharmaceutical Expenses (new line item)

Description: This line item provides moneys for the purchase of medication used by patients at the facility.

Request: The Department requests an appropriation of \$1,155,027 total funds (including \$1,017,128 General Fund) for FY 2012-13. The request includes the restoration of the FY 2010-11 five percent operating expenses reduction and the staffing, pharmaceutical, and information technology increases sought during the FY 2011-12 supplemental process and continued through FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$1,155,027 total funds for FY 2012-13.** The recommendation consists of \$1,017,128 General Fund, \$107,007 cash funds from patient revenue, and \$30,892 reappropriated funds transferred from the Department of Health Care Policy and Financing. The table below summarizes the calculations for staff's recommendation.

Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, Mental Health Institutes - Fort Logan Pharmaceuticals					
	Total	GF	CF	RF	FTE
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$901,501	\$763,602	\$107,007	\$30,892	0.0
Supplemental Adjustments (H.B. 12-1186)	187,843	187,843	0	0	0.0
Subtotal: FY 2011-12 Appropriation	1,089,344	951,445	107,007	30,892	0.0
Annualize Supplemental Adjustments	56,927	56,927	0	0	0.0
Restore FY 2010-11 Operating Expenses Reduction	8,756	8,756	0	0	0.0
Recommended FY 2012-13 Appropriation	\$1,155,027	\$1,017,128	\$107,007	\$30,892	0.0

Mental Health Institute – Pueblo Personal Services (new line item)

Description: This line item provides funding for employees' salaries and wages, as well as the associated State contribution to the Public Employees Retirement Association (PERA) and the State share of federal Medicare taxes.

Request: The Department requests an appropriation of \$63,180,249 total funds (including \$52,981,960 net General Fund) and 950.8 FTE for FY 2012-13. The request includes the restoration of the 2.5 percent reduction in personal services due to the Public Employees Retirement Association (PERA), the electronic health record and pharmacy system feasibility study decision item detailed above, and the staffing, pharmaceutical, and information technology increases sought during the FY 2011-12 supplemental process and continued through FY 2012-13.

Recommendation: Staff recommends an appropriation of \$63,121,473 total funds and 950.8 FTE for FY 2012-13. The recommendation consists of \$50,524,381 General Fund, \$5,672,298 cash funds from patient revenues, and \$6,924,794 reappropriated funds transferred from the Department of Health Care Policy and Financing (including \$2,398,803 Medicaid General Fund) and the Department of Corrections.

Staff’s recommendation does not apply the Committee-approved two percent personal services base reduction. The FY 2011-12 supplemental process increased appropriations for this line item by \$ 1,035,182 General Fund and 1.8 FTE (annualizing to \$ 1,619,698 General Fund and 10.6 FTE in FY 2012-13) to increase the ratio of direct care staff to patient to 1.35. This action was taken by the legislature to improve patient and staff safety and to improve patient care. Additionally, the action mitigates sanctions from the federal Centers for Medicare and Medicaid for the provision of inadequate care. It is staff’s opinion that applying a two percent personal service would undermine the legislatures’ efforts to increase direct care staff to patient ratios to a level needed to operate the facility safely and in compliance with federal regulations.

The table below summarizes the calculations for staff’s recommendation.

Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, Mental Health Institutes - Pueblo Personal Services					
	Total	GF	CF	RF	FTE
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$60,501,775	\$50,118,458	\$5,132,140	\$5,251,177	925.7
Supplemental Adjustments (H.B. 12-1186)	1,035,182	(1,178,593)	540,158	1,673,617	1.8
S.B. 11-076	(1,099,998)	(921,715)	(89,724)	(88,559)	0.0
H.B. 11-1043	1,000,000	1,000,000	0	0	14.5
Subtotal: FY 2011-12 Appropriation	61,436,959	49,018,150	5,582,574	6,836,235	942.0
Restore FY 2011-12 PERA Reduction	1,099,998	921,715	89,724	88,559	0.0
Annualize Supplemental Actions	584,516	584,516	0	0	8.8
Recommended FY 2012-13 Appropriation	\$63,121,473	\$50,524,381	\$5,672,298	\$6,924,794	950.8

Mental Health Institute – Pueblo Operating Expenses (new line item)

Description: This line item pays for the general operating needs of the facility including food and medical/laboratory supplies.

Request: The Department requests an appropriation of \$4,983,412 total funds (including \$4,261,394 net General Fund) for FY 2012-13. The request includes the restoration of the FY 2010-11 five percent operating expenses reduction and the staffing, pharmaceutical, and information technology increases sought during the FY 2011-12 supplemental process and continued through FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$4,797,363 total funds for FY**

2012-13. The recommendation consists of \$3,924,161 General Fund, \$403,362 cash funds from patient revenue, and \$469,840 reappropriated funds transferred from the Department of Health Care Policy and Financing (including \$151,184 Medicaid General Fund) and the Department of Corrections. The table below summarizes the calculations for staff's recommendation.

Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, Mental Health Institutes - Pueblo Operating Expenses					
	Total	GF	CF	RF	FTE
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$4,746,962	\$3,885,558	\$403,362	\$458,042	0.0
Supplemental Adjustments (H.B. 12-1186)	20,012	20,012	0	0	0.0
Subtotal: FY 2011-12 Appropriation	4,766,974	3,905,570	403,362	458,042	0.0
Restore FY 2010-11 Operating Expenses Reduction	43,306	31,508	0	11,798	0.0
Annualize Supplemental Adjustments	(12,917)	(12,917)	0	0	0.0
Recommended FY 2012-13 Appropriation	\$4,797,363	\$3,924,161	\$403,362	\$469,840	0.0

Mental Health Institute – Pueblo Pharmaceutical Expenses (new line item)

Description: This line item provides moneys for the purchase of medication used by patients at the facility.

Request: The Department requests an appropriation of \$4,349,683 total funds (including \$3,817,396 net General Fund) for FY 2012-13. The request includes the restoration of the FY 2010-11 five percent operating expenses reduction and the staffing, pharmaceutical, and information technology increases sought during the FY 2011-12 supplemental process and continued through FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$4,349,683 total funds for FY 2012-13.** The recommendation consists of \$3,705,994 General Fund, \$297,405 cash funds from patient revenue, and \$346,284 reappropriated funds transferred from the Department of Health Care Policy and Financing (including \$111,402 Medicaid General Fund) and the Department of Corrections. The table below summarizes the calculations for staff's recommendation.

Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, Mental Health Institutes - Pueblo Pharmaceuticals					
	Total	GF	CF	RF	FTE
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$3,500,000	\$2,864,875	\$297,405	\$337,720	0.0
Supplemental Adjustments (H.B. 12-1186)	630,066	630,066	0	0	0.0
Subtotal: FY 2011-12 Appropriation	4,130,066	3,494,941	297,405	337,720	0.0
Annualize Supplemental	188,181	188,181	0	0	0.0

Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, Mental Health Institutes - Pueblo Pharmaceuticals					
	Total	GF	CF	RF	FTE
Adjustments					
Restore FY 2010-11 Operating Expenses Reduction	31,436	22,872	0	8,564	0.0
Recommended FY 2012-13 Appropriation	\$4,349,683	\$3,705,994	\$297,405	\$346,284	0.0

Mental Health Institute – Pueblo Educational Programs

Description: Local school districts and the Department of Education provide funding for educational services at the Pueblo facility. The source of funding for this line item is primarily from per pupil operating revenue and special education funds transferred from the school districts.

Request: The Department requests an appropriation of \$134,788 total funds (including \$19,667 General Fund) and 2.7 FTE for FY 2011-12.

Recommendation: **Staff recommends an appropriation of \$136,180 total funds and 2.7 FTE for FY 2012-13.** The recommendation consists of \$19,292 General Fund and \$113,036 reappropriated funds from the Department of Education. The table below summarizes the calculations for staff's recommendation.

Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, Mental Health Institute - Pueblo Educational Programs				
	Total	GF	RF	FTE
FY 2011-12 Long Bill Appropriation (S.B. 11-209)	\$134,788	\$19,667	\$115,121	2.7
S.B. 11-076	(1,055)	(103)	(952)	0.0
Subtotal: FY 2011-12 Appropriation	133,733	19,564	114,169	2.7
Transfer From Facility Schools	3,852	0	3,852	0.0
Restore FY 2011-12 PERA Reduction	1,055	103	952	0.0
Two Percent Personal Services Base Reduction	(2,460)	(375)	(2,085)	0.0
Recommended FY 2012-13 Appropriation	\$136,180	\$19,292	\$116,888	2.7

General Hospital

The General Hospital was a 20-bed unit that provided both inpatient and outpatient services to Pueblo, as well as the Department of Corrections inmates on the Pueblo campus. The General Hospital closed, effective November 1, 2009.

(D) Alcohol and Drug Abuse Division

(1) Treatment Services

Treatment and Detoxification Contracts

Description: Treatment and detoxification are two different levels of care that are funded separately and have separate and distinct contract admissions requirements even though appropriated in a single line item. The Department arranges for detoxification and treatment services with one contract for each sub-state planning region.

Detoxification and shelter services serve a dual purpose by protecting individual and public health and safety, and serving as an entry point for treatment. Detoxification services are critical for law enforcement and community protection, but do not constitute treatment for substance abuse. The Division contracts with four MSOs that subcontract with local community providers to provide non-hospital detoxification services. The subcontractors accept persons who are intoxicated by alcohol or drugs for evaluation and provide services necessary to protect client and public health and safety until the blood level of the intoxicating substance(s) is zero.

The Department's Treatment Contracts purchase coordinated and comprehensive services for specific low-income populations of highest priority to the state and federal governments, as well as for clients outside the specific priority populations. The required basic treatment services in the contracts are detoxification, outpatient opioid replacement treatment, individual, group and family outpatient therapy, intensive outpatient therapy, transitional residential treatment, therapeutic community, and intensive residential treatment. Treatment services are delivered through statewide contracts with the MSOs, which subcontract with providers in six geographic regions covering the entire state.

Request: The Department requests a continuation appropriation of \$23,179,819 total funds (including \$11,337,648 General Fund for FY 2012-13).

Recommendation: **Staff recommends an appropriation of \$23,179,819 total funds for FY 2012-13.** The recommendation consists of \$11,337,648 General Fund, \$1,218,518 cash funds from the Persistent Drunk Driver Cash Fund, Adolescent Substance Abuse Prevention and Treatment Fund, and Drug Offender Surcharge Fund, \$275,706 reappropriated funds from the Department of Public Safety's Division of Criminal Justice, and \$10,347,947 federal funds from the Substance Abuse Prevention and Treatment Block Grant.

Case Management for Chronic Detoxification Clients

Description: The case management program targets persons chronically dependent on alcohol or drug substances who do not respond successfully to conventional residential and outpatient treatment methods. The program provides them with intensive outpatient case management services. The goal is to reduce the chronic use of detoxification services by helping individuals obtain housing, health care, mental health services, and employment or vocational support.

Request: The Department requests a continuation appropriation of \$369,311 total funds (including \$2,428 General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$369,311 total funds for FY 2012-13.** The recommendation consists of \$2,428 General Fund and \$366,883 federal funds from the Substance Abuse Prevention and Treatment Block Grant.

Short-term Intensive Residential Remediation and Treatment (STIRRT)

Description: The Short-term Intensive Residential Remediation Treatment (STIRRT) Program is intended to reduce recidivism among adult offenders, age 18 years or older, who have been unsuccessful in community treatment for drug and alcohol abuse and continue to commit offenses. STIRRT includes two weeks of intensive treatment followed up by 9 months of continuing care. The evidence-based practice is often implemented as a last resort alternative to incarceration.

Request: The Department requests a continuation appropriation of \$3,340,683 total funds (including \$2,957,367 General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$3,340,683 total funds for FY 2012-13.** The recommendation consists of \$2,957,367 General Fund and \$383,316 cash funds from the Drug Offender Surcharge Fund.

High Risk Pregnant Women Program

Description: The High Risk Pregnant Women Program (known as Special Connections) is an entitlement program funded by Medicaid and transferred to the Department from the Department of Health Care Policy and Financing to serve pregnant women in need of substance use disorder treatment. This program was developed to produce healthy infants, to reduce or stop the substance using behavior of the pregnant woman during and after the pregnancy, and to promote and assure a safe child-rearing environment for the newborn and other children. The Department traditionally contracts with 12 providers to provide Special Connection services.

Low-income pregnant women, regardless of Medicaid eligibility, may receive these services from designated treatment providers throughout the state. The services include an in-depth assessment, individual and group counseling, case management services, health education, and urinalysis screening and monitoring.

House Bill 04-1075 (Romanoff/Johnson) increased the post-partum benefit from 2 months to 12 months for the program. The Department expended \$433,546 on treatment services during the 2 to 12 month post-partum period (services provided for 90 women) in FY 2009-10.

Request: The Department requests a continuation appropriation of \$1,999,146 total funds (including \$999,573 net General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$1,999,146 reappropriated funds for FY 2012-13.** The recommendation consists of money transferred from the Department of Health Care Policy and Financing (including \$999,573 Medicaid General Fund).

(2) Prevention and Intervention

Prevention Contracts

Description: Prevention programs provide young people, families and communities with the resources and skills to increase protective factors and decrease risk factors linked to substance abuse. The Department contracts with statewide and local prevention programs by providing partial funding for services designed to prevent the illegal and inappropriate use of alcohol, tobacco and other drugs. Types of services include mentoring, tutoring, life skills training, parenting training, creative arts, education/resource centers, DUI prevention programs, and employee assistance programs. Prevention strategies used by the Department, and its contractors include:

- Information distribution regarding the nature and extent of use, abuse and its effects on individuals, families and communities;
- Substance-free activity development for community events;
- Community development, which helps groups, neighborhoods or communities plan and implement a range of prevention services;
- Prevention education, which involves a structured, formal research-based curriculum and problem identification and assessment, which determines whether substance abusing and behavior can be reversed through education; and
- Community-based efforts to establish or change written and unwritten community standards and attitudes influencing the incidence and prevalence of the abuse of alcohol, tobacco and other drugs. Funding is provided to the initiatives by a small amount of General Fund, federal funds from the Substance Abuse Prevention and Treatment Block Grant and cash funds from the Adolescent Substance Abuse Prevention Fund and Treatment Fund and the Tobacco Use Prevention Fund.

Request: The Department requests a continuation appropriation of \$3,886,951 total funds (including \$33,649 General Fund) for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$3,886,951 total funds for FY 2012-13.** The recommendation consists of \$33,649 General Fund, \$27,072 cash funds from the Adolescent Substance Abuse Prevention and Treatment Fund and the Tobacco Use Prevention Fund, and \$3,826,230 federal funds from the Substance Abuse Prevention and Treatment Block Grant.

Persistent Drunk Driver Programs

Description: The Persistent Drunk Driver Programs are funded by the Persistent Drunk Driver Cash Fund, which consists of fees assessed against convicted drunk drivers. The fund is managed by representatives of the Departments of Revenue, Transportation, and Human Services. Funding priorities are designed to deter persistent drunk driving, and to educate the public, with an emphasis on young drivers.

Request: The Department requests a continuation appropriation of \$1,670,823 cash funds for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$1,670,823 cash funds from the Persistent Drunk Driver Cash Fund for FY 2012-13.** Note, beginning in FY 2011-12 the appropriation for this line item increased by \$564,188 cash funds due to the consolidation of the Persistent Drunk Driver Cash Fund appropriations in the Department since the Department is the administrative agency for the Persistent Drunk Drive Cash Fund. Previously the funds had been appropriated directly to the Judicial Department.

Law Enforcement Assistance Fund Contracts

Description: The Colorado General Assembly created the Law Enforcement Assistance Fund (LEAF) in 1982 to promote the prevention of drunk driving. The fund collects a surcharge on drunk and drugged driving convictions to help pay for enforcement, laboratory charges and prevention programs. The Department receives 20 percent of the dollars specifically to establish impaired driving prevention programs.

Populations mandated under the LEAF legislation, and served through five prevention contracts, include:

- General population as a whole;
- Teachers of young people and young adults;
- Health professionals;
- Local law enforcement; and
- Providers and advocacy organizations.

Funding supports local efforts to prevent persons from driving when using alcohol or other drugs. Services provided include mentoring, tutoring, life skills training, harm reduction education, community coalition building, social norms marketing, and education and information dissemination.

The funding for the initiatives comes from a \$60 fee charged to those persons convicted of a DUI offense. These funds are distributed according to the Department of Public Health and Environment for the Implied Consent program, the Department of Human Services for community prevention projects, and the Department of Transportation for grants to local law enforcement agencies. The Department of Human Services is required to use these funds for a statewide program of public education on driving under the influence, including teacher training and the dissemination of educational materials.

Request: The Department requests a continuation appropriation of \$255,000 cash funds for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$255,000 cash funds from the Law Enforcement Assistance Fund for FY 2012-13.**

(3) Other Programs

Federal Grants

Description: The Department receives a variety of federal alcohol and drug abuse discretionary grants. The portion of federal grants anticipated to be used for administrative activities is shown in the Alcohol and Drug Abuse administration section.

Request: The Department requests a continuation appropriation of \$5,063,429 total funds for FY 2012-13.

Recommendation: **Staff recommends \$2,625,422 federal funds from various substance abuse prevention and treatment grants.** Staff's recommended appropriation level is based on an analysis of two years of previous expenditure data.

Balance of Substance Abuse Block Grant Programs

Description: This appropriation is combined with funds appropriated for treatment and prevention contracts to provide services to meet the needs of specific populations. This flexibility is essential in meeting the five earmarked requirements of each Block Grant award (administration, drug/alcohol treatment, prevention, women's services, and HIV early intervention).

Request: The Department requests a continuation appropriation of \$6,671,360 total funds (including \$185,968 General Fund) for FY 2012-13.

Recommendation: **Staff recommends \$6,671,360 total funds for FY 2012-13.** Staff's recommendation includes \$185,968 General Fund and \$6,485,392 federal funds from various substance abuse prevention and treatment grants.

Community Treatment and Prevention

Description: During the 2007 session, the Legislature passed S.B.07-097 (Fitzgerald/Madden) and H.B. 07-1359 (Buescher/Fitzgerald), which reallocated tobacco litigation settlement funds to the Department to purchase additional community prevention and treatment services.

Request: The Department requests a continuation appropriation of \$816,621 cash funds from the Ad

Recommendation: **Staff recommends an appropriation of \$782,400 cash funds for FY 2012-13.** The moneys originate in the Tobacco Litigation Settlement Cash Fund and are transferred to the Alcohol and Drug Abuse Community Prevention and Treatment Fund for use by the Department. The recommendation is consistent with the Committee's prior action in regard to the distribution of tobacco settlement moneys.

Gambling Addiction Counseling Services

Description: The program was established in H.B. 08-1314 (Primavera/Spence) to provide gambling addiction counseling to Colorado residents. Moneys from the Local Limited Gaming Impact Fund transferred to the Gambling Addiction Account for grant awards to provide

gambling addiction counseling, including prevention and education, to Colorado residents. Grants are awarded to state, local, public or private entities and programs that provide gambling addiction counseling services and that utilize nationally accredited gambling addiction counselors. The Department may use a portion of the moneys in the Gambling Addiction Account to cover direct and indirect costs associated with administering the grant program. This program is repealed effective July 1, 2013.

Request: The Department requests a continuation appropriation of \$144,727 reappropriated funds for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$57,949 reappropriated funds for FY 2012-13** from the Department of Local Affairs' Local Government Limited Gaming Impact Fund. Staff's recommended appropriation level is based on the December 2011 Legislative Council limited gaming tax revenue forecast.

Rural Substance Abuse Prevention and Treatment

Description: House Bill 09-1119 (Vigil/Schwartz) created the Rural Alcohol and Substance Abuse Prevention and Treatment Program. It consists of the Rural Youth Alcohol and Substance Abuse Prevention and Treatment Project and the Rural Detoxification Project. The former provides prevention and treatment services to children ages 8 to 17 in rural areas. The latter provides treatment services to alcohol- and drug-addicted persons in rural areas. The bill defines rural areas as counties with a population of less than 30,000.

Program funding is from penalty surcharges on convictions of driving under the influence (DUI), driving while ability impaired (DWAI), habitual user of controlled substances, and underage drinking and driving (UDD). Penalty surcharges are also established for other alcohol or drug-related offenses upon conviction or a deferred sentence. The minimum penalty surcharge is \$1 and the maximum is \$10. Surcharge revenue is credited to the Rural Alcohol and Substance Abuse Cash Fund. The fund, and the program, sunset on July 1, 2016.

Request: The Department requests a continuation appropriation of \$88,443 cash funds for FY 2012-13.

Recommendation: **Staff recommends an appropriation of \$88,443 cash funds for FY 2012-13.** The recommendation consists of moneys in the Rural Alcohol and Substance Abuse Cash Fund.

(E) Co-occurring Behavioral Health Services

Behavioral Health Services for Juveniles and Adults at risk or involved in the Criminal Justice System (H.B. 10-1284)

Description: House Bill 10-1284 (Massey and Summers/Romer and Spence) established regulations of medical marijuana by creating a State and local medical marijuana licensing authority. Beginning on July 1, 2010, the General Assembly annually appropriated the first \$2.0 million in sales taxes paid by licensed persons or entities equally to the Department and the Department of Health Care Policy and Financing to be used to provide integrated behavioral health services for juveniles and adults with substance use disorders or with substance use disorders and mental health treatment needs who are involved with, or at risk of involvement with, the criminal justice system.

House Bill 11-1043 (Massey/Steadman & Spence) changed the distribution of the first \$2.0 million in sales taxes paid by licensed persons or entities. The bill eliminated the \$1.0 million General Fund appropriation to the Department for behavioral health services for juveniles and adults in the criminal justice system. Instead, the moneys are now statutorily transferred to the Department to cover a portion of the operating costs associated with the Circle Program at the Colorado Mental Health Institute at Pueblo.

Request: Per current statute, the Department did not request funds for this line item in FY 2012-13. The Department requested an appropriation of \$1.0 million General Fund (derived from sales taxes paid by licensed persons or entities) for the Circle Program at the Colorado Mental Health Institute at Pueblo.

Recommendation: During the FY 2011-12 figure setting process for the Department, staff recommended the closure of the 20-bed Circle Program at the Colorado Mental Health Institute at Pueblo because it does not meet the core mission of the State-run institutes of providing inpatient, psychiatric services to indigent and Medicaid-eligible individuals. Staff indicated that the Department should focus on a short and long-term plan to improve care to indigent and Medicaid-eligible individuals requiring the safety net that the institutes provide for intensive, inpatient, psychiatric needs. The recommendation was not adopted by the Committee. Subsequently, H.B. 11-1043 provided funding for the Circle Program to continue operation from FY 2011-12 into the future. It is staff's opinion that it is not politically feasible to amend statute to transfer moneys back to behavioral health services for juveniles and adults in the criminal justice system in FY 2012-13. **As a result, staff recommends that the line item not be funded in FY 2012-13.**

Substance Use Disorder Offender Services (H.B. 10-1352)

Description: House Bill 10-1352 (Waller/Steadman and Mitchell) made a number of changes to penalties for offenses related to controlled substances. The act is anticipated to reduce the number of offenders sentenced to prison and the length of other offenders' sentences for drug-related crimes, thus reducing state expenditures in DOC. The act directs the General Assembly to annually appropriate the General Fund savings generated by the act to the Drug Offender Surcharge Fund, and requires that such moneys be allocated to cover the costs associated with the treatment of substance abuse or co-occurring disorders of adult offenders who are assessed to

be in need of treatment and who are on diversion, on probation, on parole, in community corrections, or in jail.

Request: The Department requests a continuation appropriation of \$1,450,000 reappropriated funds from the Judicial Department.

Recommendation: **Pursuant to the Committee's action during figure setting for the Judicial Department, staff recommends an appropriation of \$1,450,000 reappropriated funds from the Judicial Department** for substance abuse or co-occurring disorders of adult offenders who are assessed to be in need of treatment and who are on diversion, on probation, on parole, in community corrections, or in jail.

**FY 2012-13 FIGURE SETTING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE
JBC Working Document: Decisions Subject to Change**

**DEPARTMENT OF HUMAN SERVICES
(Executive Director's Office, Office of Information Technology Services, Office of
Operations, and Mental Health and Alcohol and Drug Abuse Services)**

Long Bill Footnotes

The following footnote regarding the Department was approved by the Committee during the Judicial Department staff figure setting presentation:

- 1a **Department of Corrections, Management, Executive Director's Office Subprogram; Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Alcohol and Drug Abuse Division; and Division of Youth Corrections; Judicial Department, Probation and Related Services; and Department of Public Safety, Division of Criminal Justice; and Colorado Bureau of Investigation** -- State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from the Drug Offender Surcharge Fund, the Offender Identification Fund, the Sex Offender Surcharge Fund, the Persistent Drunk Driver Cash Fund, and the Alcohol and Drug Driving Safety Program Fund, among other programs.

Legislative Requests for Information

Staff does not recommend any requests for information of the Mental Health and Alcohol and Drug Abuse Services budgetary division for FY 2012-13.