

The following file contains two documents:

- ❑ A memorandum to the Joint Budget Committee members dated March 17, 2011 representing "staff comebacks" concerning a 1% personal services General Fund reduction.
- ❑ Staff's figure setting presentation for the Department of Human Services Office of Information Technology Services, dated February 22, 2011.

# M E M O R A N D U M

**TO:** Joint Budget Committee Members

**FROM:** Kevin Neimond, Joint Budget Committee Staff, 303-866-4958

**SUBJECT:** Staff Comebacks, Department of Human Services (EDO/MHADAD)

**DATE:** March 17, 2011

- When presenting figure setting two personal services line items in the Department of Human Services' Executive Director's Office, staff did not include a budget amendment submitted as part of the Governor's budget balancing proposal. The amendment seeks a 1.0 percent personal services General Fund reduction totaling \$27,463 for FY 2011-12. **Staff recommends the Committee adopt the Governor's proposal to reduce the appropriation across two line items in the Department by \$1,545 total funds (including \$1,451 net General Fund) for FY 2011-12.** Staff's calculations are found in the tables below.

Executive Director's Office, Health Insurance Portability and Accountability Act of 1996 - Security Remediation						
Item	Total Funds	GF	CF	RF	FF	FTE
FY 2010-11 Long Bill	\$393,940	\$311,385	\$377	\$82,178	\$25,629	1.0
Supplemental adjustments (S.B. 11-141)	(856)	(677)	0	(179)	0	0.0
<b>Subtotal: FY 2010-11 Appropriation</b>	<b>\$393,084</b>	<b>\$310,708</b>	<b>\$377</b>	<b>\$81,999</b>	<b>25,629</b>	<b>1.0</b>
Annualize S.B. 11-141	856	677	0	179	0	0.0
Reinstate FY 10-11 State PERA Contribution	4,323	3,413	0	910	228	0.0
1.5 Percent Personal Services Base Reduction	(1,350)	(1,067)	(1)	(282)	(87)	0.0
FY 11-12 State PERA Contribution Reduction	(1,964)	(1,552)	(2)	(410)	(128)	0.0
JBC Staff Operating Expenses Reduction	(44,391)	(35,089)	(42)	(9,260)	(2,888)	0.0
<b>Figure Setting FY 2011-12 Appropriation</b>	<b>\$396,913</b>	<b>\$277,090</b>	<b>\$332</b>	<b>\$73,136</b>	<b>22,754</b>	<b>1.0</b>
<i>FY 11-12 1% Personal Services General Fund Reduction</i>	(899)	(711)	0	(188)	0	0.0
<b>Recommended FY 2011-12 Appropriation</b>	<b>\$372,413</b>	<b>\$276,379</b>	<b>\$332</b>	<b>\$72,948</b>	<b>22,754</b>	<b>1.0</b>

Executive Director's Office, CBMS Emergency Processing Unit						
Item	Total Funds	GF	CF	RF	FF	FTE
FY 2010-11 Long Bill	\$92,570	\$75,149	\$17,421	\$0	\$125,197	4.0
Supplemental adjustments (S.B. 11-141)	(639)	(639)	0	0	0	0.0
<b>Subtotal: FY 2010-11 Appropriation</b>	<b>\$91,931</b>	<b>\$74,510</b>	<b>\$17,421</b>	<b>\$0</b>	<b>125,197</b>	<b>4.0</b>
Annualization of S.B. 11-141	639	639	0	0	0	0.0
Reinstate FY 10-11 State PERA Contribution	826	672	154	0	1,094	0.0
1.5 Percent Personal Services Base Reduction	(1,194)	(969)	(225)	0	(1,614)	0.0
FY 11-12 State PERA Contribution Reduction	(453)	(368)	(85)	0	(612)	0.0
<b>Figure Setting FY 2011-12 Appropriation</b>	<b>\$92,202</b>	<b>\$74,484</b>	<b>\$17,265</b>	<b>\$0</b>	<b>124,065</b>	<b>4.0</b>
<i>FY 11-12 1% Personal Services General Fund Reduction</i>	<i>(646)</i>	<i>(646)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0.0</i>
<b>Recommended FY 2011-12 Appropriation</b>	<b>\$215,168</b>	<b>\$73,838</b>	<b>\$17,265</b>	<b>\$0</b>	<b>124,065</b>	<b>4.0</b>

- The Committee "flagged" staff's recommendation to close the Circle treatment division at the Colorado Mental Health Institute at Pueblo on the first day of FY 2011-12 (July 1, 2011). Circle is a 90-day inpatient treatment program for men and women ages 18-65 who have had difficulties completing other treatment options in the community. The majority of the clients have previously been in numerous inpatient and outpatient treatment programs and have been unable to maintain sobriety outside a structured environment. Nearly 3/4 of the individuals receiving treatment services in the Circle Program have been referred to the program as a condition of probation, parole, or diversion. As stated during figure setting, **staff recommends the closure of the treatment division as of July 1, 2011. The recommendation includes a savings of \$2,229,596 total funds (including \$1,525,924 General Fund) and 27.9 FTE.**

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2011-12 STAFF FIGURE SETTING  
DEPARTMENT OF HUMAN SERVICES**

**(Office of Information Technology Services)**

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

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February 22, 2011**

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**FY 2011-12 FIGURE SETTING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE:**

**DEPARTMENT OF HUMAN SERVICES  
(Office of Information Technology Services)**

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**FY 2011-12 Joint Budget Committee Staff Figure Setting  
Department of Human Services - Office of Information Technology Services**

**NUMBERS PAGES**

	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Appropriation</b>	<b>Dept. Request</b>	<b>FY 2011-12 Staff Rec.</b>	<b>Change Requests</b>
<b>DEPARTMENT OF HUMAN SERVICES</b>						
<b>Executive Director: Reggie Bicha</b>						
<b>(1) EXECUTIVE DIRECTOR'S OFFICE</b>						
<b>(B) Special Purpose (2 Line Items Only)</b>						
Health Insurance Portability and Accountability Act of 1996 - Security Remediation	521,102	524,085	419,569	420,230	373,312	<b>NP #4, NP #7</b>
FTE	<u>2.0</u>	<u>2.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	
General Fund	389,001	389,793	311,385	311,824	277,090	
Cash Funds	0	687	377	375	332	
Reappropriated Funds	102,664	103,307	82,178	82,302	73,136	
Federal Funds	29,437	30,298	25,629	25,729	22,754	
<i>For Information Only</i>						
Medicaid Reappropriated Funds	102,664	99,904	82,596	82,302	73,136	
Medicaid - General Fund therein	56,332	49,952	41,089	41,151	36,568	
Net General Fund	440,333	439,745	352,474	352,975	313,658	
CBMS Emergency Processing Unit	0	107,313	217,767	217,330	215,814	<b>NP #4, NP #7</b>
FTE	<u>0.0</u>	<u>1.9</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	
General Fund	0	52,986	75,149	74,161	74,484	
Cash Funds	0	1,345	17,421	17,490	17,265	
Federal Funds	0	52,982	125,197	125,679	124,065	
<b>(1) EXECUTIVE DIRECTOR'S OFFICE - Subtotal (B)</b>						
<b>Special Purpose (2 Line Items Only)</b>	521,102	631,398	637,336	637,560	589,126	
FTE	<u>2.0</u>	<u>3.9</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	
General Fund	389,001	442,779	386,534	385,985	351,574	
Cash Funds	0	2,032	17,798	17,865	17,597	
Reappropriated Funds	102,664	103,307	82,178	82,302	73,136	
Federal Funds	29,437	83,280	150,826	151,408	146,819	
<i>For Information Only</i>						
Medicaid Reappropriated Funds	102,664	99,904	82,596	82,302	73,136	
Medicaid - General Fund therein	56,332	49,952	41,089	41,151	36,568	
Net General Fund	445,333	492,731	427,623	427,136	388,142	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Dept. Request	FY 2011-12 Staff Rec.	Change Requests
<b>(2) OFFICE OF INFORMATION TECHNOLOGY SERVICES</b>						
Personal Services	5,441,271	5,216,612	0	0	0	
FTE	<u>66.5</u>	<u>64.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	4,222,420	4,024,437	0	0	0	
Cash Funds	310,521	180,786	0	0	0	
Reappropriated Funds	243,304	352,542	0	0	0	
Federal Funds	665,026	658,847	0	0	0	
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	185,103	187,671	0	0	0	
<i>Medicaid - General Fund therein</i>	79,111	80,870	0	0	0	
<i>Net General Fund</i>	4,301,531	4,105,307	0	0	0	
Operating Expenses	<u>407,176</u>	<u>392,276</u>	<u>376,608</u>	<u>376,608</u>	<u>335,558</u>	
General Fund	324,068	312,216	297,606	297,606	265,167	
Cash Funds	0	0	0	0	0	
Reappropriated Funds	16,855	16,237	15,477	15,477	13,790	
Federal Funds	66,253	63,823	63,525	63,525	56,601	
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	16,855	16,237	15,477	15,477	13,790	
<i>Medicaid - General Fund therein</i>	7,382	8,119	6,186	7,739	6,895	
<i>Net General Fund</i>	331,450	320,335	303,792	305,345	272,062	
Microcomputer Lease Payments	<u>538,601</u>	<u>517,690</u>	<u>539,344</u>	<u>539,344</u>	<u>539,344</u>	
General Fund	288,338	301,832	301,832	301,832	301,832	
Cash Funds	94,044	15,466	15,466	15,466	15,466	
Reappropriated Funds	63,563	128,647	128,647	128,647	128,647	
Federal Funds	92,656	71,745	93,399	93,399	93,399	
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	63,563	63,563	63,563	63,563	63,563	
<i>Medicaid - General Fund therein</i>	31,781	31,781	25,406	31,781	31,781	
<i>Net General Fund</i>	320,119	333,613	327,238	333,613	333,613	
County Financial Management System (CFMS)	<u>1,511,109</u>	<u>1,506,683</u>	<u>1,494,325</u>	<u>1,494,325</u>	<u>1,494,325</u>	
General Fund	788,355	775,315	770,740	770,740	770,740	
Reappropriated Funds	0	0	0	0	0	
Federal Funds	722,754	731,368	723,585	723,585	723,585	
Client Index Project	147,203	139,970	17,698	17,698	17,698	
FTE	<u>2.8</u>	<u>3.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	90,376	90,014	10,154	10,154	10,154	
Federal Funds	56,827	49,956	7,544	7,544	7,544	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Dept. Request	FY 2011-12 Staff Rec.	Change Requests
Colorado Trails	9,313,711	8,412,379	4,952,399	4,952,399	4,952,399	
FTE	<u>43.6</u>	<u>44.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	5,303,627	4,540,925	2,665,468	2,665,468	2,665,468	
Reappropriated Funds	59,447	0	0	0	0	
Federal Funds	3,950,637	3,871,454	2,286,931	2,286,931	2,286,931	
National Aging Program Information System	<u>82,405</u>	<u>90,575</u>	<u>93,114</u>	<u>93,114</u>	<u>93,114</u>	
General Fund	12,995	14,892	23,278	23,278	23,278	
Cash Funds	0	7,752	0	0	0	
Reappropriated Funds	7,752	0	0	0	0	
Federal Funds	61,658	67,931	69,836	69,836	69,836	
Child Care Automated Tracking System - FF	0	0	1,940,669	2,299,593	2,299,593	<b>BA #6</b>
Health Information Management System	<u>329,754</u>	<u>339,048</u>	<u>339,168</u>	<u>339,168</u>	<u>339,168</u>	
General Fund	211,290	211,170	211,290	211,290	211,290	
Reappropriated Funds	118,464	127,878	127,878	127,878	127,878	
Colorado Benefits Management System (CBMS)	26,078,109	23,642,025	0	0	0	
FTE	<u>43.3</u>	<u>42.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	3,590,793	5,659,166	0	0	0	
Cash Funds	3,258,624	1,155,575	0	0	0	
Reappropriated Funds	10,017,619	8,729,458	0	0	0	
Federal Funds	9,211,073	8,097,826	0	0	0	
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	<i>10,045,164</i>	<i>8,724,552</i>	<i>0</i>	<i>0</i>	<i>0</i>	
<i>Medicaid - General Fund therein</i>	<i>3,863,887</i>	<i>4,478,936</i>	<i>0</i>	<i>0</i>	<i>0</i>	
<i>Net General Fund</i>	<i>7,454,680</i>	<i>10,138,102</i>	<i>0</i>	<i>0</i>	<i>0</i>	
Office of Information Technology, Colorado Benefits Management System	<u>0</u>	<u>0</u>	<u>26,374,269</u>	<u>24,283,156</u>	<u>24,315,367</u>	<b>NP #1, NP #3, NP #5</b>
General Fund	0	0	6,267,584	6,142,568	5,965,774	
Cash Funds	0	0	1,183,390	940,966	1,127,018	
Reappropriated Funds	0	0	9,561,132	9,223,339	9,008,843	
Federal Funds	0	0	9,362,163	7,976,283	8,213,732	
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	<i>0</i>	<i>0</i>	<i>9,561,132</i>	<i>9,223,339</i>	<i>9,008,843</i>	
<i>Medicaid - General Fund therein</i>	<i>0</i>	<i>0</i>	<i>4,741,183</i>	<i>4,458,622</i>	<i>4,474,028</i>	
<i>Net General Fund</i>	<i>0</i>	<i>0</i>	<i>11,008,767</i>	<i>10,601,190</i>	<i>10,439,804</i>	



	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Dept. Request	FY 2011-12 Staff Rec.	Change Requests
CBMS SAS-70 Audit	<u>149,000</u>	<u>149,000</u>	<u>149,000</u>	<u>149,000</u>	<u>149,000</u>	
General Fund	23,386	35,761	36,754	36,754	36,558	
Cash Funds	13,126	7,058	6,940	6,940	6,906	
Reappropriated Funds	58,664	53,975	56,069	56,069	55,204	
Federal Funds	53,824	52,206	49,237	49,237	50,332	
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	58,664	53,975	56,069	56,069	55,204	
<i>Medicaid - General Fund therein</i>	27,478	25,443	27,804	27,804	27,416	
<i>Net General Fund</i>	50,864	61,204	64,558	64,558	63,974	
CBMS Federal Reallocation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	(158,947)	0	0	0	0	
Cash Funds	3,728,466	0	0	0	0	
Reappropriated Funds	974,393	0	0	0	0	
Federal Funds	(4,543,912)	0	0	0	0	
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	0	0	0	0	0	
<i>Medicaid - General Fund therein</i>	0	0	0	0	0	
<i>Net General Fund</i>	(158,947)	0	0	0	0	
CBMS TANF Reauthorization Changes - FF	608,981	0	0	0	0	
CBMS Client Services Improvement Project	<u>1,437,094</u>	<u>3,138,106</u>	<u>3,302,100</u>	<u>0</u>	<u>0</u>	
General Fund	278,330	742,547	814,545	0	0	
Cash Funds	66,030	149,335	153,795	0	0	
Reappropriated Funds	572,628	1,143,652	1,242,581	0	0	
Federal Funds	520,106	1,102,572	1,091,179	0	0	
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	572,628	1,143,652	1,242,581	0	0	
<i>Medicaid - General Fund therein</i>	282,503	616,172	616,172	0	0	
<i>Net General Fund</i>	560,833	1,358,719	1,430,717	0	0	
TANF-Specific CBMS Changes - FF	0	0	700,000	0	0	
Purchase of Services from Computer Center	<u>4,261,994</u>	<u>4,311,390</u>	<u>12,992,473</u>	<u>14,680,021</u>	<u>Pending</u>	<b>NP #9, BA #4, BA #6</b>
General Fund	1,748,039	1,883,357	6,803,130	7,572,953		
Cash Funds	8,549	10,188	126,452	181,997		
Reappropriated Funds	30,349	42,511	273,578	263,300		
Federal Funds	2,475,057	2,375,334	5,789,313	6,661,771		
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	2,774	2,774	196,976	219,265		
<i>Medicaid - General Fund therein</i>	1,215	1,215	78,734	109,632		
<i>Net General Fund</i>	1,749,254	1,884,572	6,881,864	7,682,585		

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Dept. Request	FY 2011-12 Staff Rec.	Change Requests
Multiuse Network Payments	<u>2,282,929</u>	<u>2,282,929</u>	<u>3,042,394</u>	<u>3,077,205</u>		<u>Pending</u>
General Fund	1,392,586	1,392,586	1,994,532	2,017,353		
Cash Funds	98,700	22,829	26,449	26,752		
Reappropriated Funds	106,764	182,634	268,629	271,703		
Federal Funds	684,879	684,880	752,784	761,397		
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	<i>106,764</i>	<i>106,764</i>	<i>169,236</i>	<i>171,172</i>		
<i>Medicaid - General Fund therein</i>	<i>53,382</i>	<i>53,382</i>	<i>67,646</i>	<i>85,586</i>		
<i>Net General Fund</i>	<i>1,445,968</i>	<i>1,445,968</i>	<i>2,062,178</i>	<i>2,102,939</i>		
Management and Administration of OIT	<u>888,928</u>	<u>800,687</u>	<u>1,637,966</u>	<u>1,672,293</u>		<u>Pending</u>
General Fund	685,055	617,093	1,247,708	1,273,856		
Cash Funds	54,348	18,067	25,888	26,431		
Reappropriated Funds	35,472	62,903	132,900	135,685		
Federal Funds	114,053	102,624	231,470	236,321		
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	<i>35,472</i>	<i>34,418</i>	<i>95,688</i>	<i>97,693</i>		
<i>Medicaid - General Fund therein</i>	<i>17,736</i>	<i>17,209</i>	<i>38,248</i>	<i>48,847</i>		
<i>Net General Fund</i>	<i>702,791</i>	<i>634,302</i>	<i>1,285,956</i>	<i>1,322,703</i>		
Communication Services Payments	<u>163,475</u>	<u>163,475</u>	<u>187,760</u>	<u>191,419</u>		<u>Pending</u>
General Fund	138,954	138,954	159,596	162,706		
Cash Funds	0	0	0	0		
Reappropriated Funds	24,521	24,521	28,164	28,713		
Federal Funds	0	0	0	0		
<b>TOTAL - (2) OFFICE OF INFORMATION TECHNOLOGY SERVICES</b>	<b>53,641,740</b>	<b>51,102,845</b>	<b>58,139,287</b>	<b>54,165,343</b>	<b>34,535,566</b>	
FTE	<u>109.8</u>	<u>107.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	18,939,665	20,740,265	21,604,217	21,486,558	10,250,261	
Cash Funds	7,632,408	1,567,056	1,538,380	1,198,552	1,149,390	
Reappropriated Funds	12,329,795	10,864,958	11,835,055	10,250,811	9,334,362	
Federal Funds	14,739,872	17,930,566	23,161,635	21,229,422	13,801,553	
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	<i>11,086,987</i>	<i>10,333,606</i>	<i>11,400,722</i>	<i>9,846,578</i>	<i>9,141,400</i>	
<i>Medicaid - General Fund therein</i>	<i>4,364,475</i>	<i>5,313,127</i>	<i>5,601,379</i>	<i>4,770,011</i>	<i>4,540,120</i>	
<i>Net General Fund</i>	<i>23,304,140</i>	<i>26,053,392</i>	<i>27,205,596</i>	<i>26,256,569</i>	<i>14,790,381</i>	

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Dept. Request	FY 2011-12 Staff Rec.	Change Requests
<b>TOTAL - HUMAN SERVICES - 2 EDO Line Items, OITS</b>	54,162,842	51,734,243	58,776,623	54,802,903	35,124,692	
FTE	<u>111.8</u>	<u>111.1</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	
General Fund	19,328,666	21,183,044	21,990,751	21,872,543	10,601,835	
Cash Funds	7,632,408	1,569,088	1,556,178	1,216,417	1,166,987	
Reappropriated Funds	12,432,459	10,968,265	11,917,233	10,333,113	9,407,498	
Federal Funds	14,769,309	18,013,846	23,312,461	21,380,830	13,948,372	
<i>For Information Only</i>						
<i>Medicaid Reappropriated Funds</i>	<i>11,189,651</i>	<i>10,433,510</i>	<i>11,483,318</i>	<i>9,928,880</i>	<i>9,214,536</i>	
<i>Medicaid - General Fund therein</i>	<i>4,420,807</i>	<i>5,363,079</i>	<i>5,642,468</i>	<i>4,811,162</i>	<i>4,576,688</i>	
<i>Net General Fund</i>	<i>23,749,473</i>	<i>26,546,123</i>	<i>27,633,219</i>	<i>26,683,705</i>	<i>15,178,523</i>	

## (1) EXECUTIVE DIRECTOR'S OFFICE

This figure setting document contains staff recommendations for two line items within the Executive Director's Office. The line items are related to information technology initiatives within the Department.

### *(B) Special Purpose*

#### **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 \$420,230 total funds (including \$352,975 net General Fund) and 1.0 FTE for FY 2011-12. The request includes a two percent reduction in personal services (NP #4) and changes to the State's contribution to the Public Employee's Retirement Association (PERA) (NP #7). The budget request reflects an increase of \$661 total funds (including \$439 General Fund) over the prior year appropriation due to a change to the base on which the PERA contribution adjustment is calculated. The table below summarizes the position breakdown of staff for this line item.

<b>Position</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Appropriation</b>	<b>FY 2011-12 Request</b>	<b>FY 2011-12 Recommendation</b>
IT PROFESSIONAL IV	1.0	0.0	0.0	0.0
GENERAL PROFESSIONAL V	1.0	1.0	1.0	1.0
<b>Total FTE</b>	<b>2.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

*Recommendation:* **Staff recommends an appropriation of \$373,312 total funds (including \$313,658 net General Fund) and 1.0 FTE for FY 2011-12.** The recommendation consists of \$277,090 General Fund, \$332 cash funds from various sources, \$73,136 reappropriated funds from

the Department of Health Care Policy and Financing (HCPF), and \$22,754 federal funds from the Substance Abuse Prevention and Treatment Block Grant. Staff's recommendation includes \$92,257 (including \$77,548 net General Fund) for personal services and \$281,054 (including \$236,110 net General Fund) for operating expenses. The difference between the staff recommendation and the Department request is due to the Committee's approval of a base reduction of 1.5 percent for all personal services line items, regardless of the number of FTE or fund sources, and a staff initiated reduction in operating expenses of 14.4 percent based on an analysis of expenditures in the previous two fiscal years. Calculations for the recommendation are found in the table below.

<b>Health Insurance Portability and Accountability Act of 1996 - Security Remediation</b>						
	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>FTE</b>
FY 2010-11 Long Bill	\$419,569	\$311,385	\$377	\$82,178	\$25,629	1.0
Supplemental adjustments (S.B. 11-141)	(856)	(677)	0	(179)	0	0.0
<b>Subtotal: FY 2010-11 Appropriation</b>	<b>418,713</b>	<b>310,708</b>	<b>377</b>	<b>81,999</b>	<b>25,629</b>	<b>1.0</b>
Annualize S.B. 11-141	856	677	0	179	0	0.0
Reinstate FY 10-11 State PERA Contribution	4,551	3,413	0	910	228	0.0
1.5 Percent Personal Services Base Reduction	(1,437)	(1,067)	(1)	(282)	(87)	0.0
FY 11-12 State PERA Contribution Reduction	(2,092)	(1,552)	(2)	(410)	(128)	0.0
JBC Staff Operating Expenses Reduction	(47,279)	(35,089)	(42)	(9,260)	(2,888)	0.0
<b>Recommended FY 2011-12 Appropriation</b>	<b>\$373,312</b>	<b>\$277,090</b>	<b>\$332</b>	<b>\$73,136</b>	<b>\$22,754</b>	<b>1.0</b>

**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.

*Request:* The Department requests an appropriation of \$217,330 total funds (\$74,161 General Fund) and 4.0 FTE for FY 2011-12. The request includes a two percent reduction in personal services (NP #4) and changes to the State's contribution to the Public Employee's Retirement Association (PERA) (NP #7). The budget request reflects a decrease of \$437 total funds (including \$988 General Fund) over the prior year appropriation. The table below summarizes the position breakdown of staff for this line item.

Position	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	FY 2011-12 Recommendation
TECHNICIAN II	1.9	4.0	4.0	4.0
<b>Total FTE</b>	<b>1.9</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

*Recommendation: Staff recommends an appropriation of \$215,814 total funds and 4.0 FTE for FY 2011-12.* The recommendation consists of \$74,484 General Fund, \$17,265 cash funds from various sources, and \$124,065 federal funds from various sources. Staff's recommendation includes \$183,299 (including \$63,266 General Fund) for personal services and \$32,515 (including \$11,218 General Fund) for operating expenses. The difference between the staff recommendation and the Department request is due to the Committee's approval of a base reduction of 1.5 percent for all personal services line items, regardless of the number of FTE or fund sources. Calculations for the recommendation are found in the table below.

CBMS Emergency Processing Unit						
	Total	GF	CF	RF	FF	FTE
FY 2010-11 Long Bill	\$217,767	\$75,149	\$17,421	\$0	\$125,197	4.0
Supplemental adjustments (S.B. 11-141)	(639)	(639)	0	0	0	0.0
<b>Subtotal: FY 2010-11 Appropriation</b>	<b>217,128</b>	<b>74,510</b>	<b>17,421</b>	<b>0</b>	<b>125,197</b>	<b>4.0</b>
Annualization of S.B. 11-141	639	639	0	0	0	0.0
Reinstate FY 10-11 State PERA Contribution	1,920	672	154	0	1,094	0.0
1.5 Percent Personal Services Base Reduction	(2,808)	(969)	(225)	0	(1,614)	0.0
FY 11-12 State PERA Contribution Reduction	(1,065)	(368)	(85)	0	(612)	0.0
<b>Recommended FY 2011-12 Appropriation</b>	<b>\$215,814</b>	<b>\$74,484</b>	<b>\$17,265</b>	<b>\$0</b>	<b>\$124,065</b>	<b>4.0</b>

## (2) OFFICE OF INFORMATION TECHNOLOGY SERVICES

The Department of Human Services' Office of Information Technology Services (OITS) is responsible for developing and maintaining the major centralized computer systems of the Department, including systems that link to all counties in the state. The office supports centralized databases and provides support and training to users, including county staff and private social service providers. The Office also helps to set policies and strategic directions for de-centralized information technology systems that are operated by individual divisions within the Department. Centrally appropriated items related to information technologies, such as payments to the General Government Computer Center, are included in this Division.

### **Personal Services**

*Description:* Prior to the consolidation of Statewide information technology staff resources in the Governor's Office of Information Technology (OIT), 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 OIT 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 formally appropriated to this line item. The Department is appropriated funds through four Information Technology Common Policies to cover the costs of the Governor's OIT billings.

Prior to the consolidation, the line item expended \$5.8 million (including \$4.6 million net General Fund) and 64.3 FTE in FY 2009-10.

*Request:* The Department did not request and appropriation for this line item .

***Recommendation:* Staff recommends the Committee make no appropriation for the line item for FY 2011-12.**

### **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 \$376,608 (including \$305,345 net General Fund) for FY 2011-12.

***Recommendation:* Staff recommends an appropriation of \$335,558 total funds (\$272,062 net General Fund) for FY 2011-12.** The recommendation is comprised of \$265,167 General Fund, \$13,790 Medicaid reappropriated funds from HCPF, and \$56,601 federal funds from various sources. The difference between the staff recommendation and the Department request is due to a staff-initiated reduction of \$41,050 total funds (including \$33,283 net General Fund) based on an analysis of one-time expenditures in previous fiscal years.

### **Microcomputer Lease Payments**

*Description:* The appropriation is used for lease payments for the 800 to 850 personal computers and related equipment 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 nine fiscal years.

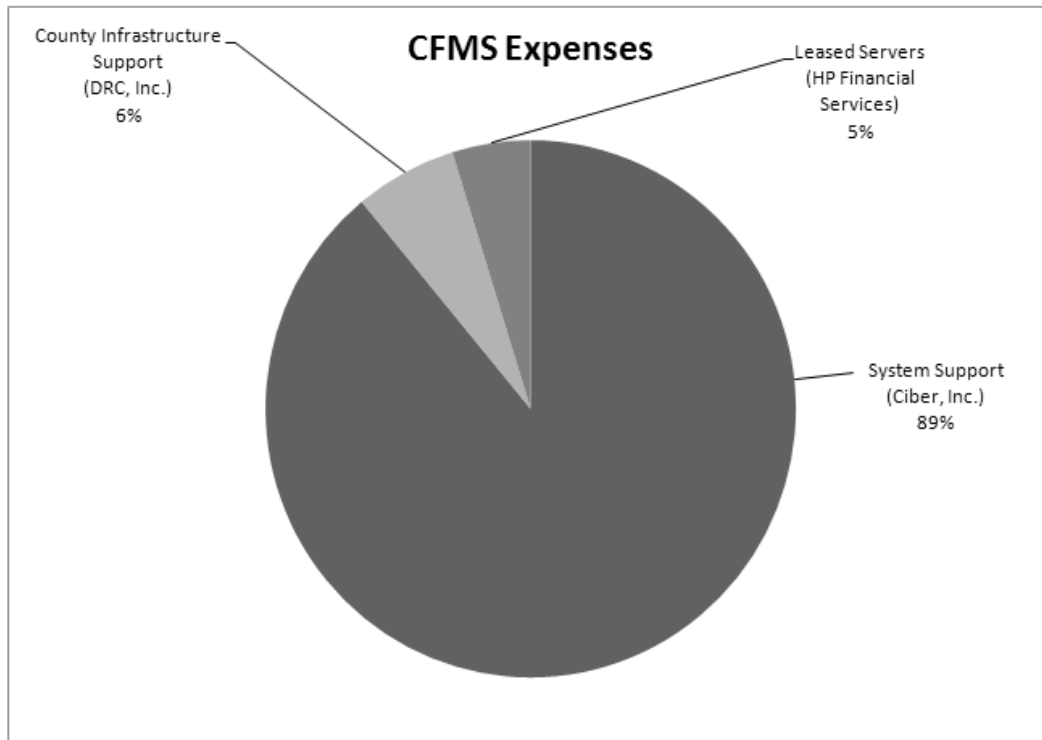
*Request:* The Department requests continuation funding of \$539,344 (including \$333,613 net General Fund) for FY 2011-12.

*Recommendation:* Staff recommends the Department's request of **\$539,344 total funds (\$333,613 net General Fund) for FY 2011-12**. The recommendation is comprised of \$301,832 General Fund, \$15,466 cash funds from various sources, \$128,647 reappropriated funds from HCPF, and \$93,399 federal funds from various sources.

**County Financial Management System**

*Description:* This appropriation pays for contract 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 (IT programmers) and hardware and software maintenance.

The pie chart below illustrates the expenditure categories for moneys appropriated to this line item. Note, the system is built on the Oracle Financials Systems framework, and the primary system contractor is Ciber, Inc. The current Ciber, Inc. contract ends in June of FY 2011-12, and the Department (in conjunction with the Governor's OIT) is in the process of amending the contract to run through FY 2014-15.



*Request:* The Department requests a continuation level appropriation of \$1,494,325 total funds (\$770,740 General Fund) for FY 2011-12.

*Recommendation:* Staff recommends a continuation level appropriation of **\$1,494,325 total funds for FY 2011-12**. 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 2011-12 for contract and operating costs.

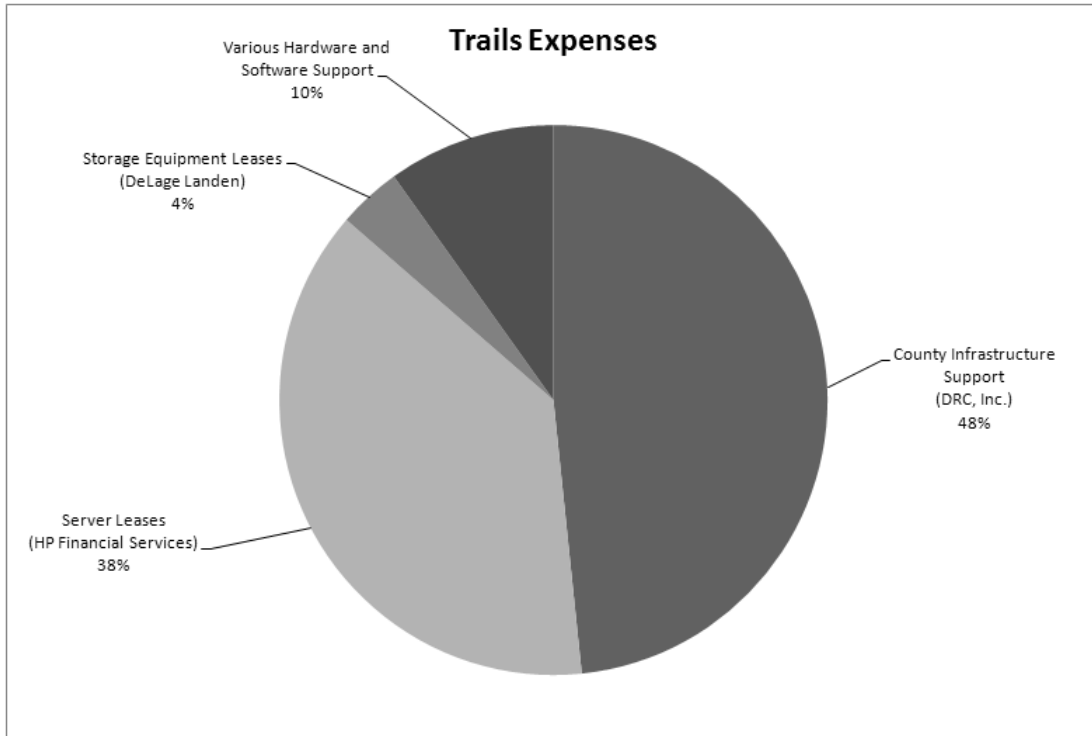
*Recommendation:* **Staff recommends the Department's request of \$17,698 total funds for contract and operating costs in FY 2011-12.** The recommendation consists of \$10,154 General Fund and \$7,544 federal funds from various sources.

### **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 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.

The pie chart below illustrates the expenditure categories for moneys appropriated to this line item. Note, the system support is provided by approximately 47.0 FTE the Governor's OIT. These costs are not shown in the chart below, as they are not appropriated to the Division in this line item.



*Request:* The Department requests a continuation level appropriation of \$4,952,399 total funds (\$2,665,468 General Fund) for FY 2011-12.

*Recommendation:* Staff recommends the Department's request of **\$4,952,399 total funds for contract and operating costs in FY 2011-12.** The recommendation includes \$2,665,468 General Fund and \$2,286,931 federal funds from Title IV-E of the Social Security Act, TANF, 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 (\$23,278 General Fund) for FY 2011-12.

*Recommendation:* Staff recommends the Department's request of **\$93,114 total funds for FY 2011-12.** The 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 in 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 serves the CCCAP payment processes.

*Request:* The Department requests an appropriation of \$2,299,593 federal funds from Child Care Development Funds for FY 2011-12. The request reflects an increase of \$358,924 due to the annualization of several FY 2010-11 budget actions.

*Recommendation:* **Staff recommends an appropriation of \$2,299,593 federal funds from the Child Care Development Funds for FY 2011-12.** Calculations for the recommendation are found in the table below. **Additionally, staff recommends that the Committee reduce the appropriation for the Child Care Assistance Program line item by \$309,730 federal funds in FY 2011-12** as part of the increase in this line item for the maintenance (software license fees) and ongoing support (provided by the Governor's OIT) of CHATS. Calculations for staff's recommendation are found in the table below.

Child Care Automated Tracking System						
	Total	GF	CF	RF	FF	FTE
FY 2010-11 Long Bill	\$1,690,969	\$0	\$0	\$0	\$1,690,969	0.0
H.B. 10-1035	249,700	0	0	0	249,700	0.0
Supplemental adjustments (S.B. 11-141)	140,374	0	0	0	140,374	0.0
<b>Subtotal: FY 2010-11 Appropriation</b>	<b>2,081,043</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,081,043</b>	<b>0.0</b>
Annualization of H.B. 10-1035	(249,700)	0	0	0	(249,700)	0.0
Annualization of 10-11 CHATS POS DI	516,250	0	0	0	516,250	0.0
Annualization of S.B. 11-141	(48,000)	0	0	0	(48,000)	0.0
<b>Recommended FY 2011-12 Appropriation</b>	<b>\$2,299,593</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,299,593</b>	<b>0.0</b>

**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 2011-12.

*Recommendation:* **Staff recommends a continuation level appropriation of \$339,168 total funds for FY 2011-12.** The recommendation consists of \$211,290 General Fund and \$127,878 reappropriated funds transferred from Mental Health Institutes, the Department's Regional Centers, and the Department's Division of Youth Corrections.

### **Colorado Benefits Management System (CBMS)**

*Description:* Prior to FY 2010-11, this line item contained appropriations for the personal services and operating/contract expenses for the operation of the Colorado Benefits Management System (CBMS). For clarity and transparency, the amount of costs billed to the Department for the personal services, contract, and operating expenses transferred to the Governor's OIT as part of the Statewide consolidation of information technology resources were shown in a new line item entitled "Office of Information Technology, Colorado Benefits Management System" (see below). The personal services, operating, and contract expenses transferred from DHS to the Governor's Office appear as reappropriated funds in the appropriation for the Governor's OIT.

*Request:* Per the FY 2010-11 creation of a new line item in the Long Bill to capture CBMS appropriations, the Department did not request an appropriation for this line item.

*Recommendation:* **Staff recommends the Committee not appropriate funds to this line item in FY 2011-12.**

### **Office of Information Technology, Colorado Benefits Management System**

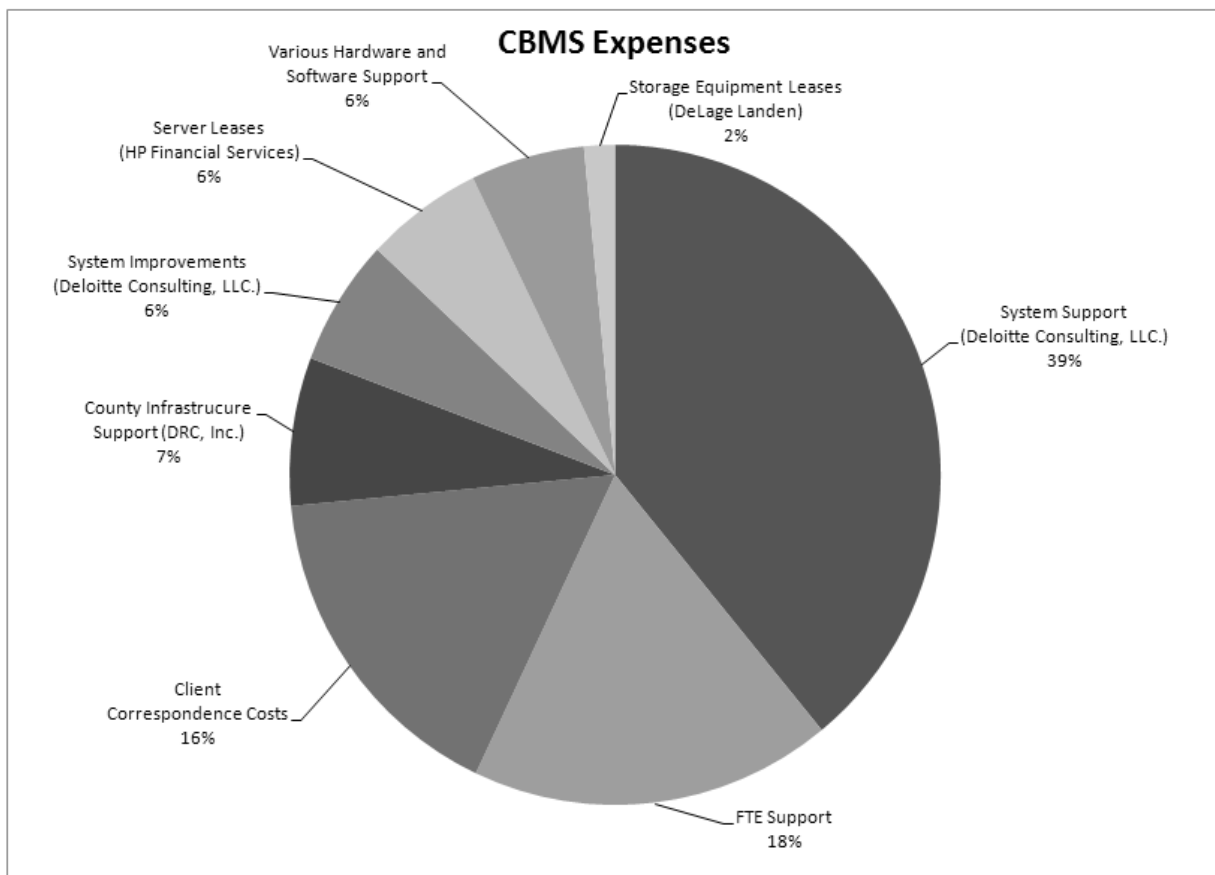
*Description:* This line item was added to the Division in FY 2010-11 to provide funding for the personal services, centrally appropriated, operating, and contract expenses associated with the technical operation of CBMS that is transferred from the Department to the Governor's OIT as part of the consolidation of Statewide information technology personnel in the Governor's OIT.

CBMS is a collaborative effort between DHS, HCPF, and OIT to provide a tool to users to perform eligibility determination and benefits calculation across multiple public assistance and welfare programs. CBMS replaced several older, disparate information technology systems that supported State-funded social services programs:

- Colorado Indigent Care Program;
- Children's Basic Health Plan;
- Client-Oriented Information Network;
- Colorado Automated Client Tracking Information System;
- Colorado Automated Food Stamp System; and
- Colorado Employment First.

CBMS provides services to the following DHS and HCPF funded initiatives:

- 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.



*Request:* The Department requests an appropriation of \$24,283,156 total funds (including \$10,601,190 net General Fund) for FY 2011-12. The request reflects a decrease of \$2,091,113 total funds (including \$407,577 net General Fund). Much of the decrease is related to the annualization of prior-year legislation.

*Recommendation:* Staff recommends an appropriation of \$24,315,367 total funds (including

**\$10,439,804 net General Fund) for FY 2011-12 for the operation of CBMS.** Staff's recommendation consists of \$5,965,774 General Fund, \$1,127,018 cash funds from the Old Age Pension Fund, \$9,008,843 reappropriated funds from HCPF, and \$8,213,732 federal funds from TANF and Food Stamps funds. Calculations for the recommendation are found in the table below. The recommendation is \$32,211 total funds higher than the Department's request for FY 2011-12 due to refinances contained in the Department's FY 2010-11 supplemental bill (S.B. 11-141). However, **staff's recommendation reflects a decrease of \$161,386 net General Fund compared to the Department's request** due to a FY 2011-12 refinance that decreased General Fund and reappropriated funds from HCPF, while increasing cash funds and federal funds. Calculations for staff's recommendation are found in the two tables below.

<b>Office of Information Technology, Colorado Benefits Management System</b>						
	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>FTE</b>
FY 2010-11 Long Bill	\$24,872,508	\$6,135,426	\$1,158,436	\$9,359,525	\$8,219,121	0.0
S.B. 10-068	966,000	0	0	0	966,000	0.0
H.B. 10-1146	490,000	120,870	22,822	184,387	161,921	0.0
H.B. 10-1384	45,761	11,288	2,132	17,220	15,121	0.0
Supplemental adjustments (S.B. 11-141)	29,510	0	0	29,510	0	0.0
<b>Subtotal: FY 2010-11 Appropriation</b>	<b>26,403,779</b>	<b>6,267,584</b>	<b>1,183,390</b>	<b>9,590,642</b>	<b>9,362,163</b>	<b>0.0</b>
Annualize H.B. 09-1293	(835,327)	0	(219,350)	(362,034)	(253,943)	0.0
Annualize S.B. 10-068	(966,000)	0	0	0	(966,000)	0.0
Annualize H.B. 10-1146	(490,000)	(120,870)	(22,822)	(184,387)	(161,921)	0.0
Annualize H.B. 10-1384	(45,761)	(11,288)	(2,132)	(17,220)	(15,121)	0.0
Annualize S.B. 11-141	1,958	0	0	1,958	0	0.0
1.5% Cut to HCPF Personal Services	(8,554)	(2,099)	(397)	(3,169)	(2,889)	0.0
HCPF BRI - CHP Program Reductions*	40,352	9,955	1,880	15,184	13,333	0.0
HCPF DI - Low Income Compliance*	214,920	0	0	214,920	0	0.0
CBMS Refinance	0	(177,508)	186,449	(247,051)	238,110	0.0
<b>Recommended</b>						
<b>FY 2011-12 Long Bill Appropriation</b>	<b>\$24,315,367</b>	<b>\$5,965,774</b>	<b>\$1,127,018</b>	<b>\$9,008,843</b>	<b>\$8,213,732</b>	<b>0.0</b>

\* Recommendations are pending Committee action during the staff figure setting presentation for the Department of Health Care Policy and Financing scheduled for March 8, 2011. **Staff requests permission to update the line item based on the Committee's action on March 8th.**

The table below summarizes the staff recommendation by appropriation category.

Office of Information Technology, Colorado Benefits Management System						
	Transferred to Gov OIT	Total	GF	CF	RF	FF
Operating/Contract Expenses	Yes	\$18,858,727	\$4,626,987	\$874,102	\$6,987,159	\$6,370,479
DHS CBMS Personal Services	Yes	4,500,517	1,104,202	208,599	1,667,441	1,520,275
POTS Expenses	Yes	517,132	126,878	23,969	191,598	174,687
HCPF CBMS Personal Services	No	438,991	107,707	20,348	162,645	148,291
<b>Recommended FY 2011-12 Appropriation</b>		<b>\$24,315,367</b>	<b>\$5,965,774</b>	<b>\$1,127,018</b>	<b>\$9,008,843</b>	<b>\$8,213,732</b>

The FY 2010-11 Long Bill contains only a single program cost line item in the Department for CBMS appropriations. In reality, however, the line item contains the four, general appropriation categories listed in the table above (operating/contract expenses, personal services expenses for Governor's OIT FTE supporting CBMS, centrally-appropriated expenses for FTE in the Governor's OIT supporting CBMS, and personal services expenses for HCPF FTE supporting CBMS, but not located in the Governor's OIT). **Staff recommends that the Committee split the Department's CBMS line item into two or four line items in the FY 2011-12 Long Bill.** The two line item option would contain one line item for operating expenses and contract services, and group together the following appropriation categories in a "personal services" line item:

- DHS CBMS personal services;
- DHS CBMS centrally-appropriated expenses; and
- HCPF CBMS personal services.

The four line item option contains the following line items:

- Operating/Contract expenses
- DHS CBMS personal services;
- DHS CBMS centrally-appropriated expenses; and
- HCPF CBMS personal services.

The advantage to splitting the single line item into two or four line items in the FY 2011-12 Long Bill is that it provides the Committee (and the General Assembly) with more control over the individual cost categories associated with the operation of CBMS. Note, staff will make a companion recommendation related to the appropriation of reappropriated funds in the Governor's OIT as part of the figure setting presentation for the Governor's OIT scheduled for March 14, 2011.

### **CBMS SAS-70 Audit**

*Description:* The line item appropriation funds an on-going audit of the CBMS system. 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 the CBMS system 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 \$64,558 net General Fund) for FY 2011-12.

*Recommendation:* **Staff recommends a continuation funding level of \$149,000 total funds for FY 2011-12. However, staff's fund splits result in a net General Fund appropriation of \$63,974.** Staff's recommendation is comprised of \$36,558 General Fund, \$6,906 cash funds from the Old Age Pension Fund, \$55,204 reappropriated funds transferred from HCPF, and \$50,332 federal funds from the TANF Block Grant and Food Stamp moneys. Note, the moneys appropriated to this line item are reappropriated to the Governor's OIT.

### **CBMS Federal Reallocation**

*Description:* This line item was added in the Department's supplemental budget request for FY 2007-08. CBMS development and operational expenses are paid in part by federal agencies. Federal contributions during the development phase were calculated using a contractual formula. The system is now operational, and as a result, funding allocations are based on random moment sampling (RMS) measurements of actual system usage. RMS measurements, and the resulting allocations, must be done for each fiscal year. The appropriation for this line item covered the necessary refinancing for FY 2005-06, FY 2006-07, and FY 2007-08. The Department did not request an appropriation for this line item for FY 2009-10.

*Request:* The Department did not request an appropriation for this line item for FY 2011-12, as the State has essentially remedied allocation issues.

*Recommendation:* **Staff recommends the Committee approve the Department's request to not make an appropriation for the line item for FY 2011-12.**

### **CBMS TANF Reauthorization Changes**

*Description:* This line reflects an appropriation of federal TANF funds made for a FY 2008-09 decision item. The federal reauthorization of TANF, which occurred in 2006, added a number of reporting requirements for the states. This appropriation pays for necessary additions to CBMS reporting capabilities in order to meet the new federal requirements.



*Request:* The Department did not request an appropriation for the line item for FY 2011-12. The CBMS-related TANF requirements have been implemented.

***Recommendation:* Staff recommends the Committee approve the Department's request to not make an appropriation for FY 2011-12 for the line item.**

### **CBMS Client Services Improvement Project**

*Description:* The line item was transferred to the Department from HCPF in the FY 2009-10 supplemental process. The appropriation funded the formerly named CBMS Medical Assistance Project, which provided for the development and implementation of web portal applications that allowed applicants to apply for benefits online (Colorado PEAK), as well as programming changes to allow for data entry simplification (IDE). The line item also funded initiatives to improve client correspondence by reducing the amount of correspondence a client receives and improving the overall readability of the correspondence.

*Request:* The Department did not request an appropriation for this line item for FY 2011-12, as the State has neared completion of the PEAK and IDE projects.

***Recommendation:* Staff recommends the Committee approve the Department's request to not make an appropriation for the line item for FY 2011-12.**

### **TANF-Specific CBMS Changes**

*Description:* The Division of Colorado Works in the Department requested (and received) one-time spending authority for funding system changes in CBMS in FY 2010-11. Federal funds were appropriated to make Colorado Works-specific adjustments and fixes to CBMS to enable effective program monitoring and timely and accurate case processing, compliance with upcoming changes in federal and State statutes, and financial penalty avoidance.

*Request:* The line item was intended to be used for a one-time FY 2010-11 appropriation. As such, the Department did not request an appropriation for FY 2011-12.

***Recommendation:* Per the Department's request, staff does not recommend an appropriation in FY 2011-12 for this line item.**

### **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 OIT. Governor's OIT plans, manages, operates, and delivers the computing infrastructure to customer entities, which include all State agencies and certain institutions of higher education. Governor's OIT is responsible for managing the operating system, transaction processing scheduling, and systems management software associated with these resources.

*Request:* The Department requests \$14,680,021 total funds (including \$7,682,585 net General Fund) for this purpose for FY 2011-12. The request reflects an increase of \$1,613,892 (including

\$800,721 net General Fund) over the prior year appropriation due to database management system and mainframe use, as well as an increase of \$19,317 total funds (including \$10,261 net General Fund) as part of the transfer of printing services from OIT to the Department of Personnel and Administration (NP #9).

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

### **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 funding of \$3,077,205 total funds (including \$2,102,939 net General Fund) for multiuse network payments for FY 2011-12.

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

### **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 \$1,672,293 total funds (including \$1,322,703 net General Fund) for FY 2011-12. The request represents an increase over the FY 2010-11 appropriation of \$34,327 total funds (including \$36,747 net General Fund).

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

### **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 through 197 sites to 95 percent of the State's roadways. It is anticipated that the Department will be billed for the use of 733 radios in FY 2011-12.

*Request:* The Department requests an appropriation of \$191,419 total funds (including \$162,706 General Fund) for FY 2011-12. The request represents an increase over the FY 2010-11 Long Bill of \$3,659 total funds (including \$3,110 General Fund).

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

**FY 2011-12 FIGURE SETTING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE:**

**DEPARTMENT OF HUMAN SERVICES  
(Office of Information Technology Services)**

**Long Bill Footnotes**

There were no Long Bill footnotes specific to the division covered in this figure setting document in the FY 2010-11 Long Bill.

**Requests for Information**

There were no requests for information specific to the division covered in this figure setting document. However, it should be noted that the following request for information in the Office of the Governor is directly related to the Department. Staff will make a recommendation on this request for information during the figure setting presentation for the Office of the Governor scheduled for March 14, 2011.

**Governor - Lieutenant Governor - State Planning and Budgeting, Office of Information Technology, Colorado Benefits Management System** -- The Department is requested to submit a summary of change request activity related to the Colorado Benefits Management System. This summary should include the number of change requests completed, the number in progress, and the number that have been submitted but not yet started. Change requests requiring the expenditure of more than fifty thousand dollars (\$50,000) should be described in detail. The report should be provided to the Joint Budget Committee annually on or before November 1.