

# STATE OF COLORADO

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## OFFICE OF STATE PLANNING AND BUDGETING

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## FY 2013-14

# Supplemental Comeback Requests for Executive Branch Agencies

January 27, 2014



## Office of State Planning and Budgeting FY 2013-14 Supplemental Comeback Requests

Department:	Governor's Office of Information Technology
Title:	Backup Colorado, Phase I – Disaster Recovery Assessment

	FY 2013-14 Appropriation	FY 2013-14 Supplemental Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$300,000</b>	<b>\$0</b>	<b>\$300,000</b>	<b>\$300,000</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$0	\$300,000	\$0	\$300,000	\$300,000
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

### Summary of Initial Request:

The Governor's Office of Information Technology requested supplemental funding of \$300,000 General Fund to conduct a study on how to improve data backup, data protection, and information disaster recovery across 22 State agencies. The need for improved IT disaster recovery was highlighted in the Spring of 2013 after a catastrophic failure affected large quantities of data within the Department of Revenue. DOR submitted an emergency supplemental to the JBC in June 2013, but the Committee denied the request. Committee members indicated a preference for a statewide solution, rather than a department-specific piecemeal approach. This requested study would move the state toward the Committee's desired solution. It would inform the State of the most appropriate enhancements and changes needed for data protection and disaster recovery sustainability across the enterprise. It is expected that the results of this study would inform future budget requests for these purposes.

### Committee Action:

The Joint Budget Committee did not approve this request.

### OSPB Comeback:

OSPB requests that the JBC approve this request in its entirety.

After the catastrophic failures encountered by DOR in April 2013, members of the JBC suggested that OIT engage in a comprehensive review of its data backup and disaster recovery capabilities. In the past year, OIT's resource limitations have allowed only a high-level assessment of these capabilities, as staff members have focused on other high-priority projects such as mainframe decommissioning, the implementation of the new CORE financial system, and improving the CBMS system. Rather than continue to allow this assessment to progress at such a slow pace, OSPB strongly believes that OIT requires a temporary appropriation to accelerate its completion.

Without this assessment, OSPB and OIT cannot calculate the level of appropriation needed to address the State's obvious IT disaster recovery and continuity of operations shortfall. Any request for this important purpose submitted to the Legislature would therefore constitute no better than an educated estimate of the potential costs, increasing the likelihood of a failed initiative to improve the State's disaster recovery capabilities.

OSPB concurs with many of the Committee's concerns with this request. The lack of a clear assessment around the State's existing disaster recovery processes and capabilities has proved a point of ongoing frustration in our ability to recommend a course of action for addressing this problem. Furthermore, a limited understanding of industry standards around data backup and disaster recovery has made recommending a comprehensive disaster recovery request nearly impossible. In its assessment of this problem, OIT has received vendor estimates that have ranged from less than \$1 million to \$32 million, depending on the nature of the solution. Without a more specific picture of the State's disaster recovery landscape and a clear standard to aim for, OSPB simply cannot provide the Governor or the JBC with proper advice on how to move forward. It would not be fiscally prudent to submit a request that contains such uncertainty.

Approval of this request is an absolute necessity for the Executive Branch to be able to chart a course for addressing our data security needs and submitting a reasonable request to the Legislature for funding such a critical initiative. For this reason, OSPB respectfully requests that the JBC reconsider its action and approve this request in its entirety. OSPB believes that the results of a study will help answer the questions and uncertainties that surround this problem.

## Office of State Planning and Budgeting FY 2013-14 Supplemental Comeback Requests

Department:	Department of Public Safety
Title:	Annual Fleet Supplemental True-up

	FY 2013-14 Appropriation	FY 2013-14 Supplemental Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$6,195,910</b>	<b>\$219,797</b>	<b>\$0</b>	<b>\$219,797</b>	<b>\$219,797</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$466,044	\$227,876	\$0	\$227,876	\$227,876
CF	\$168,213	\$34,562	\$0	\$34,562	\$34,562
HUTF	\$5,251,401	(\$75,736)	\$0	(\$75,736)	(75,736)
RF	\$197,376	(\$28,356)	\$0	(\$28,356)	(\$28,356)
FF	\$112,876	\$61,451	\$0	\$61,451	\$61,451

### Summary of Initial Request:

The Department of Public Safety requested \$219,797 Total Funds in FY 2013-14 for the annual fleet supplemental true-up. This includes an increase of \$227,876 General Fund, \$34,562 Cash Funds, and 61,451 Federal Funds and a decrease of \$75,736 Highway Users Tax “Off-the-Top” Funds (HUTF) and \$28,356 Reappropriated Funds.

### Committee Action:

The Joint Budget Committee approved the JBC staff’s recommendation to deny the vehicle lease true-up supplemental request.

### OSPB Comeback:

OSPB respectfully requests that the JBC approve the vehicle lease true-up supplemental request for the Department of Public Safety. Without the requested funding, the Department will face an over-expenditure in FY 2013-14, and a subsequent restriction of funds for the vehicle lease line in FY 2014-15.

The Department of Personnel and Administration submitted a FY 2013-14 funding request in January 2013 that included \$6,711,911 total funds for the Department of Public Safety’s vehicle leases. This request was based on the projected need for total lease payments for the fiscal year if all replacement vehicles were approved. However, during FY 2013-14 figure setting for statewide Fleet appropriations in March 2013, the Committee approved an alternative methodology for fleet appropriations than what was submitted by the Department of Personnel.

JBC staff’s methodology combined the FY 2012-13 supplemental and FY 2013-14 budget amendment requests, which effectively double-counted the supplemental adjustment that had been factored into the calculation for the budget amendment. While this methodological change affected every

department, the negative impact to Public Safety was more pronounced than in most other departments.

The final amount approved for the Department’s vehicle leases in FY 2013-14 was \$6,195,910. This amount is \$522,001 less than the initial FY 2013-14 funding request, and the fund splits approved by the JBC are different than the Department’s projected need.

The FY 2013-14 supplemental request submitted by DPA included an increase of \$219,797 total funds to fund the projected need for vehicle replacements in the current fiscal year. The funding splits for this increase are based on the need to pay for vehicles in the Department of Public Safety’s various divisions.

The following table provides a summary of the respective request amounts.

	Original FY 2013-14 Request	S.B. 13-230 (JBC Approved)	FY 2013-14 Supplemental Request
Total Funds	<b>\$6,717,910</b>	<b>\$6,195,910</b>	<b>\$6,415,707</b>
GF	\$503,170	\$466,044	\$693,920
CF	\$216,424	\$168,213	\$202,775
HUTF	\$5,686,653	\$5,251,401	\$5,175,665
RF	\$208,724	\$197,376	\$169,020
FF	\$102,940	\$112,876	\$174,327

Pursuant to Section 24-30-1104 (2)(k), C.R.S., the Department of Personnel shall bill agencies for the vehicles leased through the Statewide Fleet Management (SFM) program. SFM receives reappropriated funds spending authority to use payments from agencies for vehicle leases, but does not have sufficient fund balance to cover lease payments for those agencies. *DPA is required to bill for vehicle lease payments even if an agency does not have sufficient appropriations to pay.*

Therefore, denial of this request will cause an over-expenditure for CDPS in FY 2013-14, and this amount would then be restricted out of the Department’s FY 2014-15 appropriation for vehicle leases, potentially compounding the shortage of funding for this line item.

For these reasons, OSPB respectfully requests that the Committee reconsider its decision and approve the Department of Public Safety’s supplemental request for vehicle lease appropriations.

## Office of State Planning and Budgeting FY 2013-14 Supplemental Comeback Requests

Department:	Department of Public Safety
Title:	Funding for Sexual Assault Kits Pursuant to H.B. 13-1020

	FY 2013-14 Appropriation	FY 2013-14 Supplemental Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$954,890</b>	<b>\$0</b>	<b>\$954,890</b>	<b>\$954,890</b>
FTE	0.0	1.0	0.0	1.0	1.0
GF	\$0	\$954,890	\$0	\$954,890	\$954,890
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

### Summary of Initial Request:

The Department requested \$954,890 General Fund and 1.0 FTE in FY 2013-14 (4.0 FTE annualized in FY 2014-15) to fund four Criminal Investigator IIs (DNA Analysts), DNA equipment, and commodities, for the Colorado Bureau of Investigation's (CBI) Grand Junction Forensic Laboratory, and an architectural study for the CBI Denver facility.

### Committee Action:

The Joint Budget Committee voted to deny the request. The vote was based on outstanding questions regarding the potential use of the Department of Public Health and Environment's toxicology lab as a space for sexual assault kit testing, the related capital construction request, and a review of the policies and enforcement of H.B. 13-1020.

### OSPB Comeback:

OSPB requests that the JBC approve this supplemental request in its entirety.

H.B. 13-1020 established new requirements for collecting and processing sexual assault evidence, which included a plan to eliminate the backlog of sexual assault evidence kits. The Department's request addresses the new requirements for law enforcement agencies and medical facility personnel to submit sexual assault evidence to the CBI within 21 days of receipt. The rules for submitting newly collected evidence go into effect March 1, 2014.

Under the new rules, the CBI estimates that law enforcement will submit up to four times the current submission rate of sexual assault evidence annually, or up to 3,252 cases. In order to mitigate the build-up of a new backlog of evidence, the CBI requests the funding to begin hiring and training one Criminal Investigator II, which will be annualized in FY 2014-15 to 4.0 Criminal Investigator IIs.

The request also includes DNA testing equipment for one testing set-up, which will be placed in Grand Junction. (The Grand Junction laboratory is currently the only CBI facility able to accommodate the additional FTE and equipment.) Hiring and training now will enable the CBI to begin processing the nearly 268 sexual assault kits (67 kits per month) that are anticipated between March 1, 2014 and June 30, 2014.

The request also includes funding for an architectural study to determine how existing laboratory space at 690 Kipling can be renovated to accommodate additional laboratory equipment and FTE under H.B. 13-1020.

Each piece of this request is fundamental to reducing the potential for a new backlog of sexual assault evidence. Without the equipment and personnel foundation that this request would provide, the CBI will face a new, significant backlog of sexual assault evidence; the CBI estimates that the turnaround time for DNA testing and analysis will increase from its goal of 90 days to over 400 days.

This request equips the CBI with the initial personnel and equipment necessary for adhering to the operational requirements of H.B. 13-1020, as well as the legislative intent of strengthening the process for addressing sexual assault crimes.



## Office of State Planning and Budgeting FY 2013-14 Supplemental Comeback Requests

Department:	Department of Public Safety
Title:	Technical Roll-Forward Spending Authority for H.B. 13-1020

	FY 2013-14 Appropriation	FY 2013-14 Supplemental Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$0	\$0	\$0	\$0	\$0
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

### Summary of Initial Request:

The Department requested the addition of a FY 2013-14 footnote to the FY 2013-14 Long Bill (S.B. 13-230) to authorize roll-forward spending authority for the \$6,351,002 General Fund appropriated in H.B. 13-1020 (collection and treatment of forensic medical evidence of alleged sexual assault).

### Committee Action:

The Joint Budget Committee voted against the request until more information could be provided by the Department regarding testing operations for H.B. 13-1020. Staff recommended that the Committee approve the Department request to authorize roll-forward spending authority for \$6,351,002 General Fund appropriated in H.B. 13-1020. However, staff recommended that the roll-forward be drafted as an amendment to the appropriation clause in H.B. 13-1020, rather than through a footnote.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the JBC approve an action to authorize the roll-forward spending authority in FY 2014-15 for the \$6,351,002 General Fund appropriated in H.B. 13-1020. Without the spending authority in the next fiscal year, the Department will be unable to eliminate the backlog of alleged sexual assault evidence as directed by H.B. 13-1020, and more importantly, the status quo of addressing backlogged sexual assault evidence will remain relatively unchanged.

Pursuant to H.B. 13-1020, the Department was appropriated one-time funding in the amount of \$6,351,002 General Fund to contract private, independent forensic laboratories to process the estimated 4,234 backlog of sexual assault kits collected by Colorado law enforcement agencies (LEAs) and medical facilities. The Department conducted an inventory of LEAs, and after compiling

the results in November 2013, the Department determined that a total backlog of 5,889 sexual assault kits require analysis.

Once the backlog estimate was complete, the Department developed a timeline for processing the based on the assumptions that one private laboratory would be able to process 100 kits per month, and that the Department would be able to contract with four private laboratories; testing would begin in February 2014, and therefore approximately 2,000 kits would be tested by June 30, 2014. The remaining 3,889 kits submitted by law enforcement agencies and medical facilities would be tested in FY 2014-15.

The Department used the months of November 2013 through January 2014 to review and contract with private forensic laboratories, which included on-site quality assessments. The process for review is complex and lengthy because the Colorado Bureau of Investigation is a participant in the Combined DNA Index System DNA database (CODIS), which requires labs accredited in Serology and DNA to be compliant with the Federal Bureau of Investigation's *Quality Assurance Standards for Forensic DNA Testing Laboratories and International Organization for Standardization (ISO) 17025:2005*.

Once contracts are made with private laboratories, the CBI must also continually review the results of the laboratories to ensure the quality of work; this is another factor that contributes to the Department's estimate that only a portion of the backlogged evidence will be processed in FY 2013-14. However, continuing the work in FY 2014-15 will ensure that the Department upholds the legislative directive to eliminate the backlog.

The Department is committed to being efficient and proactive in eliminating the existing backlog of sexual assault evidence. With the requested roll-forward spending authority for FY 2014-15, the Department will continue its contracts with private laboratories in the next fiscal year, and as a result, the Department would continue to decrease the backlog of evidence.

## Office of State Planning and Budgeting FY 2013-14 Supplemental Comeback Requests

Department:	Department of Local Affairs
Title:	Economic Development Assistance to Rural Communities

	FY 2013-14 Appropriation	FY 2013-14 Supplemental Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$5,344,543</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
FTE	28.9	0.0	0.0	0.0	0.0
GF	\$3,000,000	\$0	\$0	\$0	\$0
CF	\$104,796	\$0	\$0	\$0	\$0
RF	\$1,945,826	\$0	\$0	\$0	\$0
FF	\$293,921	\$0	\$0	\$0	\$0

### Summary of Initial Request:

The Department of Local Affairs requested a footnote in its FY 2013-14 supplemental appropriations bill to allow the existing \$3.0 million appropriation for the Rural Economic Development Initiative (REDI) Grant Program to be available for three fiscal years (FY 2013-14 through FY 2015-16). The proposed footnote would read:

“Department of Local Affairs, Division of Local Government, Field Services, Program Costs- \$3 million General Fund and 1.0 FTE- It is the intent of the General Assembly that the General Fund appropriation to this line item remain available until the completion of the grant program, or the close of FY 2015-16, whichever comes first.”

In the FY 2013-14 Long Bill, the Department requested and received this \$3.0 million and 1.0 FTE appropriation to administer a two-year grant program to help rural communities that are overly reliant on a single large employer to diversify their economic portfolios. The General Assembly approved this request, but the required footnote expressing the General Assembly’s intent for this to be a two-year program was mistakenly omitted from the FY 2013-14 Long Bill.

*Upon further review, the Department now believes that this appropriation must be available for three fiscal years, though the 1.0 FTE is not required beyond FY 2014-15.*

Without the required footnote, the Department will be forced to award one-year projects in FY 2013-14, which will hamper effectiveness of the program because many projects are multi-year in nature.

### Committee Action:

The Committee voted to deny the addition of this footnote from in the Department’s FY 2013-14 supplemental appropriations bill. Members indicated that additional information was needed to approve this request. Specifically, they requested a detailed program plan and measurable outcomes.

## **OSPB Comeback:**

OSPB requests that the JBC reconsider its decision and approve the requested footnote for FY 2013-14 to provide clear legislative intent to allow the program to operate as intended. Without the addition of the requested footnote, DOLA and OEDIT will be unable to grant and oversee business and infrastructure awards for any projects that extend beyond the end of FY 2013-14.

To address the Committee's questions, additional information concerning the REDI program is included below.

### *Detailed Program Plan*

The projected timeline below includes both actions that have already been taken to date and projected actions through program close-out in FY 2015-16.

#### **May 2013**

DOLA, OEDIT, OSPB outreach to prison communities in anticipation of Prison Utilization Study release (no REDI funds were obligated prior to the release of the study)

#### **June 2013**

The hiring process for REDI Program Administrator begins. Draft Prison Utilization Study determines there is not enough excess prison capacity to warrant the closure of any additional state prisons.

#### **July 2013**

JBC and OSPB evaluate the Prison Utilization Study's findings and make no recommendations to close additional state prisons. DOLA and OEDIT begin conversations about implementation within context of prison utilization study findings.

#### **August 2013**

REDI Program Administrator is hired. DOLA and OEDIT determine prison communities (deemed "first-tier communities") should continue to be the initial focus of the program's economic diversification goals during Phase 1 of the grant process. After these initial projects have been considered, all rural communities which are overly-dependent on a single large employer will be invited to apply during Phase 2.

#### **September – December 2013**

DOLA and OEDIT establish program criteria, guidelines, processes and materials. Outreach meetings are held in all first-tier communities and grant pre-applications are received by OEDIT. State controller determines that, based on State Fiscal Rules, the legislature must adopt explicit language to allow the multi-year REDI grant program to operate beyond FY 2013-14, as intended. DOLA submits a FY 2013-14 supplemental request.

#### **January – June 2014**

First three REDI grants awarded in January to first-tier communities for infrastructure and business facilities projects. Project development and consideration for funding continue. Grants are awarded, contracted and monitored. Eligibility expanded to include all rural communities reliant on a single major employer or key industry. Outreach begins to all interested communities determined eligible.

### **July 2014 – June 2015**

Continued technical and financial assistance to develop and award eligible projects and build community capacity. Grant awards, contracting, monitoring and close-out continue. Program Administrator position ends June 30, 2015.

### **July 2015 – June 2016**

Projects awarded/contracted in FY 2014-15 are allowed to continue to completion. Final monitoring, reporting and close-out from FY 2014-15 is supplemented, finalized and submitted.

#### Measurable Outcomes

Success for the REDI program will be measured by the economic impact to rural communities that receive grant funding. DOLA and OEDIT will track the return on investment through the number of jobs created by each project funded and the amount of capital investment made in the communities as a result of the projects. There are additional benefits that will accrue to these communities such as more diverse economies, increased property value, and increased tax revenues.

#### Grants Awarded To Date

On January 16, 2014, DOLA and OEDIT communicated approval of grant funding for four applicants for a total dollar amount of \$455,000. After the award letters were sent, the program began the procurement process which included drafting contract / purchase order language for grantees. The first purchase order was issued January 17, 2014 in the amount of \$50,000 to TK Mining. This funding is anticipated to bring up to 15 new jobs in Delta County. Two additional contracts (total of \$375,000) are currently in the process and should be approved the week of January 31, 2014. These two projects are projected to add 18 and 5 additional jobs in Chaffee and Morgan counties, respectively. The fourth project was approved for \$30,000 and is expected to bring three new jobs to Crowley County. The target contract execution date for this project is February 10, 2014.

Based on pre-applications that have been submitted, the Program anticipates receiving a second round of grant applications by January 31, 2014 for review in mid-February 2014, and award letters will be mailed in late February 2014 (if funded or partially funded). A third round of applications should be received by February 28, 2014 for review in mid-March 2014, and award letters will be mailed in late March 2014. Grants applications are accepted monthly until the last day of the month, and then reviewed a couple weeks later for approval/denial/partial funding.

The Department has attached a list of projects approved for grant funding and applications received to date. The total number of projected new jobs, total project value and grant amount requested are provided for each project. Also attached is a map that shows the distribution of REDI program funding requests and the boundaries for each region.

#### Leverage Opportunities

Additional resources will be leveraged to enhance the outcomes of this project. For example, two of the projects awarded so far are in Main Street communities and other Main Street communities are among the applicants. DOLA supports these communities with technical assistance. Local governments are eligible for other DOLA programs and grant funds, which also help support infrastructure investment and capacity building.

OSPB hopes that this additional information will assist the JBC in making its decision concerning the Department's requested footnote, and respectfully requests that the Committee approve this request.

## Office of State Planning and Budgeting FY 2013-14 Supplemental Comeback Requests

Department:	Department of Human Services
Title:	Administrative Review Division Funding

	FY 2013-14 Appropriation	FY 2013-14 Supplemental Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$278,631</b>	<b>\$278,631</b>
GF	\$1,502,133	\$300,000	\$0	\$278,631	\$278,631
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$754,448	\$0	\$0	\$0	\$0
<i>Med. CF</i>	\$0	\$0	\$0	\$0	\$0
<i>Med. GF</i>	\$0	\$0	\$0	\$0	\$0
<i>Net GF</i>	\$1,502,133	\$300,000	\$0	\$278,631	\$278,631

### Summary of Initial Request:

The Department of Human Services requested an ongoing General Fund appropriation of \$300,000 beginning in FY 2013-14 to re-balance the Administrative Review Unit (Division) line based on historical revenues earned. The Department is requesting \$278,631 as a comeback, which is the estimated amount of Title IV-E revenues required to make the Division whole in FY 2013-14.

### Committee Action:

The Joint Budget Committee denied the request, noting that it did not meet supplemental budget criteria.

### OSPB Comeback:

OSPB requests that the JBC reconsider its action and approve an increase in General Fund appropriations to the Administrative Review Unit of \$278,631 in FY 2013-14.

Federal Title IV-E revenues have been declining for several years based on a decreasing population of out-of-home foster care placements. This has required the Department to reallocate Title IV-E distributions away from counties in order to ensure the performance of required administrative case reviews of all children in foster care. This reallocation was approximately \$230,000 in FY 2010-11 and FY 2011-12, and grew to \$278,631 in FY 2012-13.

Section 26-1-111 (2)(B), C.R.S., requires that “costs of the administrative review unit shall be adjusted annually by the general assembly to reflect rate changes, workload, federal financial participation, and any other factor determined as necessary to maintain a comparable level of said services and costs as for the respective fiscal years.” However, the ongoing shortfall in available General Fund revenues prevented this issue from being addressed during figure setting between FY 2010-11 and FY 2013-14.

This lack of compliance with existing statute during figure setting for FY 2013-14 constitutes a technical error, and this requested correction of the error therefore meets the Committee's criteria for supplemental appropriations. Additionally, improved revenue forecasts since figure setting for FY 2013-14 will accommodate this request.

The Division has engaged in conversations with the Federal government to ensure that it is earning the highest possible Title IV-E reimbursement rate, which has yielded an increased reimbursement rate of approximately five percent. However, this rate increase has not fully counteracted the decrease in out-of-home foster care placements and the associated reduction in federal participation revenue. As a result, the Department has been required to re-allocate funds from other IV-E earnings prior to any excess being appropriated from the cash fund in the following year, or alternatively, prior to county reimbursement for any shortfalls.

Counties are therefore ultimately paying for this shortfall in revenue through decreased distributions.

To reverse this situation and ensure compliance with the existing statutory requirement to balance the costs of the Administrative Review Unit based on federal participation rates, OSPB respectfully requests that the Committee reconsider its decision and approve this comeback request for FY 2013-14. Furthermore, OSPB requests that the JBC address this decline in federal participation as part of its FY 2014-15 figure setting actions.



## Office of State Planning and Budgeting FY 2013-14 Supplemental Comeback Requests

Department:	Department of Human Services
Title:	Amendment to Regional Center Capital Outlay

	FY 2013-14 Appropriation	FY 2013-14 Supplemental Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$0	\$0	\$0	\$0	\$0
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

### Summary of Initial Request:

The Department of Human Services requested a footnote in its supplemental appropriations bill allowing the transfer of \$420,000 between the three Regional Centers' total appropriations for FY 2013-14, with roll-forward authority into FY 2014-15. This supplemental replaces the Department's FY 2014-15 request for \$420,000 reappropriated funds spending authority related to capital outlay within the Regional Centers. While responding to issues raised during the briefing and hearing process, the Department determined that the needed capital outlay projects could be completed within existing resources in FY 2013-14 if transfer authority between the regional centers was provided.

The footnote identified in this request would allow preparation and work to begin in FY 2013-14 and continue into FY 2014-15 without the need for any additional funding.

### Committee Action:

The Joint Budget Committee has tabled this request, awaiting additional information. The Committee expressed concerns that this request does not demonstrate good cost estimates, that the Department can complete this work without legislative action, and that the Department does not have a progressive future plan of the facilities.

### OSPB Comeback:

OSPB requests that the JBC approve this request for a new footnote in the Department's FY 2013-14 supplemental appropriations bill. This footnote will allow for flooring and cabinet replacement at the Wheat Ridge Regional Center without the need for any additional appropriation.

In past years, the Department's Long Bill structure for the Regional Centers allowed for the transfer of under-expended appropriations between the centers, which enabled the Department to make these kinds of expenditures without requesting appropriation changes. In FY 2013-14, the JBC elected to divide the Regional Centers' appropriations into specific allocations to each center, eliminating the

Department's ability to make efficient use of under-spent appropriations in a given center. This footnote would allow the transfer of under-spent appropriations between regional centers, but would still maintain the Committee's desired reporting visibility into the costs of operating each individual center.

To address the other concerns about this request raised by Committee members, the Department has provided the information below.

Health, Life, and Safety Issues

The Regional Centers have 10 group homes in Grand Junction, 11 group homes in Pueblo, and 19 group homes in the Denver area serving individuals with intellectual and developmental disabilities. Many of these homes are in need of refurbishments, and this request will specifically address health, life, and safety concerns.

Pursuant to the Office of the State Architect, Facility Conditions Index (FCI) audits have been performed on the houses between 2010 and 2013. The table below identifies the house and the facility condition audit rating. The State Architect's rating system identifies 1.0 as a new building in pristine condition, .85 is the goal for a normal conditioned building, below .75 is rated poor, while below .50 is considered poor and beyond typical life.

<b>Name</b>	<b>Address</b>	<b>City</b>	<b>FCI #</b>
105th House	7929 W. 105th Place	Broomfield	0.623
68th Place	9230 W. 68th Place	Arvada	0.667
Iris House	6614 Iris Street	Arvada	0.684
Xenon	1034 Xenon Street	Golden	0.684
Independence	1852 Independence St.	Lakewood	0.669
Nelson House	510 S. Nelson	Lakewood	0.693
Depew	3845 Depew Street	Wheat Ridge	0.650
49th PL.	15038 W. 49th Place	Golden	0.637
Secrest	7218 Secrest Court	Arvada	0.724
59th House	17767 W. 59th Place	Golden	0.691
67th House	6799 W 67th Ave.	Arvada	0.739
Lamar	6397 Lamar Place	Arvada	0.737
Perry House	5340 Perry Street	Denver	0.670
53rd House	2095 W 53rd Ave.	Denver	0.643

Regional Centers are licensed by the Center for Medicare and Medicaid Services (CMS) and the Colorado Department of Public Health and Environment (CDPHE). There are two separate inspection processes done in collaboration of the two entities. One inspection process is environmental and process. This covers categories such as the living conditions, (physical plant) resident care, medical, resident treatment, hygiene and nutrition. The second inspection process is life safety, which covers evacuation, fire alarms, fire suppression systems access and egress.

The Department has received five violations since 2011 for not meeting life safety standards and was able to absorb these costs for repairs in existing operating funds. The Department is not able to do this any longer. The two most recent cited physical plant violations are as follows:

House Name	Date	Violation Cause	Resolution
Nelson	12/6/2013	Kitchen, dining, pantry, therapy flooring need replaced, all door jambs need paint / repair, numerous wall scraps	The Department is currently replacing
59th	9/12/2013	The floor around the base of the toilet and the caulking was discolored and appeared to have water damage. The wall next to the toilet was missing its baseboard; the area was dark brown and also appeared to have water damage.	The Department conducted repairs

In January 2013, the Department conducted a survey of all Wheat Ridge and Pueblo group homes to identify conditions in all houses. CDPHE has expressed concerns that future violations will take place as physical conditions of the group homes decline.

Improved Cost Estimates

The Department has reevaluated the costs to complete this work and is providing a more detailed calculations based on recent similar work. The revised cost estimates are shown below.

The list below addresses the flooring issues at group homes at Wheat Ridge.

	Continuous Floor	Laundry Room	Shower Room
105th House	\$ 23,284	\$ 5,351	\$ -
Nelson House	\$ 23,284	\$ -	\$ -
Secrest House	\$ 23,284	\$ 5,351	\$ 3,800
59th House	\$ 23,284	\$ -	\$ 3,800
Independence House	\$ 23,284	\$ 5,351	\$ 3,800
Lamar House	\$ 23,284	\$ 5,351	\$ 3,800
Iris House	\$ 23,284	\$ 5,351	\$ 3,800
67th House	\$ 23,284	\$ 5,351	\$ -
68th House	\$ 23,284	\$ 5,351	\$ 3,800
Perry House	\$ 23,284	\$ 5,351	\$ -
53rd House	\$ 23,284	\$ -	\$ 3,800
Depew House	\$ -	\$ 5,351	\$ -
49th House	\$ -	\$ 5,351	\$ 3,800
Xenon House	\$ -	\$ 5,351	\$ 3,800
Totals	\$ 256,124	\$ 58,861	\$ 34,200

Additionally, the following group homes have been prioritized for kitchen cabinet replacements. These cabinets are secured to prevent resident access. The replacements for the following kitchens will include; all labor and materials to replace the cabinets, counter tops, sinks and garbage disposal.

House Name	Current Conditions	Cost Estimate
53 <sup>rd</sup> House	Poor	\$22,895
49 <sup>th</sup> House	Poor	\$22,895
105 <sup>th</sup> House	Poor	\$22,895
<b>Total</b>		<b>\$68,685</b>

**The total for all flooring and cabinet replacement is \$417,870.**

Master Planning Efforts for Regional Centers

The Department is implementing overall master planning efforts for the Regional Centers and focuses on two specific areas:

- 1) *Improve and equalize services to CDHS Group Homes* – The Department’s 40 State-owned Group Home facilities will be catalogued, identifying use and analyzing improvements needed. This process will also identify comprehensive maintenance costs, energy costs and janitorial costs. A plan will be created to implement timely, cost effective, and competitive services to these facilities. It will also include customer -related outcomes and cost models that are competitive with the private sector across all three districts. This plan to improve and equalize services will be presented to the Department’s Executive Management Team in July 2014.
  
- 2) *Grand Junction Campus Assessment* – The Facilities Division within the Colorado Department of Human Services will conduct a detailed building audit and study of infrastructure systems on the Grand Junction Campus to determine the highest and best use for the existing buildings and the long-term cost of modifying and maintaining these buildings for other uses. The assessment will also determine what programmatic building needs are necessary and identify options to fulfill those requirements.

Currently, the Facilities Division is interviewing firms to perform the Grand Junction Assessment. After the Grand Junction Campus Assessment is complete, the effort will be mirrored at the Pueblo and Wheat Ridge Regional Center Campuses.

These master planning activities are being implemented using existing departmental funds.

OSPB hopes that this additional information will assist the JBC in making its decision concerning the Department’s requested footnote, and respectfully requests that the Committee approve this request.