

# STATE OF COLORADO

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## OFFICE OF STATE PLANNING AND BUDGETING

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## FY 2015-16 Comeback Requests for Executive Branch Agencies

March 13, 2015



## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Human Services
Title:	County Child Welfare Workload Study

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$8,227,138</b>	<b>\$4,113,569</b>	<b>\$8,227,138</b>	<b>\$4,113,569</b>
FTE	0.0	0.9	1.0	0.0	(0.1)
GF	\$6,578,035	\$6,578,035	\$3,289,018	\$8,129,720	\$4,840,702
CF	\$1,551,685	\$1,551,685	\$775,842	\$0	(\$775,842)
RF	\$0	\$0	\$0	\$0	\$0
FF	\$97,418	\$97,418	\$48,709	\$97,418	\$48,709

### Summary of Initial Request:

The Department of Human Services requested \$8,227,138 (\$6,578,035 General Fund) and 0.9 FTE for FY 2015-16; annualizing to \$7,941,391 (\$6,340,864 General Fund), and 1.0 FTE for FY 2016-17 and beyond to add an additional 130 county child welfare staff in response to a workload study performed the Office of the State Auditor (OSA).

### Committee Action:

The Joint Budget Committee approved \$4,113,569 total funds for one-half of the 130 county staff, 0.9 State FTE and training development, and \$250,000 for a caseload study. The Committee supported legislation for a new line item for this request, as well as funding for a study to determine the appropriate ratio of caseworkers to cases. The legislation will direct the Child Welfare Allocation Committee to determine how the funds should be allocated to the counties. Allocations would be made with 100% state funds for counties that receive funding via Tiers 1 and 2 of the County Tax Based Relief Allocation. Counties that receive Tier 3 funding or do not receive funding will be required to provide the 20% local match. The JBC also approved a new request for information concerning the county child welfare workforce to include hiring, turnover, and retention as well as progress in addressing the OSA Child Welfare Performance Audit.

Additionally, the Committee noted they are willing to entertain a supplemental request for the balance of this request in FY 2015-16.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the JBC reconsider its action and approve \$8,227,138, of which \$8,129,720 is General Fund and \$97,418 is federal funds, for the Department of Human Services in FY 2015-16. The need for these additional caseworkers to protect children from neglect and abuse across all Colorado counties is clear, and was unequivocally confirmed in the work performed by the State Auditor's Office. The audit recommended that an

additional 650 caseworkers be added to adequately handle workload and improve efficiencies in the child welfare system. The request for 130 FTE is the first step the state needs to take to ensure that counties are adequately staffed to appropriately respond to child abuse and neglect.

This request differs from the Department's November 1, 2014 request in two ways:

- With this request, the Department would receive direct funding of \$4,113,566 and 1.0 FTE, of which \$4,064,860 is General Fund and \$48,709 is federal funds, to fund approximately 65 county staff, one state staff, training, and the caseload study for child welfare services at the beginning of FY 2015-16; and
- An additional \$4,113,572, of which \$4,064,860 is General Fund and \$48,709 is federal funds, would be appropriated into a separate cash fund which could only be accessed by the Department with subsequent appropriations by the General Assembly.

This appropriations structure would address several issues identified by the Committee during figure setting:

- By only allowing the Department to fund the hiring of approximately 65 FTE in county offices, the State would be able to gauge whether or not it is possible to aggressively expand the population of county child welfare workers. Once this initial population of workers has been hired, the Department would submit a subsequent budget request to the Committee – either through the emergency or regular supplemental processes in FY 2015-16, or the regular budget request process in FY 2016-17 – to access the remaining balance of the appropriation; and
- By fully funding this request with General Fund, concerns over which counties may not be able to provide a 20 percent match for this funding would be eliminated.

Importantly, however, the State would also be assured that a full first step is taken in relieving the workload pressures experienced by county child welfare offices across Colorado, as identified by the State Auditor. OSPB believes that, though additional investigation may be necessary to more specifically understand the staffing needs at the county level, the addition of 130 case workers represents only a fraction of the total need across the state.

### *Background*

The Department received funding in FY 2013-14 for a workload study of county child welfare staff, which was released by the OSA in August 2014. The client-oriented workload study focused on the amount of time spent on each child welfare case and was designed to establish a comprehensive picture of child welfare operations. The workload study revealed that county caseworkers and supervisors/managers are working in excess of 40 hours per week. Colorado caseworkers and supervisors also manage more cases than compared to the national average per various studies reviewed in the workload study. In addition, the workload study showed there were few differences between urban and rural counties.

The workload study determined that apart from identifying inefficiencies and streamlining processes, counties needed 650 additional staff in order to meet program goals and outcomes. While the Department supports a need to hire additional caseworkers, the Department acknowledges that there are systemic and logistical changes that need to be made at the state and local level to support the addition of new staff. The Department also estimates that it would take five years for counties to

increase capacity to the level recommended in the workload study. Based on this estimation, the Department requested increasing the work force by 130 additional child welfare staff in FY 2015-16.

The Department recognizes the need to increase staffing to support the goals of safety, permanency, and well-being for all Colorado children. Therefore, the Department requests additional funds to allow counties to hire 130 additional child welfare staff in order to manage a more appropriate number of cases. For Colorado to continue implementing best practices and putting what is best for children first, more funding for child welfare staff is needed.

### *County Staffing*

Heavy caseloads and workloads have been cited repeatedly as key reasons workers leave their child welfare jobs. Turnover is both a consequence and a cause of high workloads. Staff turnover impacts the ability to deliver quality services with a negative impact on timeliness, continuity, and quality. In addition, according to the workload study it is anticipated that 18% of the current work force will be retiring in the next seven years, which will put stress on the infrastructure of the child welfare system.

As stated on page 51 of the workload study, the average annual turnover rate in Colorado was 10% for the years ending December 31, 2009, 2010 and 2011. The workload study did not look at calendar years past 2011; therefore, this data is not available.

Current data related to the turnover of county child welfare staff is limited. However, in the fall of 2014 the Colorado Human Services Directors Association (CHSDA) provided a breakdown of the reasons workers indicated they were leaving the following seven counties. The separation data for these seven counties, which represent 28.9% of the total child welfare caseload, is available upon request.

### *Recruitment and Retention*

The workload study did not address the available workforce in Colorado; however, per the Department of Higher Education's website, Colorado's universities and colleges graduated over 3,000 students with bachelors and masters degrees which qualified them to work in child welfare for the 2012/2013 school year. With potential candidates available to work in the field of child welfare, the Training Steering Committee and counties have been working to address recruitment and retention of child welfare workers. Strategies to improve recruitment include centralized job postings, job fairs, increase in county internships, and increase in stipends. Strategies for retention include a phased-in approach to field work by remodeling the Pre-Service program to allow new caseworkers to develop the necessary skill set to work in the field with practice coaches and/or supervisors. Better recruitment and retention will help the counties fill the additional 130 child welfare workers.

Based on the information from the workload study, and the continued need to better protect children across Colorado from abuse and neglect, OSPB respectfully requests that the Committee provide the full \$8,227,138 to fund additional child welfare staff across the State.



## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Human Services
Title:	Prevention and Intervention Services for At-Risk Youth

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$1,651,107</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,651,107</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$0	\$1,651,107	\$0	\$0	\$1,651,107
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 \$1,651,107 General Fund for FY 2015-16 to implement a prevention and early intervention pilot program aimed at reducing the likelihood that at-risk youth will enter the juvenile justice system. Funding for the pilot increases to \$2,956,761 General Fund in FY 2016-17 and FY 2017-18 and decreases to \$165,000 General Fund in FY 2018-19. This request includes funding for a rigorous evaluation of the pilot program to determine its effectiveness.

### Committee Action:

The Joint Budget Committee denied the request, but members indicated a desire to revisit it later.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully request that the Joint Budget Committee approve the Department's request of \$1,651,107 General Fund for the prevention and intervention services for at-risk youth pilot program. This request will create a pool of funding for counties to apply for to target these programs towards at-risk youth and will fund an evaluation of this approach.

The pilot program targets two programs, Multi-Systemic Therapy and Functional Family Therapy, toward at-risk youth. These programs are typically targeted to youth in the juvenile justice system and are deemed highly effective when targeted towards juvenile offenders. The approach of targeting these services toward at-risk youth is considered a *promising practice*, with early research supporting its effectiveness. The approach in the pilot program differs from current state programming in that it is aimed towards at-risk youth that have been identified as appropriate candidates for services prior to having significant involvement with the juvenile justice system.

The goal of the pilot program is to deter involvement with the juvenile justice system by targeting these services towards youth sooner. Youths may be eligible for services if they have been identified through the human services, educational or juvenile diversion/delinquency systems as having a

behavioral health diagnosis, violent and acting out behaviors, anti-social behaviors, and/or delinquent behaviors.

The California Evidence-Based Clearinghouse for Child Welfare identifies both Multi-Systemic Therapy and Functional Family Therapy as programs that are effective at improving general behavioral issues, substance abuse issues, and Disruptive Behavioral Disorder for youth in child welfare system. In addition, Multi-Systemic Therapy is considered a promising practice when targeted toward juveniles with substance abuse issues or children who are victims of abuse and neglect.

It is anticipated that youth participating in these programs will show positive outcomes, including reduced recidivism, increased family unification and reduced behavioral problems. Additionally, it is anticipated that the pilot will deter at-risk youth from entering the juvenile justice system, which can create long-term cost-savings for the state.

An analysis of this pilot program indicates that at least 500 youths will be served with either Multi-Systemic Therapy or Functional Family Therapy. It is estimated that if at least 30 of these youths avoid placement in congregate care or DYC facilities, the program will break even from a financial perspective. This pilot program will also serve to determine whether or not a larger investment in these two promising programs is warranted.



## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Human Services
Title:	Micro Grants for Increased Access to Licensed Family, Friends, and Neighbors Child Care

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$125,000</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$0	\$250,000	\$125,000	\$0	(\$125,000)
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$250,000	\$250,000

### Summary of Initial Request:

The Department of Human Services requested \$250,000 General Fund in FY 2015-16 and subsequent fiscal years to fund approximately 100 micro grants at an average of \$2,500 per grant to increase the availability of safe, high quality licensed child care through new Family, Friend, and Neighbor (FFN) child care homes in communities without sufficient capacity.

### Committee Action:

The Joint Budget Committee voted to approve \$125,000 of the request in FY 2015-16. The Committee cited a lack of data related to the effectiveness of a micro grant program in the child care industry.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the JBC reconsider fully funding this request within the Department of Human Services. However, the Department very recently received clearance from its federal partners to use Child Care Development Funds (CCDF) to fund the micro grant program as an investment in quality child care initiatives. Currently, the State's CCDF balance would cover the full amount requested for the program. The use of CCDF would require an appropriation of \$250,000 federal funds.

OSPB considers the full funding of this request to be good public policy based on the need to improve access to licensed quality child care. Rural and underserved communities lack adequate capacity of licensed child care; however, many children are well cared for by friends, family, and neighbors. Corporate providers are less likely to operate in rural areas because of insufficient population density and business economies, and even in urban areas low-income families are faced with a lack of affordable access to quality licensed child care.

The micro grant program would provide start-up funding to increase the number of children receiving quality child care. In addition, the micro grant program will provide a series of complementary supports to help develop capacity for high quality child care providers in rural and underserved areas. This proposal can potentially increase child care access, particularly in rural and underserved areas. Grant recipients would be required to accept Colorado Child Care Assistance Program children.

Furthermore, micro grant programs have had proven levels of success in other states. Specifically, Nebraska created and established a micro grant program. In the time since the program's inception, licensed child care facilities were created and hundreds of child care slots were opened with a relatively small investment. The successes from Nebraska's program include:

- In FFY 2009-10, the state awarded 24 Start-Up/Expansion Grants and 59 Mini-Grants, totaling \$197,892 and contributed to the enrollment of 1,977 additional children across the state.
- In FFY 2010-11 and FFY 2011-12, the state awarded 45 Start-Up/Expansion Grants and 94 Mini-Grants, totaling \$357,153, and contributed to the enrollment of 2,443 additional children across the state.

While OSPB recognizes the concerns of the JBC, the need to increase access to licensed quality child care in underserved areas across the State still remains. As such, OSPB respectfully requests that the JBC fund this request with federal funds at the full \$250,000 amount.

## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Human Services
Title:	Micro Loans to Increase Access to Child Care

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$338,200</b>	<b>\$0</b>	<b>\$338,200</b>	<b>\$338,200</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$0	\$338,200	\$0	\$0	\$0
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$338,200	\$338,200

### Summary of Initial Request:

The Colorado Department of Human Services requested \$338,200 General Fund (\$1,146,385 total General Fund from FY 2015-16 through FY 2019-20) to fund an ongoing micro loan program to provide startup funding, basic credentialing and business startup costs to small-scale child care facilities in order to increase access to child care in rural and underserved areas of Colorado.

### Committee Action:

The Joint Budget Committee denied the request, citing concerns about the sustainability of the program and discussed other funding sources for the program, specifically Child Care Development Fund (CCDF) in lieu of the General Fund.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that Committee to reconsider a modified micro loan program request. Specifically, in light of recently received clearance from the Department's federal partners to use Child Care Development Funds (CCDF) for this purpose, the request has been modified to use CCDF in lieu of General Fund to support the program.

OSPB considers the full funding of this request to be good public policy given the need to improve access to licensed quality child care and its alignment with the capacity-building model. The loan program will fund child care providers' startup costs thereby promoting safety, the quality associated with licensure standards, and the operation of a successful Colorado small business. In exchange for the loan, recipients would be required to accept Colorado Child Care Assistance Program slots to ensure more accessibility to quality child care providers, including during non-standard work hours based on community need.

*Child Care Development Funds (CCDF)* - During figure setting, the Committee noted that the Department should explore alternate funding sources including the use of CCDF funds. After

consultation with the Federal Administration for Child and Family (ACF), the Department determined that with slight modifications to the original request, CCDF funding can be used for this purpose. Specifically, by regulation, CCDF funds cannot be used for construction or permanent modification to a building. The original request would have allowed such expenditures. However, the Department plans to modify the program to remove these unallowable items in order to use CCDF. Further, there are sufficient CCDF resources available to support the program.

*Program Sustainability* - The Department and OSPB reviewed the sustainability calculations outlined in the figure setting document and do not dispute their validity based on the underlying assumptions. These assumptions included interest rates, loan default rates, business failure rates, and the ongoing rate of inflation. However, OSPB and the Department believe there are issues with some of these underlying assumptions, as outlined in the table below.

Micro Loan Assumptions			
	Department Assumption	JBC Assumption	Comments
Inflation	<ul style="list-style-type: none"> <li>Not included.</li> </ul>	<ul style="list-style-type: none"> <li>Calculated at 2% annually.</li> </ul>	OSPB concurs with the JBC analysis which includes inflation; however, OSPB proposes that the ongoing inflationary increases related to the cost of doing business be addressed through the annual provider rate increase calculation as these providers would become Colorado Child Care Assistance Program providers.
Interest Rate	<ul style="list-style-type: none"> <li>3% annual interest rate on the loans.</li> <li>A monthly payment of \$160.94.</li> </ul>	<ul style="list-style-type: none"> <li>3% annual interest rate.</li> <li>A monthly payment of \$166.01 by including a Time Value of Money factor.</li> </ul>	OSPB concurs with the Committee's analysis.
Loan Repayment	<ul style="list-style-type: none"> <li>Loan repayment beginning in FY 2015-16.</li> </ul>	<ul style="list-style-type: none"> <li>Loan repayment will not begin until FY 2016-17.</li> </ul>	OSPB disagrees with JBC analysis, and expects that the Department will begin to collect payment 60 days after loan disbursement, as is the case with other comparable micro finance programs, allowing for revenue collection in FY 2015-16.

Micro Loan Assumptions			
Loan Default Rate	<ul style="list-style-type: none"> <li>• Not included</li> </ul>	<ul style="list-style-type: none"> <li>• 2% loan default rate.</li> </ul>	OSPB concurs with the Committee's analysis.
Business Failure Rate	<ul style="list-style-type: none"> <li>• Not included</li> </ul>	<ul style="list-style-type: none"> <li>• Annual business failure rate of 10% (or four out of forty micro loan financed facilities) per year.</li> </ul>	OSPB agrees that the business failure rate should be included, but initial analysis by the Department identified a business failure rate of 20% over three years (or 6.67% annually). This is slightly lower than the JBC assumption of a 10% business failure rate.

Based on a reconsideration of these assumptions, OSPB contends the program is sustainable. However, any potential sustainability issues that may arise in the out-years (FY 2019-20 forward) can be addressed in future budget actions by appropriating additional CCDF funds.

While OSPB recognizes the concerns of the JBC, OSPB respectfully requests that the Committee reconsider funding this request at its full amount with federal CCDF funds in order to increase access to child care in rural and underserved areas of Colorado.



## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Human Services
Title:	Modernization of the Child Welfare Case Management System (Trails)

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$6,824,567</b>	<b>\$0</b>	<b>\$6,824,567</b>	<b>\$6,824,567</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF/CCF	\$0	\$4,648,707	\$0	\$4,648,707	\$4,648,707
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$2,175,860	\$0	\$2,175,860	\$2,175,860

### Summary of Initial Request:

The Department of Human Services requested \$6,824,567 total funds including \$4,648,707 Capital Construction Funds and \$2,175,860 federal funds in FY 2015-16, to enhance and modernize Colorado's current Child Welfare case management system (Trails) and the underlying infrastructure.

### Committee Action:

The Joint Budget Committee declined to fund the request pending the completion of a feasibility study. The Committee also suggested the Department complete a Request for Proposal (RFP) process prior to funding the request.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the JBC approve \$6,824,567 for the Department of Human Services in FY 2015-16 to fund the modernization of Trails. The Department has already conducted a feasibility study and this project does not require an RFP as it funds temporary project staff to complete the work.

### Feasibility Study:

The Department contracted with a vendor, Istonish, through a competitive bid and proposal process in May 2013, to conduct a feasibility and cost study of the State's Child Welfare System. The report, completed in January 2014, presented alternative options for enhancement or replacement. The study resulted in three high-level options:

1. Continue using the existing system with modifications;
2. a) Replace the existing system with a Commercial-Off-The-Shelf (COTS) system; or  
b) Replace the existing system with an integrated suite of modules/tools.

The conclusion of the analysis is that it is most cost effective efficient to modernize the existing Trails system as opposed to a complete replacement with a COTS system or a Colorado customized solution. Modernizing the existing system reduces risk; leverages previous investments; exercises the current, collaborative approach to manage program priorities; and provides for a proven, ready model with high probability of success and low potential for interruption. The Department believes the best option is to modernize the system because:

- an existing core team of staff already exists with extensive Trails knowledge;
- a well-defined, collaborative process is in place to manage enhancement requests;
- a base of requirements and/or project requests already exists from which to define an incremental scope of work; and
- complementary initiatives are presently underway that will address some Trails issues.

Procurement Process:

The JBC raised concerns about the procurement process. The Department has coordinated the development of the budget request in collaboration with the Governor's Office of Information Technology (OIT). For the modernization of the Trails system, OIT will be the fiscal agent for securing the proper workforce to implement changes. Additionally, OIT already has a Trails team of State FTE who will be dedicated to the modernization project.

This project requires additional contractors who may be procured through OIT's approved vendor selection process, called Covendis. The Covendis system allows project managers to identify and publicly post project needs and qualifications, and an announcement goes out to a pool of state-authorized contractors, who then respond with qualified individuals to perform the work. The project manager reviews the applications, conducts interviews as needed, and selects the contractors. OIT's procurement office then issues a contract, purchase order, or task order with the awarded vendor(s), and the contractors begin work. This process is an approved procurement methodology for OIT staffing needs.

As detailed in the initial submission, the \$6.8 million cost is estimated based on per hour contractor costs typically incurred by OIT through Covendis.

Summary:

OSPB believes that DHS and OIT have already largely addressed the concerns raised by the Committee during figure setting. Based on information in the 2014 feasibility study, it is clear that this project would leverage the State's previous investment, existing workforce expertise, and working relationships with OIT. Building upon the existing automated case management system also minimizes potential for service interruption.



## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Human Services
Title:	Information Technology Interoperability

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$14,139,300</b>	<b>\$0</b>	<b>\$14,139,300</b>	<b>\$14,139,300</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$0	\$1,413,930	\$0	\$1,413,930	\$1,413,930
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$12,815,940	\$0	\$12,815,940	\$12,815,940

### Summary of Initial Request:

The Department of Human Services requested \$14,139,300 total funds (\$1,413,930 General Fund) in FY 2015-16, and \$10,611,880 total funds (\$2,652,970 General Fund) in FY 2016-17 to standardize all existing Department IT systems and add the necessary technology components, security, and governance to improve outcomes for children, youth and families in Colorado.

### Committee Action:

The Joint Budget Committee declined to fund the request pending the completion of a feasibility study. The Committee also suggested the Department complete a Request for Proposal (RFP) process prior to funding the request.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the JBC approve \$14,139,300 total funds (\$1,413,930 General Fund and \$12,815,940 Federal Funds) for the Department of Human Services in FY 2015-16 to fund IT Systems Interoperability. Interoperability is defined as the ability of two or more systems or applications to exchange information, allowing program staff to use the information to make better decisions and provide better coordinated services to improve the lives of children, youth and families in Colorado.

The Department currently has no standard policy, procedure, or practice to address systems interoperability. A study of just 18 of the Department's IT systems revealed over 500 interfaces to move program, service, client, clinical, and financial data to a total of 95 federal, state, and county IT systems using 28 different methodologies. Given the complexity of linking its disparate systems, the Department cannot view or analyze data as a comprehensive whole, in anything close to real time, or without substantial manual effort.

The requested Interoperability strategy would leverage existing technology infrastructures and facilitate incremental technology investment. The concept is built upon the implementation of new standards, common applications, and business organization and process changes, consistent with emerging best practices in the industry.

It is also noteworthy that the Department is requesting funding to utilize a 90/10 federal matching model under the OMB Circular A-87 Cost Allocation Exception for implementing and maintaining an interoperable environment. *The expiration date for this funding split is currently set for December 31, 2015. After this time, the federal matching model will revert to a 75/25 split, substantially increasing the cost of this effort.*

#### *Feasibility Study:*

The Department has already conducted a feasibility study, which was funded with a \$1,125,000 planning grant from Health and Human Services (HHS) Administration for Children and Families (ACF). This grant funded five vendors to conduct in-depth analyses of multiple aspects of the Department's IT systems and environment. Alpha Consulting Group integrated the findings of the other four vendors. The Interoperability plan, timeline, costs, and resulting budget request were all derived as a result of that 15 month planning effort.

The result is the Interoperability Roadmap<sup>1</sup> that provides multiple work streams of initiatives that will guide a phased approach to implementation. (This Interoperability Roadmap is summarized on pages 3 through 10 of the Department's October 1 submission to the Joint Technology Committee.) For example, as part of Interoperability, client level data is de-identified so it can be analyzed by removing specific identifiable client information in order to analyze data in aggregate to align services to achieve better outcomes. For example, the Department can determine whether families who receive food assistance, child care assistance, and financial assistance are more likely to be self-sufficient over the long term.

Another subset of Interoperability is identity management, which ensures that the right people have access to the information they are allowed to see. Identity management tools will facilitate a county caseworker being able to see only his or her own clients.

#### *Procurement Process:*

Because the feasibility work has already been completed, this project is "shovel ready" to begin procurement. The Department has coordinated the development of the budget request in collaboration with the Governor's Office of Information Technology (OIT).

The Interoperability Roadmap specifies the work to be accomplished, but it does not prescribe the procurement methodology. The Department intends to issue three requests for proposals to address specific components, some of which are technical in nature and some of which require special expertise. The expected RFPs are:

1. Privacy, security, and identity management;
2. Data discovery, meta data, data preparation, and data analysis; and

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<sup>1</sup> <http://www.acf.hhs.gov/state-of-colorado-interoperability-and-integration-project>

### 3. Data governance.

Portions of these three RFP's will be put out for bid through OIT's approved vendor selection process, called Covendis. The Covendis system allows project managers to identify and publicly post project needs and qualifications, and an announcement goes out to a pool of state-authorized contractors, who then respond with qualified contractors. The project manager reviews the applications, conducts interviews as needed, and selects the contractors. OIT's procurement office then issues a contract, purchase order, or task order with the awarded vendor(s), and the contractors begin work. This process is an approved procurement methodology for OIT staffing needs. Project management services and independent validation and verification services are included in the request to ensure coordination within the interoperability framework.

Given the pending expiration of the 90/10 federal match rate, and the considerable investment already made in assessing the feasibility of this project, OSPB strongly recommends moving forward with the IT Interoperability project in FY 2015-16.



## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Human Services
Title:	Community and Family Support Data Integration and Analysis System

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$1,636,949</b>	\$0	<b>\$1,636,949</b>	<b>\$1,636,949</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$0	\$1,200,949	\$0	\$1,200,949	\$1,200,949
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$436,000	\$0	\$436,000	\$436,000

### Summary of Initial Request:

The Colorado Department of Human Services requested \$1,636,949 total funds (\$1,200,949 General Fund and \$436,000 federal funds) to develop a data system for the Division of Community and Family Support (DCFS) within the Office of Early Childhood.

### Committee Action:

The Joint Budget Committee (JBC) requested additional information before making a decision to approve or deny this request. The Committee requested a feasibility study and an assessment to develop the project through the RFP process.

### OSPB Comeback:

The Office of State Planning and Budgeting (OSPB) respectfully requests that the JBC approve \$1,636,949 for the Department of Human Services in FY 2015-16 to fund the Data Integration and Analysis System.

The Department proposes to simply add six key programs to the Early Intervention framework, which is already in development, to provide an integrated system for the programs within the Office. The additional programs are:

- Maternal Infant Early Childhood Home Visitation Program;
- Early Childhood Mental Health Services;
- Promoting Safe and Stable Families;
- Community-Based Child Abuse Prevention;
- Colorado Community Response Program; and
- The Colorado Children's Trust Fund.

Through this request, the Department will replace some existing systems (such as Excel documents used to track program outputs), and complement others (such as TRAILS and the Child Care Automated Tracking System (CHATS)).

Presently, while six programs within DCFS have the prevention of abuse and neglect as a primary goal, it is not possible to identify children and families who are served by more than one of these programs. As such, these programs act independently, providing separate interventions rather than supporting clients through a series of complementary services.

This integrated system will allow the Department to reduce the time needed to collect and analyze data by eliminating fragmentation between its existing systems. Programs will be able to more effectively integrate their service delivery, and more consistently provide the right services to the right individuals at the right time.

*Feasibility Study:*

The Department has not completed a separate feasibility study due to the relatively simple nature of this expansion of the Early Intervention framework already under development. The Department has already successfully implemented a similar project for the Early Intervention (EI) program. Using federal funds, the Department has separately begun the development of the EI Case Management System, which will serve as the foundation for this Data Integration and Analysis System.

The estimated cost for the Data Integration and Analysis System is based on an Order of Magnitude (OOM) study provided by the contractor responsible for the development of the EI Case Management System.

The Department believes that the contract model for the design and construction of the EI Case Management System provides concrete pricing for the Data Integration and Analysis System, and as a result the Department does not believe that an additional feasibility study is necessary.

If the Department is instructed to conduct a feasibility study for the Data Integration and Analysis System as requested, the estimated cost is \$61,900 (see table below):

Estimated Feasibility Study Costs			
Role	Hourly Rate	Hours	Cost
Project Manager/Lead	\$220	160	\$35,200
Enterprise Architect	\$300	40	\$12,000
Business Analyst	\$110	60	\$6,600
Technical Analyst	\$110	60	\$6,600
Administrative	\$75	20	\$1,500
Total		340	\$61,900

*Procurement Process:*

As with the Trails modernization project, the Department has coordinated the development of this project in collaboration with the Governor’s Office of Information Technology (OIT). For the construction and development of the Data Integration and Analysis System, OIT will be the fiscal

agent for securing the proper workforce to implement changes. OIT already has contract staff developing the EI Case Management System, who may also be able to deliver this Data Integration and Analysis system. If the currently-contracted staff are inadequate, however, OIT may procure additional contractors through its approved vendor selection process, called Covendis.

The Covendis system allows project managers to identify and publicly post project needs and qualifications, and an announcement goes out to a pool of state-authorized contractors, who then respond with qualified contractors. The project manager reviews the applications, conducts interviews as needed, and selects the contractors. OIT's procurement office then issues a contract, purchase order, or task order with the awarded vendor(s), and the contractors begin work. This process is an approved procurement methodology for OIT staffing needs.

Based on the work already performed by the Department and OIT, OSPB believes that sufficient feasibility scoping and price estimation has been completed for this project. The benefits to clients of CDFS will be many, and this project merits the Committee's reconsideration.





## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Health Care Policy and Financing
Title:	Division of Intellectual and Development Disabilities Provider Capacity Increase

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,977,521</b>	See text	
FTE	0.0	0.0	0.0		
GF	\$0	\$0	\$11,416,002	See text	
CF	\$0	\$0	\$0		
RF	\$0	\$0	\$0		
FF	\$0	\$0	\$10,561,519	See text	

### Committee Action:

The Joint Budget Committee analyst independently recommended a five percent community capacity increase for direct service providers for the intellectual and developmental disabilities waivers, as well as for providers of early intervention services. This is in addition to the 2.7% community provider rate increase already approved by the Joint Budget Committee. Additionally, staff recommended a footnote to describe the General Assembly's intent that the increase be for direct service provider wages.

The Joint Budget Committee (JBC) voted to approve the funding for capacity increases but denied the footnote.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the JBC approve both an increase in the number of clients that could be served in the Home and Community Based Services for Persons with Developmental Disabilities waiver (HCBS-DD) and additional funding approved for community capacity increases. As of February 28, 2015 approximately 1,801 clients were on the waiting list for the HCBS-DD waiver. While OSPB recognizes there is a balance that needs to be reached between the number of clients served and the capacity of the providers, it believes at least some of the funding should be directed toward clients in need of services that are currently unable to attain them. As the HCBS-DD waitlist continues to grow, people with intellectual and developmental disabilities are more at risk to transition to other less appropriate, more costly settings or become vulnerable to abuse, neglect or homelessness as they wait on the list to receive the services they need.

If the committee agrees to split the resources allocated under the current proposal, the Department can provide the appropriate fund splits in a timely fashion. Further, we would welcome appropriate direction from the JBC and the General Assembly to pursue contractual agreements where visibility as to where and how additional resources are spent is available.



## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Health Care Policy and Financing
Title:	Community and Targeted Provider Rate Increase

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$16,302,540</b>	<b>\$616,528</b>	<b>\$16,302,540</b>	<b>\$15,686,012</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$0	\$7,257,609	\$222,657	\$7,257,609	\$7,034,952
CF	\$0	\$117,297	\$32,736	\$117,297	\$84,561
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$8,927,634	\$361,135	\$8,927,634	\$8,566,499

### Summary of Initial Request:

The Department of Health Care Policy and Financing requested \$16,302,540 total funds, \$7,257,609 General Fund in FY 2015-16 in order to implement a series of targeted rate increases.

### Committee Action:

The Joint Budget Committee did not take action on ten out of the thirteen requested rate increases.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the JBC approve the remaining components of the Department's request as submitted. The Department rigorously evaluated all proposals meeting criteria including a review of clinical appropriateness, policy alignment with Department and state goals, operational feasibility, and fiscal impact.

Although the process for identifying all of the areas in need of attention has shortcomings, given the finite resources available, the recommended proposals represent appropriate steps in the right direction for alleviating immediate problems in the Medicaid fee schedule. Although there may be other Medicaid services which could benefit from additional funding, that does not change the fact that the areas identified by the Department require immediate attention. The critical policy considerations for each of the remaining proposals are highlighted below.

#### *Prostate Biopsy (Recommendation 3)*

Early detection of cancer is key to savings lives, but also to reducing costly treatment of advanced-stage cancer. The current rate is below 50% of the equivalent Medicare rate, which creates an unacceptable risk to clients' health.

#### *Diabetic Self-Management Education Group Visits (Recommendation 4)*

Management of diabetes is a crucial component in avoiding complications that reduce quality of life and are costly to the state. Providing individuals with the tools necessary to actively participate in the management of their own health greatly improves the likelihood of successfully avoiding/delaying complications and progression of the disease.

*Dental Fluoride Varnish (Recommendation 6)*

Investments in fluoride varnish treatments would have impacts on long term costs through the reduced need for fillings, crowns, and other significantly more expensive procedures.

*Dental Sealants for Children (Recommendation 7)*

Sealants are another preventive service that bend the long-term cost curve by reducing the need for more expensive dental interventions in the future.

*Vision Retinal Services (Recommendation 8)*

Protecting access to select vision services is an investment in the quality of life for Coloradans by allowing clients to remain at work and to retain the ability to drive – activities that are at risk when vision issues are not addressed.

*Eye Materials (Recommendation 9)*

This recommendation ensures that children that need eye glasses can get them. The Colorado Optometric Association has highlighted an access issue that could be very detrimental for children in the state. Not having glasses can result in further degradation of eye sight, and can also impact performance in school which can have lasting consequences.

*Physical and Occupational Therapy Services (Recommendation 10)*

Select services in this category have unsustainably low rates (below 50% of the equivalent Medicare rate). The Department believes there is a legitimate risk to access for these services. These rehabilitation services are crucial to improving clients' health and well-being, and can prevent future costs such as hospitalizations or long term services and supports.

*Prenatal and Postpartum Care Services (Recommendation 11)*

With a large percentage of births covered by Medicaid in Colorado, it is important to ensure a sufficient supply of physicians are willing to accept Medicaid clients. Bringing rates for these services up to 70% of the Medicare reimbursement is necessary to protect long term access to care for prenatal clients.

*Selected Office Injectable Drugs - Oncology and Antipsychotic (Recommendation 12)*

The Department believes that maintaining rates for these drugs at current levels of reimbursement will drive utilization to more costly care settings. Failure to approve this recommendation could result in even great costs than would be incurred by increasing reimbursement for the physician administered drugs.

*In-Home Respite (Recommendation 13)*

Increasing this rate will positively impact clients by allowing options for respite other than transitioning in and out of a nursing facility.

**Appendix**  
**Summary of Targeted Rate Increases Not Approved by the Joint Budget Committee**

<b>Targeted Rate Increases Recommended by HCPF</b>					
	Proposal	Comeback Request			
		Total Funds	General Fund	Cash Funds	Federal Funds
1	Special Connections Outpatient Group Rate <sup>(1)</sup>	\$0	\$0	\$0	\$0
2	Special Connections Per Diem Rate <sup>(1)</sup>	\$0	\$0	\$0	\$0
3	Prostate Biopsy	\$5,485	\$1,206	\$18	\$4,261
4	Diabetic Self-Management Education Group Visits	\$485,433	\$162,280	\$874	\$322,279
5	Dental X-Rays <sup>(1)</sup>	\$0	\$0	\$0	\$0
6	Dental Flouride Varnish	\$2,711,409	\$1,246,791	\$0	\$1,464,618
7	Dental Sealants for Children	\$3,545,183	\$1,630,187	\$0	\$1,914,996
8	Vision Retinal Services	\$407,583	\$136,255	\$734	\$270,594
9	Eye Materials	\$3,995,056	\$1,837,053	\$0	\$2,158,003
10	Physical and Occupational Therapy Services	\$3,000,000	\$1,401,267	\$79,653	\$1,519,080
11	Prenatal and Postpartum Care Services	\$624,511	\$306,442	\$0	\$318,069
12	Selected Office Injectable Drugs	\$845,032	\$282,494	\$1,521	\$561,017
13	In-Home Respite	\$66,320	\$30,977	\$1,761	\$33,582
	<b>TOTAL</b>	<b>\$15,686,012</b>	<b>\$7,034,952</b>	<b>\$84,561</b>	<b>\$8,566,499</b>

(1) Funding for these items were approved by the Joint Budget Committee during HCPF's Figure Setting on March 9, 2015



**Office of State Planning and Budgeting  
FY 2015-16 Figure Setting Comeback Requests**

Department:	Department of Health Care Policy and Financing
Title:	Participant Directed Programs Expansion

	<b>FY 2014-15 Appropriation</b>	<b>FY 2015-16 Budget Request</b>	<b>JBC Action</b>	<b>Comeback Request</b>	<b>Difference Between Action and Comeback Request</b>
<b>Total</b>	<b>\$0</b>	<b>\$326,627</b>	<b>\$0</b>	<b>\$314,041</b>	<b>\$314,041</b>
FTE	0.0	0.9	0.0	0.9	0.9
GF	\$0	\$163,314	\$0	\$157,020	\$157,020
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$163,313	\$0	\$157,021	\$157,021

**Summary of Initial Request:**

The Department of Health Care Policy and Financing requested \$157,020 General Fund, \$314,041 total funds and 0.9 FTE in FY 2015-16 in order to hire a contractor for technical assistance and cost modeling for Community First Choice option (CFC) and for staffing to support implementation planning efforts related to CFC.

**Committee Action:**

The Joint Budget Committee voted to deny the funding request and asked that the Department provide additional information about potential savings or cost avoidance associated with expansion of this program.

**OSPB Comeback:**

The Office of State Planning and Budgeting respectfully requests that the JBC approve the Department of Health Care Policy and Financing's request as submitted.

A redesign of long term services and supports as contemplated by the CFC option requires careful consideration. As such, the Department requested this funding to more fully evaluate the feasibility of the CFC option. This request for resources would support a detailed and in-depth fiscal analysis, along with continuing the CFC Council meetings and implementation planning efforts. The staffing and contractor work described in the Department's request is necessary to provide information to the General Assembly in order to allow members to make an informed decision about whether or not to implement CFC through required legislation.

This funding would allow the Department to provide the detailed cost modeling, technical assistance, and stakeholder engagement necessary to properly plan for the potential of adopting the CFC option. An updated cost model and further analysis would allow the Department and the General Assembly to look at many potential program designs, as well as potential savings generated from the program.

The Administration and OSPB recognize and share the JBC's concern about the high potential cost of CFC. CFC was authorized in the Affordable Care Act (ACA) with final federal rules published by the Centers for Medicare and Medicaid Services (CMS) in February 2012. If the state elects to implement CFC, services are federally required to be available in the State Plan, therefore making them available to all Medicaid beneficiaries who meet an institutional level of care. Unlike the current like HCBS waivers, CFC services are required to be available based upon functional need, and cannot be limited based on age or diagnosis. In exchange for making these services widely available, states receive an additional six percentage points on their federal medical assistance percentage. Because of these requirements, CFC implementation would represent a redesign of approximately \$1,000,000,000 of home and community-based services provided to individuals with disabilities.

A preliminary report evaluating the feasibility of implementing CFC<sup>1</sup> – which was completed in December 2013 for the Department by Mission Analytics – showed that implementing the program within Colorado's current long-term services and supports system would increase annual General Fund expenditure in a range between \$46.7 and \$79.2 million (between \$133.9 and \$212.3 million total funds).

The 2013 Feasibility study did account for some savings, including the increase in federal funding offered through the CFC option, and some substitution effects from Long-term home health services. However, the requested resources are needed to work with stakeholders to further study the potential to substitute these medically based home health services which require nurse supervision for less expensive unskilled care through CFC, and how this change would interact with the Nurse Practice Act.

As indicated in the study, the current model does not capture at least three sources of potential savings that could result from adopting CFC:

- The first is a reduction in the cost of institutional care where CFC could provide participants with the supports they need to avoid entering or returning to an institution.
- The second is a reduction in the cost of hospitalizations that results when individuals living in the community are injured or become ill because they lack the proper supports.
- The third is a reduction in the cost of medications that may be used to mitigate pain and behavioral problems when behavioral supports would be less restrictive and more appropriate.

In general, the model in its current form, cannot account for savings that might accrue to current State Plan services other than long term home health. To capture these potential savings, the model would have to be considerably more elaborate, which cannot be accomplished with the Department's current resources or expertise.

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<sup>1</sup> Feasibility Analysis of Community First Choice in Colorado

<http://www.colorado.gov/cs/Satellite?blobcol=urldata&blobheader=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1251923822425&ssbinary=true>



**Office of State Planning and Budgeting  
FY 2015-16 Figure Setting Comeback Requests**

Department:	Department of Health Care Policy and Financing
Title:	School-Based Early Intervention and Prevention for Substance Use

	<b>FY 2014-15 Appropriation</b>	<b>FY 2015-16 Budget Request</b>	<b>JBC Action</b>	<b>Comeback Request</b>	<b>Difference Between Action and Comeback Request</b>
<b>Total</b>	<b>\$4,363,807</b>	<b>\$4,365,859</b>	<b>\$4,365,859</b>	<b>\$4,365,859</b>	<b>\$0</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$2,000,000	\$2,000,000	\$0	\$2,000,000	\$2,000,000
CF	\$0	\$0	\$2,000,000	\$0	(\$2,000,000)
RF	\$0	\$0	\$0	\$0	\$0
FF	\$2,363,807	\$2,365,859	\$2,365,859	\$2,365,859	\$0

**Summary of Initial Request:**

The Department of Health Care Policy and Financing requested \$4,363,807 total funds, including \$2,000,000 General Fund, to continue funding its school-based prevention and intervention for substance use program as authorized by SB 14-215. SB 14-215 authorized this appropriation to be funded with General Fund and federal funds in FY 2014-15, and the Department's request remained consistent with the bill.

**Committee Action:**

The Joint Budget Committee decided to fund the state-funded portion of the costs with a direct appropriation from the Marijuana Tax Cash Fund, rather than from General Fund.

**OSPB Comeback:**

The Office of State Planning and Budgeting (OSPB) respectfully requests that the JBC approve the Department's request as submitted by providing General Fund for the state-share of the program. OSPB believes that a direct appropriation from the Marijuana Tax Cash Fund creates a risk that the Department may not be able to claim federal financial participation. This jeopardizes the Department's ability to implement the program.

Because the Department's appropriations for this program are subject to the receipt of federal funding, the program may be required to cease operations if federal funding is disallowed. This would create an unacceptable risk that affected children would not receive these services.



## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Public Health and Environment
Title:	Marijuana Education and Prevention Campaigns

	FY 2014-15 Appropriation	FY 15-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$5,683,608</b>	<b>\$4,650,000</b>	<b>\$4,200,000</b>	<b>\$4,650,000</b>	<b>\$450,000</b>
FTE	3.7	3.7	3.7	3.7	0.0
GF	\$0	\$0	\$0	\$0	\$0
CF	\$5,683,608	\$4,650,000	\$4,200,000	\$4,650,000	\$450,000
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

### Summary of Initial Request:

The Department of Public Health and Environment requested \$4,650,000 cash funds from the Marijuana Tax Cash Fund and 3.7 FTE for both short- and long-term marijuana education and prevention campaigns.

### Committee Action:

The Joint Budget Committee voted to reduce the Department's request by \$450,000 cash funds in FY 2015-16 based on concerns that these funds were not required in order to meet the Department's statutory obligations with regard to short- and long-term marijuana education and prevention. It appears that the Committee based its decision on dissatisfaction with FY 2014-15 budget decisions rather than the FY 2015-16 budget request.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the JBC approve the Department's request as submitted. Revenue collections related to the sale of marijuana are achieving predicted levels and can fund this request. It is imperative for Colorado to have a robust public awareness campaign and communication plan for marijuana in order to assure the safest possible expansion of this new industry.

It is noteworthy that CDPHE's total request for FY 2015-16 was already \$1,033,608 less than the previous year of funding. Since many of the components of the marijuana education and prevention campaigns are required by statute, this \$450,000 reduction will require the Department to reduce the number of high-risk populations targeted by the statewide public awareness campaigns. Campaigns targeting groups such as youth and pregnant/breastfeeding women will be negatively affected by this reduction in funding.

The Department's full request will play an important role in educating high risk populations and preventing undesired marijuana use. The *Good to Know* campaign commenced in early January with radio, print, and digital advertising, followed by television and billboards. The campaign aims to educate Colorado adults and visitors about the safe, legal, and responsible use of retail marijuana. The campaign focuses on retail marijuana laws and health effects, including the ban on public use, age restrictions, dangers of overuse, safe storage, health risks for underage use and other concerns related to marijuana and marijuana-infused products.

Within the first eight weeks of the campaign launch, *Good to Know* generated more than 41 million impressions. The television campaign, which launched in late February, reached more than 43% of Colorado residents within its first two weeks. These high-visibility tactics resulted in more than 77,000 visits to GoodToKnowColorado.com. Additionally, the campaign engaged more than 16,000 people through social media. Lastly, the advertising has been supported by a strong earned media campaign, generating nearly 250 news stories.

The Department's FY 2015-16 spending plan includes the following details on how the entire appropriation of \$4.6 million will be spent:

- \$ 400,000 for collection and monitoring of marijuana exposures and trend data in the state;
- \$ 400,000 for the evaluation of the impact of all education and public awareness efforts, including those beyond the campaigns;
- \$ 50,000 for trainings on healthy youth development and other prevention and education information for local schools, public health agencies, prevention coalitions and interest groups across the state;
- \$ 50,000 for the creation, printing and translation of fact sheets and maintenance of the [colorado.gov/marijuana](http://colorado.gov/marijuana) website;
- \$ 3,500,000 for the development and execution of the program as outlined in statute, specifically the extension of the 18-month campaign through the July 1, 2016 date in C.R.S. §25-3.5-1003 targeting high risk groups (youth, pregnant and breastfeeding women, non-English speaking residents), retailers and other subgroups required in statute regarding the health effects of marijuana use, the parameters for legal use of retail marijuana, and concerns related to youth use of marijuana.
  - This amount is \$500,000 lower than the total allocated in the previous fiscal year for campaigns; and
- \$ 250,000 to support the 3.7 FTE staff implementing all of the above work and providing resources and support to local level public health agencies, schools and prevention groups to integrate the public awareness efforts into their local communities. This work includes ongoing alignment of messaging across state agencies and providing support to local governments as outlined in C.R.S. §25-3.5-1006 and overseeing the contracts to execute campaigns, maintain the website and evaluate the effectiveness of these campaigns as outlined in C.R.S. §§25-3.5-1003, 1004, 1005, and 1007.

Nevertheless, Joint Budget Committee staff indicated in their recommendation that \$450,000 in funding was not necessary to meet the statutory requirements of the marijuana education and prevention campaigns because this funding was transferred to the Colorado Department of Transportation for its "Drive High, Get a DUI" campaign in FY 2014-15. (When this transfer

occurred during FY 2014-15, the Office of Marijuana coordination confirmed with Joint Budget Committee, the Office of State Planning and Budgeting, the Governor's Cabinet, the Office of Legislative Legal Services, and Legislative staff to ensure each party was comfortable with this transfer.)

In order to absorb a reduction of \$450,000, the Department would be forced to limit activities in the categories described above, most likely in the area of advertising and marketing to target high-risk groups for education concerning the health effects of marijuana use and the parameters for the legal use of retail marijuana. For this reason, OSPB respectfully requests that the Committee reconsider its decision and approve the Department's full request for marijuana education and prevention campaigns.



## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Request

Department:	Department of Public Safety
Title:	Public Safety Intelligence Support

	FY 2015-16 Appropriation	FY 2015-16 Change Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$138,012</b>	<b>\$56,998</b>	<b>\$113,996</b>	<b>\$56,998</b>
FTE	0.0	2.0	1.0	2.0	1.0
GF	\$0	\$0	\$0	\$0	\$0
CF	\$0	\$138,012	\$56,998	\$113,996	\$56,998
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

### Summary of Initial Request:

The Department requested \$138,012 cash funds from the Marijuana Tax Cash Fund and 2.0 FTE in FY 2015-16 and \$129,434 and 2.0 FTE in FY 2016-17 and beyond to provide information and analysis about the diversion of marijuana to illicit markets.

### Committee Action:

The Joint Budget Committee voted to approve \$56,998 Cash Funds from the Marijuana Tax Cash Fund and 1.0 FTE. Given the lack of data available about illegal diversion of marijuana, JBC staff stated that the authorization of 2.0 FTE is warranted. However, staff recommended approval of 1.0 FTE to help law enforcement to increase data collection regarding diversion of marijuana and provide some baselines moving forward.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the JBC approve full funding for 2.0 FTE for the Colorado Information Analysis Center (CIAC) as requested, less centrally appropriated line item funding (per committee policy), totaling \$113,996.

The Department of Public Safety is unequivocal in its position that a serious public safety threat exists due to illicit diversion of marijuana, and that the 2.0 FTE are needed to provide criminal intelligence support and analysis to public safety agencies to inform enforcement strategies, sentencing and offender management practices, public policy, and other regulatory measures needed to reduce diversion and preserve public safety. Illicit diversion puts the newly legalized marijuana industry at risk.

OSPB and the Department believe that the original proposal for 2.0 FTE was modest, taking into account gaps in both our knowledge and enforcement actions, and uncertainty concerning the steps that need to be taken to close them. Diversion and the illicit markets that sustain it are evolving at a faster rate than regulatory and enforcement authorities can currently keep up. Workload for the analysts will include not just collection and analysis of data, but also working with stakeholders such as local law enforcement agencies within Colorado, law enforcement agencies in other states, federal officials, state

officials and prosecutors, and members of the regulated industry. Stakeholders including the Marijuana Enforcement Division of the Colorado Department of Revenue and the Colorado Association of Chiefs of Police have expressed support for the additional dedicated analysts at the CIAC.

The analysts will be expected to provide mobile, on-site analytical support in close partnership with these agencies. The requested 2.0 FTE will allow the flexibility for one analyst to work in the field while another maintains dedicated analysis of marijuana-related activity at the CIAC. The request also enables the department to assess and analyze the problem of diversion from multiple angles, leading to a more concentrated and sustainable approach. Simply stated, one less FTE translates into less intelligence that can be collected, analyzed, and disseminated to public safety authorities. Both the scale and complexity of the diversion problem, its rapidly evolving nature, and its impact to Colorado and our border states are the primary drivers behind the need for 2.0 FTE.

There is broad consensus that the problem of diversion in Colorado is imposing significant resource demands on local and state law enforcement and negatively impacting public safety. In the request, the Department relied upon a host of diversion indicators including seizures of marijuana from highway motorists and mailed packages intended for other states – which clearly signifies that the State has a significant diversion problem – and that the indicators are growing more severe from year to year. Diversion also serves as a predicate for more serious offenses like burglary, robbery, aggravated assaults, and organized crime.

Most telling since the submission of the Department’s funding request has been a recent petition to the United States Supreme Court by the States of Nebraska and Oklahoma citing, among other things, that “Amendment 64 and its resultant statutes and regulations are devoid of safeguards to ensure marijuana cultivated and sold in Colorado is not trafficked to other states, including Plaintiff States ... [and] The diversion of marijuana from Colorado ... is particularly burdensome for neighboring states like Plaintiff States where law enforcement agencies and the citizens have endured the substantial expansion of Colorado marijuana.”

While the petition strikes at the heart of Colorado’s voter-approved Constitutional amendment, the Department believes that diversion of Colorado marijuana, including edibles and concentrates, is imposing significant demands on other states as well as local law enforcement. These indicators highlight the need for Colorado to produce its own data and intelligence. Intelligence and analysis is the vital link that informs, educates, and analyzes trends and patterns that are actionable and coordinated. Without it, ad hoc and uncoordinated approaches to diversion control will continue to proliferate among various government entities entrusted with enforcement and oversight.

Colorado needs to get ahead of the diversion problem. In the 2013 “Cole Memo,” the U.S. Attorney’s Office outlined its main federal enforcement priorities, which include preventing the distribution of marijuana to minors; preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels; and preventing the diversion of marijuana to other states. If we do not work aggressively – through improved intelligence and analysis – to mitigate the diversion problem, it will only worsen, threatening not only public safety but the viability of Colorado’s legalization framework. It is paramount that Colorado maintains a strong regulatory environment for the legal sale and use of retail and medical marijuana, while adopting strong enforcement mechanisms across Colorado to discourage illegal activities.



## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Agriculture
Title:	State Fair Facilities Maintenance

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$250,000</b>	<b>\$550,000</b>	<b>\$250,000</b>	<b>\$550,000</b>	<b>\$300,000</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$250,000	\$550,000	\$250,000	\$500,000	\$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 Department of Agriculture requested an increase of \$300,000 General Fund for FY 2015-16 and beyond to provide funding to support Colorado State Fair facility maintenance expenses.

### Committee Action:

The Committee requested the Department submit a comeback request for the additional \$300,000 General Fund increase for facilities operations and maintenance. The Committee indicated that it would like to see more information on how facility maintenance connects with the Fair's broader strategy to address financial stability.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the JBC approve an additional \$300,000 General Fund for FY 2015-16 for the State Fair, for a total of \$550,000. Of this \$300,000, \$250,000 would be used as described in the initial November 1, 2014 budget request: to provide more effective support for facility maintenance, enabling the Fair to attract additional events during the off-season. The remaining \$50,000 would be used to fund a study of the Fair's finances in order to provide a robust, comprehensive plan for long-term financial stability.

The Colorado State Fair has been in existence for over 140 years, providing a showcase for agriculture and opportunities for 4-H and FFA youth. The Fair resides on approximately 100 acres with over 50 separate buildings/facilities. Most of these facilities are over 50 years old and require a great deal of maintenance. The grounds and facilities also experience a tremendous amount of wear and tear that requires consistent maintenance. Unfortunately, due to budget constraints, the Fair has been unable to perform adequate maintenance on these facilities, resulting in deterioration that undermines the attractiveness and usability of the facilities to potential off-season customers.

Current off-season rentals generate \$700,000 of annual revenue for the Fair, which is roughly 10 percent of the total cash budget. The Fair seeks to capitalize on the opportunity to increase off-season revenues through a performance target of 70 percent utilization year round. This target was developed as a strategy for addressing the Fair's financial challenges. In order to reach the target, however, the Fair must maintain functional facilities.

Currently, many facilities are closed during the off-season due to the lack of maintenance funding required to make them available for rentals. Other facilities are not appealing due to disrepair. In order to reach the Fair's performance target, it must have facilities that meet the required accommodations, and are safe and appealing. The availability and functionality of the Fair's facilities will continue to diminish without sufficient maintenance funding, possibly leading to code violations, permanent closure of buildings, and increased emergency maintenance costs resulting from lack of repair.

Many of the facilities require only minor repairs, such as refurbishing walls and paint, carpet and/or flooring, minor electrical repair, and exterior brick and mortar repair. Other facilities require more significant repairs, including HVAC units, roofing, and plumbing. A specific example of needed improvements includes the horse show area, which was highlighted in the original request as a potentially significant source of off-season revenue. The projects highlighted in the request would not be eligible for controlled maintenance funding per the Office of the State Architect, and there is no other source of funding.

The request for ongoing funding of \$250,000 General Fund will also complement the steps that the Fair has already taken to address financial stability. (For example, the Fair is curbing the increasing costs of utilities through reductions in energy and water consumption.) The funding will also enable the Fair to capitalize on future funding through direct sponsorships or in-kind assistance to provide for maintenance on the fairgrounds. The Colorado State Fair Foundation is also providing assistance toward this effort by funding specific projects, as was done with the 4-H/FFA dormitories.

As the Colorado State Fair seeks to address the problem of financial stability through several strategies, including off-season facility rentals, it remains clear to OSPB that additional study into the long-term solvency of the Fair is necessary. For this reason, OSPB proposes a \$50,000 appropriation in order to fund such a study and enable the department to formalize a comprehensive plan for the Fair's sustainability.

Taken together, OSPB believes that a \$300,000 General Fund appropriation in FY 2015-16 will support the Fair's strategies to achieve its mission of promoting opportunities for all of Colorado's communities and youth to experience and preserve the State's rich agricultural heritage.

## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Higher Education
Title:	Colorado Opportunity Scholarship Initiative (COSI)

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$1,000,000</b>	<b>\$31,000,000</b>	<b>\$5,000,000</b>	<b>\$10,000,000</b>	<b>\$5,000,000</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$1,000,000	\$31,000,000	\$5,000,000	\$10,000,000	\$5,000,000
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

<sup>1</sup>In addition to this appropriation, the Colorado Opportunity Scholarship Initiative Fund received a transfer of \$33,588,500 pursuant to HB14-1384.

### Summary of Initial Request:

The Department of Higher Education requested an increase of \$30,000,000 General Fund for Colorado Opportunity Scholarship Initiative in FY 2015-16. This request sought to increase the State's seed investment and incentivize contributions from the non-profit and private community and will build up the Scholarship corpus in order to provide tuition assistance to students.

### Committee Action:

The Joint Budget Committee voted to partially approve funding of \$5.0 million General Fund for COSI in FY 2015-16. The JBC was concerned that the donations for COSI had yet not materialized.

### OSPB Comeback:

The Office of State Planning and Budgeting thanks the JBC for its approval of \$5.0 million General Fund and respectfully asks that the Committee consider adding another \$5.0 million General Fund for COSI. This would bring the total funding for COSI up to \$10.0 million in FY 2015-16. As JBC staff noted in the figure setting, "...there is great value to the kinds of student success programs the initiative plans to support."

This \$10 million level of funding would allow for the following goals to be met:

1. Sustain and Grow the Student Success Grants (including pre-collegiate programs); and
2. Grow the scholarship initiative corpus.

### *Sustain and Grow the Student Success Grants (including pre-collegiate programs)*

The College Opportunity Scholarship Initiative saw incredible demand from during the student support grant process. COSI received 76 applications totaling \$18M in financial support. The COSI grants were intended to sustain and grow the existing network of non-profit, institutional, and government programs that provide critical student supports aimed at helping students access, persist, and complete post-secondary education. The services help close the degree gap yet are not supported by traditional state financial-aid programs.

This year, COSI received an outpouring of interest from organizations across Colorado. Seventy-six (76) organizations from across the State requested \$18 million in financial support from COSI. However, COSI was only able to provide 28 organizations with \$3.5 million in grants, meeting just 19% of the first-year need.

Some of the COSI grantees in FY 2014-15 included the following:

- Colorado Community College System (\$150,000);
- Pike Peak Community College, Harrison School District, and Pike Peak Workforce Center (\$150,000);
- University of Colorado – Colorado Springs (\$75,000);
- University of Northern Colorado (\$75,000);
- Delta County School District (\$75,000);
- Colorado Mountain College – Glenwood Springs (\$200,000);
- Catholic Charities – Diocese of Pueblo (\$150,000);
- Adams State University (\$100,000);
- Aurora Public Schools Foundation (\$75,000);
- Colorado Northwestern Community College (\$75,000);
- Colorado State University Pueblo (\$50,000); and,
- Denver Scholarship Foundation (\$850,000).

With \$10 million in funding, COSI hopes to be able to expand the pool of grant applicants and assist additional organizations. Such grant assistance could include funding for pre-collegiate programs which have sought additional funding from COSI. For instance, CU has pre-collegiate development programs that target at-risk students in middle and high schools.

### *Grow the scholarship initiative corpus*

Communities that receive student success grants from the scholarship initiative represent excellent prospects for future conversations about leveraging scholarship initiative funds to create or expand scholarship opportunities. Many of these programs view scholarship dollars as essential to motivating students to persist and excel in their secondary education, as the prospect of post-secondary education becomes more realistic for them and their families. This is why the student success grants are so critical to the scholarship model.

The \$35 million provided for COSI in FY 2014-15 provided a critical foundation for the opportunity to develop our scholarship matching program. With the \$10 million for FY 2015-16, we plan to use the following models to gain matching funds:

- **Scholarship Matching Fund Models** - Each model is based on current conversations the Scholarship Initiative is having with Colorado communities.
- **Program Grantee and Private Investor Partnership** – In this model a private philanthropist sponsors a cohort of students (approximately 25-50) participating in a rigorous student success program.
- **System-wide Scholarship Campaign.** In this model, the Scholarship Initiative would work with a system of institutions of higher education to encourage increased scholarship giving, and provide a match.
- **New Workforce Programs with Industry Partners.** The Scholarship Initiative would target specific high-demand workforce sectors.
- **Regional School Districts.** This model addresses needs in school district and encourages community giving. The Scholarship Initiative would designate a percent of a portion of scholarship funds based on the number of students in a community who qualify up to 150 percent of Pell, and challenge communities to raise new funds in order to access the Scholarship Initiative matching funds.



## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Higher Education
Title:	Data and Research Personnel Shore Up

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0<sup>1</sup></b>	<b>\$190,268</b>	<b>\$100,000</b>	<b>\$190,268</b>	<b>\$90,268</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	\$190,268	\$100,000	\$190,268	\$90,268
FF	\$0	\$0	\$0	\$0	\$0

<sup>1</sup>The Department previously received \$190,268 in cash fund grants which are not continuing in FY 2015-16.

### Summary of Initial Request:

The Department of Higher Education requested \$190,268 in reappropriated funds (0.0 FTE) to ensure continued funding for portions of salary and benefits for four current FTE who are working in the Data and Research unit in the Department. All or a portion of these four positions are currently grant funded. These positions include the following: (1) 0.3 FTE Data Systems Engineer/Web Developer; (2) 1.0 FTE Research and Policy Analyst, (3) 0.5 FTE Director of Information Systems, and (4) 0.2 FTE portion of the Chief Research Officer. The source of the reappropriated funds is indirect cost recovery primarily from the institutions of higher education.

### Committee Action:

The Joint Budget Committee (JBC) voted to partially approve the request by adopting the JBC staff recommendation for \$100,000 reappropriated funds for its Data and Research Personnel Shore -up request.

The JBC staff's recommendation did not reflect concern about this request *per se*, but instead highlighted past funding of 2.0 data/research FTE, which were funded in FY 2013-14. As a result, the FY 2015-16 figure setting asked the Department to submit a comeback explaining why it had asked for a research analyst and a research **communications analyst** in FY 2013-14, only to make one of the positions a **communications manager**.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully asks that the Committee fully fund the Department's FY 2015-16 request of \$190,268 in reappropriated funds (0.0 FTE) to ensure that the Department can continue its higher education data and research work. Funding for the portions of four Data and Research positions includes salaries and benefits combined, and cannot be absorbed within

existing appropriations. The Department fully commits to wholly using these positions in the data and research functions in which they have been utilized thus far and explained in the request.

We appreciate the JBC staff's thorough review of the positions and necessary concern about adhering to legislative intent on their authorization. However, the work presently performed by the positions approved in FY 2013-14 is in alignment to the duties identified in that budget request, despite the fact that one position's title has changed slightly. The work of these two positions, along with the grant-funded positions associated with this request, is widely recognized by stakeholders as exceedingly useful and in clear alignment with the duties of the Department.

#### *Grant Funded Staff*

In keeping with the environment of budget reductions to the institutions of higher education in FY 2011-12, the Department voluntarily reduced its funding for certain staff in the Data and Research division and refinanced it with available grant funding. These grants are ending.

#### *Duties of the Data/Research Staff*

Each of the positions for which funding is requested perform numerous core functions that are essential to the overall mission and function of the Department. Among the statutorily required functions carried out or supported by the staff that the Department has requested funding for include:

- Legislative Report on the Postsecondary Progress and Success of High School Graduates (§23-1-113 [9] C.R.S)
- Report on Remedial Education (§23-1-113.3 C.R.S)
- Report on Concurrent Enrollment (§22-35-112 C.R.S)
- Report on Skills for Jobs (§23-1-130 C.R.S)
- Dept. Directive-Transition between K-12 education system and postsecondary education system (§23-1-119 C.R.S)
- Reverse Transfer (§23-1-131 C.R.S)
- Educator Preparation Report (§23-1-121 C.R.S)
- Data sharing and integration between CDE and CDHE (§22-7-1016.5 C.R.S.)

JBC staff noted the importance of these positions with the following observations at figure setting:

- *“This is a significant department function and, if it is valued by the General Assembly, it is appropriate to add resources for the data and research group, whatever the specifics of this request.”*
- *“... staff does believe that the workload of the data and research group has grown substantially... the Department has taken on some state-driven workload...”*
- *“...there is value in maintaining and even expanding its capacity.”*
- *“More data is available than ever before about the continuum from preschool through workforce, and the Department has done an admirable job of trying to use it to paint a picture of issues that are important to the General Assembly, postsecondary institutions, school districts, and the public.”*



### *Concerns Raised About Prior FTE Authorized*

In the figure setting last week, JBC staff expressed concern about one of the 2.0 FTE data/research staff added in FY 2013-14. Specifically, JBC staff expressed concern that one of the FTE was used for communications work, outside of the Data/Research organizational unit of the Department.

The FY 2013-14 request to the JBC for 2.0 FTE data/research positions highlighted the function of communications in the request:

*The new positions will provide significantly enhanced use of new types of data and improved analyses **and communications to stakeholders** including campus faculty and administrative staff at public and private higher education institutions, members of elected and appointed governing boards, school districts and boards, K12 instructors, the General Assembly and the general public.” (Emphasis added)*

*The request will also allow the Department to invest in a Research **Communications** Analyst position that will focus on presenting and interpreting analyses conducted by the Department for administrators, educators, and the general public. This position will provide the **critical link between data and stakeholders by translating the often technical and complicated data into readable, meaningful and useable information.** (Emphasis added)*

As noted last year in the Department’s March 17, 2014 memorandum to the Joint Budget Committee on this topic, the FTE added in FY 2013-14 are performing functions consistent with the goals of the original budget initiative and are successfully fulfilling their duties and responsibilities on numerous reporting requirements. The Communications Manager presents and interprets the often technical data analyses, and serves as a link between data and stakeholders who increasingly demand that information be presented in a readable and useable manner. The Communications Manager prepares publically consumable summaries of all of DHE’s technical reports and has enhanced the outreach and messaging of this information.



## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Office of Economic Development and International Trade
Title:	Competitive Intelligence and Marketing Plan

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$1,600,000</b>	<b>\$0</b>	<b>\$1,100,000</b>	<b>\$1,100,000</b>
FTE	0.0	1.0	0.0	1.0	1.0
GF	\$0	\$1,600,000	\$0	\$1,100,000	\$1,100,000
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

### Summary of Initial Request:

The Office of Economic Development and International Trade requested \$1,600,000 General Fund and 1.0 FTE in order to obtain the necessary resources to develop and implement a strategic business-to-business marketing program that will lead to acquiring significantly more companies/investment throughout Colorado.

### Committee Action:

The Joint Budget Committee voted to adopt its staff recommendation not to approve the request. JBC staff recommended against the request indicating that this new function should be accomplished within existing resources.

### OSPB Comeback:

OSPB respectfully requests that the JBC approve the Competitive Intelligence and Marketing Plan request in the amount of \$1,100,000.

This request is a key component of the Colorado Blueprint. This request is based on the fact that Colorado does not currently have a strategic business-to-business marketing plan designed to proactively market the state, nor does it have the necessary data and analytical tools to proactively target global and domestic businesses. Currently, all OEDIT divisions (except for the Colorado Tourism Office) work with very simplistic, unsophisticated tools and data to attract business and investment throughout Colorado, and these divisions are more reactionary than proactive in nature. The State of Colorado does not have the necessary data or information to maximize the return on investment (ROI) from OEDIT's existing programs, and OEDIT has very limited resources to proactively market the state to global and domestic businesses.

In order for OEDIT to get the most from its existing programs, the office needs to continuously analyze data to understand, based on the state's strong industries, which markets, industries, and

companies are the best targets. OEDIT needs to be more proactive and systematic about where and how to recruit, retain, and promote economic development across Colorado and in particular rural regions across the state. Currently, the State does a very effective job of marketing to tourists using sophisticated data and analytical tools as a foundation, however the state does very little to target market-specific sector growth that would greatly improve the state's workforce and economic diversity.

This request will give OEDIT access to new tools, databases, and analytics that will enable Colorado to proactively target key industry corporations and markets, resulting in business expansion, business relocation and, most importantly, job creation. Specific tools required focus on acquiring Labor Market Information (LMI) and Human Capital Analytics, Economic Indicators and Forecasting, Key Industry Research and Analysis, Global Supply Chain Data and Analytics, and Emerging Industry and Market Data and Analysis.

Access to these tools on a yearly subscription basis could amount to upwards of \$650,000 - \$750,000, inclusive of the development and implementation of end user databases/toolbox. Additional costs, related to the subsequent development and execution of an effective strategic business-to-business marketing plan based on the data and tools described above, can be upwards of \$2,500,000-\$4,000,000, depending on the depth of penetration and reach. Since this would be Colorado's first execution, costs of \$750,000-\$850,000 are more reasonable for an initial year. This request also includes funding for a salary and benefits of up to \$152,491 for an at-will Chief Marketing Officer to spearhead the development of a strategic business-to-business marketing plan for OEDIT and \$65,000 for contract services.

OEDIT has evaluated less costly alternatives and believes the project can be initiated with a \$1.1 million appropriation. For example, by utilizing business community relationships, limited subscriptions, and one-off type data mining techniques, OEDIT can effectively reduce the costs. It should be noted, however, that the lower-cost alternative will result in a longer timeline to process analytics. However, because of the high dollar amounts tied to this request, the entirety of the expenses cannot be absorbed within OEDIT's existing resources.

Importantly, through the combination of these databases and analytics, OEDIT will identify specific supply chain opportunities and other gaps, and the State will be able to recruit companies to fill those gaps by using data to show how profitable a move to Colorado would be. This data will also help ensure the State has the right kind of workforce graduating from its colleges and universities, and it will assist the State in targeted talent recruitment from out-of-state where needed.

Colorado companies and the Colorado workforce will benefit from these strategic marketing activities. States such as Texas, California, Utah, and Louisiana – Colorado's biggest competitors – already have access to these kinds of databases and analytic tools and other resources for which OEDIT is seeking funding. Colorado will undoubtedly increase its recruitment success rate if OEDIT can not only better understand its competitors, but it can also access the same tools and information.

The strategic marketing plan will utilize effective, efficient brand building tactics incorporating traditional and social media, event marketing, industry partnerships, economic based roadshows/summits and thought leadership roundtables. It will be very similar to the type of

successful marketing plan that the Colorado Tourism Office (CTO) develops and executes on an annual basis, but it will be targeted to the business community rather than consumers. The CTO has access to many consumer oriented databases and analytical tools so they can develop the right message and utilize the best vehicles that will best drive tourism to Colorado. OEDIT wants to do the same thing to drive business growth in Colorado.

***Anticipated Outcomes and Evaluation:***

Outcomes will be measured by the number of prospects in the state's pipeline and ultimately, jobs created and the number of companies that move to the state as a result of OEDIT's proactive marketing. Outcomes will also be measured by evaluating company recruitment, retention, and growth across the 14 key industries and around the state. OEDIT strongly believes that the databases, analytical tools and strategic marketing plan will enable Colorado to more accurately and efficiently target companies and human capital in order to drive economic growth throughout the state.



## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Revenue
Title:	Roll Forward of FY 2014-15 DMV Wait Less Project Appropriation

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	\$1,492,103	\$1,492,103 (Roll Forward)	\$0	\$1,492,103 (Roll Forward)	\$1,492,103
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$1,492,103	\$1,492,103 (Roll Forward)	\$0	\$1,492,103 (Roll Forward)	\$1,492,103
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 Revenue requested that a footnote be added to its FY 2014-15 appropriation through an add-on to the FY 2015-16 Long Bill, permitting \$1,492,103 to be available in FY 2015-16 to complete Phase 2 of the Division of Motor Vehicles' Wait Less project. The \$1,492,103 General Fund appropriation was approved as part of a FY 2014-15 decision item to enhance customer service in the DMV.

The purpose of the Wait Less queuing and data management technology is to reduce customer wait times for the DMV by providing an office management system to measure and manage the efficiency and effectiveness of driver license operations. The system collects vital data regarding wait times and transaction times, provides statistical information to improve office procedures, and provides online appointment scheduling.

### Committee Action:

The Joint Budget Committee denied the request for a roll forward of the FY 2014-15 appropriation, and referred it to the Joint Technology Committee (JTC). The decision was based on JBC staff's concern about the Department requesting the full appropriation to implement the Wait Less technology in 31 offices rather than 43 as outlined in the original request.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the Committee approve an add-on to the FY 2015-16 Long Bill allowing the FY 2014-15 appropriation of \$1,492,103 to be available for the Wait Less project.

The roll forward is being requested primarily due to a timing issue. The original Request for Proposal (RFP) issued in October 2014 produced no respondents. As a result, the Governor's Office of

Information Technology (OIT) revised the specifications for the project. Alternative solutions were simultaneously explored, one of which was the consideration of OIT providing the full range of implementation and support for a Wait Less solution, which ultimately proved to be infeasible. After exhausting all other options, a revised RFP was issued in January 2015. Vendor selection is scheduled to occur in March 2015 with contract execution in May of 2015. This will not allow enough time for all of the work to be completed prior to the end of FY 2014-15.

The roll forward of spending authority is necessary for the work to be completed during FY 2015-16. The Department does not have alternative resources to complete the project. If the roll forward request is not approved, the Department will not be able to expand use of the Wait Less technology to the remaining offices, limiting the ability of those offices to improve customer service and reduce wait times.

JBC staff raised questions about the amount of the request given that the parameters of Phase 2 have changed. Phase 2 originally identified an expansion to 23 more state offices (to accomplish implementation in all 36 state offices) along with 20 county offices. The revised Phase 2 plan now identifies an expansion to 16 additional state offices plus replacement of the existing hardware at the 15 state offices completed in Phase 1.

While developing requirements for the Phase 2 RFP, the DMV examined the volume of documents issued per day in each of the state and county offices. The eight offices that generated the most volume of documents issued per day were in Arapahoe, Douglas, and El Paso Counties. Those three counties already have their own queuing system. The remaining twelve county offices had volumes of less than 10 documents per day and therefore do not necessitate appointment scheduling or queuing. DMV utilized the same methodology regarding the state offices, which resulted in the identification of five state offices that did not necessitate appointment scheduling or queuing. The DMV identified 16 state offices in which customers would benefit from appointment scheduling and queuing capabilities.

The DMV further examined the existing 15 offices that currently have appointment scheduling and queuing capabilities. Both OIT and the DMV agreed that the current hardware in these offices needed to be replaced. The existing hardware is at end of life, and is expensive and complex to maintain. Frequent downtime and loss of productivity are experienced. Maintenance has been performed by OIT, which requires frequent trips to the DMV Offices.

The RFP requires that maintenance be provided by the new vendor. Neither OIT nor the Department will be responsible for system maintenance. A liquidated damage clause for system downtime will be negotiated during the contracting process. Expansion to the additional 16 state offices includes costs for licensing, data integration, hardware, and maintenance. The existing 15 offices will only require hardware and maintenance, as the infrastructure and software licenses are already in place. As noted above, the need to replace hardware at the Phase 1 sites was not known at the time of the FY 2014-15 budget request.

The original estimate of \$34,700 per office was based on the Phase 1 average cost. Now that replacement hardware is a component of Phase 2, coupled with the fact that the vendor contract has not been awarded, the cost of Phase 2 will be unknown until the contract award occurs at end of March



2015. The total appropriated amount of \$1,492,103 may not be necessary to complete Phase 2; however, there must be adequate spending authority in place to execute the contract with the vendor and complete the project. The Department intends only to utilize the amount needed for implementation of Phase 2 and restrict the remaining portion of the appropriation to be reverted.

This request will result in no new General Fund costs for FY 2015-16, and is a critical component in the DMV's efforts to improve service to its customers across Colorado.



## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Office of Information Technology
Title:	LiDAR GIS Data and FTE

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$2,574,716</b>	<b>\$2,000,000</b>	<b>\$2,574,716</b>	<b>\$574,716</b>
FTE	0.0	4.0	0.0	4.0	4.0
GF	\$0	\$2,574,716	\$2,000,000	\$2,574,716	\$574,716
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

### Summary of Initial Request:

The Office of Information Technology requested \$2,574,716 General Fund and 3.7 FTE in FY 2015-16 for the purchase, administration, and analysis of highly precise elevation (LiDAR) data. The purpose of this request is to coordinate GIS across the state among local, state, and federal entities to ensure that critical GIS data area available as easily as possible and may be discovered easily in one location

### Committee Action:

The Joint Budget Committee approved \$2,000,000 for the LiDAR data, but denied the additional request for FTE and associated expenses.

### OSPB Comeback:

The Office of State Planning and Budgeting requests the the JBC reconsider its action and fund OIT's request in full for the following reasons:

- Proper coordination of GIS data is critical to make these data fully useful. In addition to collecting data from local sources, the data need to be standardized and integrated into a single seamless data set. This need was made clear during the catastrophic flood in 2013. Although some GIS data was available, it was not in a form that was easily distributable to FEMA and Red Cross and was not available for all counties impacted. The need to identify and compile GIS data into a single package significantly impacted response time and strategy.
- The primary job of one of the requested FTE will be to reach out regularly to state agencies to make sure their data is listed in the Colorado Information Marketplace and that the data are in a location that they can be accessed and used. Another of the FTE will be focused on

managing and integrating land ownership, boundary, road, and other data from local governments. The final two FTE will be focused on maintaining the GIS database and systems for these purposes.

- OIT cannot meet this need with current staffing levels. OIT is delegated authority by statute to “coordinate and direct...state and local government exchange, acquisition, storage, use, sharing and distribution of geographic or base map data and related technologies” C.R.S. 24-37.5-106(1)(c). This mandate, however, had been resourced with only 1.0 FTE until FY 2014-15, when the legislature approved funding of staff to continue broadband data development. Only a very small portion of the recently funded FTE can be directed toward the GIS coordination activities, because the majority of his time will be occupied with the broadband data development.
- Without additional personal services resources, OIT will be unable to provide the coordination and standardization necessary to make full use of a \$2.0 million investment in LiDAR data.

The need for accurate and coordinated GIS data became abundantly clear during and after Colorado’s catastrophic flooding in 2013. An adequate understanding of the areas, facilities, and neighborhoods that were most significantly affected by this event required spatial data on from a variety of sources. Local data about damage assessments had to be rolled up to the state, and then to federal agencies. In addition, data that local governments collect routinely about property ownership, jurisdictional and administrative boundaries, roads, and other features become very important during the incident.

The 2013 floods are just one example of a critical need for coordinating these GIS LiDAR data. The GoCode Colorado effort has demonstrated how GIS data is important for economic development issues as well. State agencies that use GIS (almost all) also benefit from having a single location to find these data and to understand how they are collected and compiled. The critical question in using such data in emergencies or for other purposes always involves knowing what data are available and how can one get these data. While some systems are in place for this purpose (for example, the Colorado Information Marketplace can be used for finding data either in general or for emergencies), consistent outreach, coordination, and training are required to ensure state agency and other data is published for consumption by government agencies throughout Colorado. Several agencies have expressed interest in better understanding boundaries of land ownership for their business purposes, or address locations to map lists of clients or facilities that they regulate. It saves all GIS users considerable time and effort to have these data coordinated and disseminated effectively by OIT.

Due to the criticality of a coordinated GIS effort throughout Colorado government, OSPB requests that the JBC fund this request in whole, and provide OIT with the resources necessary to make full use of the sizeable investment in LiDAR data.

## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Personnel & Administration
Title:	Restructure of the Office of the State Controller to support CORE

	FY 2014-15 Appropriation	FY 15-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$0</b>	<b>\$194,858</b>	<b>\$0</b>	<b>\$192,556</b>	<b>\$192,556</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$0	\$37,080	\$0	\$37,080	\$37,080
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$157,778	\$0	\$155,476	\$155,476
FF	\$0	\$0	\$0	\$0	\$0

### Summary of Initial Request:

The Department of Personnel and Administration requested \$10.8 million total funds (including \$508,916 General Fund) and 17.0 FTE for FY 2015-16 to restructure the Office of the State Controller to provide ongoing support for the State's new financial system, CORE. Of the total request, \$194,858 total funds (\$37,080 General Fund) was for compensation common policies (POTS) for new FTE and existing positions that were reallocated to allow the Office to hire appropriately-skilled individuals to perform new tasks.

### Committee Action:

The Joint Budget Committee voted to deny the portion of the Department's request (\$194,858 total funds) that was attributable to compensation common policies. This was based on the Committee's policy to exclude POTS associated with personal services requests with fewer than 20.0 new FTE.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the JBC approve \$192,556 total funds for compensation common policy POTS line items as follows:

<b>Comeback Request Summary</b>			
	<b>Total Funds</b>	General Fund	Reappropriated Funds
Amortization Equalization Disbursement	<b>\$56,060</b>	\$18,394	\$37,666
Supplemental AED	<b>\$54,149</b>	\$17,767	\$36,382
Short Term Disability	<b>\$2,803</b>	\$920	\$1,883
Health, Life and Dental	<b>\$79,545</b>	\$0	\$79,545
<b>Total</b>	<b>\$192,556</b>	\$37,080	\$155,476

*\*\*The comeback request amount is slightly lower than the original request to account for POTS associated with the 0.5 FTE Program Assistant I positions that was not approved. The table on the bottom of the page shows the calculation for the comeback request amount.*

The request submitted by the Department to reorganize the Office of the State Controller identified additional resources needed to support the ongoing implementation and operational support for the CORE system beginning in FY 2014-15. This includes both new FTE and a reallocation of some existing positions to allow the Office to hire appropriately-skilled individuals to perform new tasks. The Department anticipates that these positions will be hired and reallocations implemented during FY 2014-15.

Typically departments are asked to absorb benefits for new FTE in the first year they are hired and then request benefits for subsequent years through the annual total compensation request process. The Department is absorbing the cost of providing benefits in FY 2014-15, per Committee policy, but will not be able to absorb the cost of benefits for FY 2015-16. Unlike other new programs that may generate vacancy savings during implementation as a result of delays that can occur during the hiring process, CORE will already be fully implemented and positions in place on July 1 when the fiscal year begins; therefore, the program will not have the opportunity to generate vacancy savings to cover POTS expenditures in FY 2015-16.

If this funding is not approved, the Department will be forced to hold positions vacant equivalent to 2.5 FTE during a transitional time when all staff are critical to effectively manage the increased functionality and responsibilities of the new CORE system. Holding positions in the State Controller’s Office vacant to pay for benefits could negatively impact statewide users if the system is not properly supported.

Due to the critical nature of CORE to the State’s operations, OSPB requests that this program be exempted from the JBC’s policy of not funding POTS and that \$192,556 be funded for FY 2015-16. The Department will request benefits for subsequent years through the annual total compensation request process.

<b>Calculation of Comeback Request Amount</b>			
	<b>Original Request</b>	<b>Program Asst (0.5 FTE Not approved)</b>	<b>Comeback Request</b>
<i>Total salaries for new FTE and staff reallocations</i>	<b>\$1,300,040</b>	<b>-\$25,962</b>	<b>\$1,274,078</b>
FY 2015-16 AED (4.4%)	\$57,202	-\$1,142	\$56,060
FY 2015-16 SAED (4.25%)	\$55,252	-\$1,103	\$54,149
FY 2015-16 STD (0.22%)	\$2,860	-\$57	\$2,803
FY 2015-16 HLD (Employee + Spouse = \$9,943.08)	\$79,545	\$0	\$79,545
<b>Total Pots</b>	<b>\$194,858</b>	<b>-\$2,302</b>	<b>\$192,556</b>

**Office of State Planning and Budgeting  
FY 2015-16 Figure Setting Comeback Requests**

Department:	Department of Corrections
Title:	Mental Health Staff

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$180,319,782</b>	<b>\$1,740,565</b>	<b>\$880,310</b>	<b>\$1,740,565</b>	<b>\$860,255</b>
FTE	3,101.1	22.9	11.9	22.9	11.0
GF	\$180,252,036	\$1,740,565	\$880,310	\$1,740,565	\$860,255
CF	\$2,947	\$0	\$0	\$0	\$0
RF	\$64,799	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

**Summary of Initial Request:**

The Department requested additional mental health staff to the Residential Treatment Programs at San Carlos Correctional Facility and Denver Women’s Correctional Facility, as well as additional housing and security staff at San Carlos. The additional mental health staff at both facilities would help facilitate the required minimum number of therapeutic contact hours as outlined in Department policy. Additional security staff at San Carlos would provide for the safety of staff and other offenders.

**Committee Action:**

The Joint Budget Committee approved the staff recommendation for \$880,310 General Fund and 11.9 FTE in FY 2015-16, annualized to \$911,874 GF and 13.0 FTE for FY 2016-17. Staff analysis indicated that the request did not adequately quantify the mental health and security staffing needs at the two facilities or demonstrate the key elements of its treatment program. The recommendation also questioned why psychologists were not requested.

**OSPB Comeback:**

OSPB requests that the JBC approve the Department’s request for \$1,740,565 and 22.9 FTE in FY 2015-16, annualized to \$1,798,776 and 25.0 FTE in FY 2016-17.

*Risks of not funding the request*

The reduction of this request will make it impossible for the Department to meet the needs of a vulnerable population. Without the requested additional staff, the Department will not be able to support the intent of S.B. 14-064, which was to ensure that offenders with high mental health needs receive adequate opportunities for both therapeutic and non-therapeutic out-of-cell time. If these offenders cannot get the recommended out-of-cell time, this could be considered “long-term confinement” as set forth in the bill and put the Department at risk of litigation.

Additionally, if the request is not fully funded, the Department will be forced to reduce the size of the Residential Treatment Program at Centennial Correctional Facility in order to use existing resources. This will result in a waitlist for the treatment programs, which the Department currently does not have. Furthermore, the programs at Denver Women's provide the only opportunity in the State for women to receive the in-depth curriculum.

Since the Department transitioned offenders from the former Offenders with Mental Illness (OMI) program at Colorado State Penitentiary (CSP) to the current treatment programs at Centennial Correctional Facility, successful completion of the program has improved significantly. Completion rates increased to 75 offenders in fiscal year (FY) 2014 under the new residential treatment model, compared to 22 offenders in FY 2013. If this request is not fully funded, the programs at San Carlos and Denver Women's will not experience these outcomes.

#### *Case Law and Litigation*

According to Jeffrey L. Metzner, MD, in a paper on class action litigation in correctional psychiatry, studies and clinical experience have consistently indicated that 8 to 19 percent of prison inmates have psychiatric disorders that result in significant functional disabilities and another 15 to 20 percent will require some form of psychiatric intervention during their incarceration.

Metzner states that many correctional systems have been successfully sued because they did not have the needed financial resources to provide adequate mental health care; most correctional systems that have been successfully sued in class action litigation relevant to mental health services have lacked adequate services in a *residential treatment setting for inmates with serious mental illnesses*.

#### *Standards of Care*

The development of national standards and guidelines by various health care organizations, especially the National Commission on Correctional Health Care and the American Psychiatric Association (APA) has provided a useful framework for the expert in articulating pertinent standards of care.

Though there may be exceptions, the standard of care appears to now require either exclusion of seriously mentally ill offenders by way of mental health screening processes or transfer to a specialized mental health program. For inmates with a serious mental illness who legitimately need an extremely high level of security, the specialized mental health program should offer at least 10 to 15 hours per week of out-of-cell structured therapeutic activities in addition to at least another 10 hours per week of unstructured exercise or recreation time. The authors' recommendation of 10 to 15 hours of structured therapeutic activity in such units is based on experience with six large correctional systems involved in system-wide class-action litigation that focused on the adequacy of the mental health system.

#### *Security Staff*

According to Metzner, offenders with escalated mental health needs often require high-security classification. The correctional staff in a facility that hold these offenders have to deal with more behavioral management problems, an increase in staff injuries and a decrease in staff morale. The funding request submitted by the Department illustrates that there is a higher number of incidents



(fight, assault on staff, or assault on offender) per 100 offenders at San Carlos than at the other State facilities. Additionally, there are not enough correctional staff to maintain the escorts and supervision of the out-of-cell groups that are required at San Carlos. Compounding the problem, when an offender disturbance of any kind takes place, all correctional officers are required to respond, leaving all units with minimum staffing which prohibits the facilitation of needed group sessions.

#### *Current Status at DOC*

There were 48 offenders in Denver Women's treatment program for the month of January, and 233 average offenders in San Carlos. Each offender is offered one 2-hour group per day and one hour individual contact per week. At least one Social Worker III is present for each session.

Caseloads of mental health clinicians at Denver Women's and San Carlos are very high. At Denver Women's, two clinicians carry an average caseload of 24 offenders. Caseloads at San Carlos range from 19 to 36. Due to the current mental health caseloads at the two facilities, treatment groups cannot be individualized, resulting in offenders refusing treatment. The percentage of offenders refusing treatment in Colorado is above the national average. For example, the refusal rates for the month of January averaged 47% at Denver Women's and 74% at San Carlos.

For treatment groups to be effective, therapists need to provide closed groups. A closed group provides stability, group cohesiveness, and healthy therapeutic norms. However, closed groups provide more resources. At current levels, there is currently no option but to provide open groups, which limits the therapeutic effectiveness. Furthermore, because different members are added daily to groups, therapists cannot build on previous lessons learned which further validates a lack of psychological treatment being provided to offenders.

There is a specialized curriculum designed for Residential Treatment Programs. For example, the programs at Denver Women's require two clinicians in a session. At current staffing levels, it is not consistently possible to provide these sessions. Oftentimes, clinicians are pulled from other areas outside the treatment program in order to assist with these sessions. This negatively impacts other areas being served and reduces the number of staff available for crisis contacts and other mental health needs.

The following tables provide a breakdown of the need for mental health and security staff compared to existing staffing levels:

<b>Denver Women's Correctional Facility</b>		<b>Total Hours</b>	<b>Number of Sessions</b>	<b>Clinicians Per Group Session</b>	<b>Total</b>
48 offenders					
10 hours group therapy (2 hour sessions)		480	40	2	80
1 hour individual therapy		48	48	1	48
Total Need					128
Clinicians Needed (6 hours per day x 5 days per week = 30 hours) (Total Need / 30)					4.3
Existing Staff					2.0
Need (Clinicians Needed less Existing Staff)					2.3
Request*					2.0
Unmet Need (Need less Request)					0.3

\*The above calculations do not include the need for supervisory staff. The Department also requested 1.0 Social Worker IV to supervise the additional SW III positions.

<b>San Carlos Correctional Facility</b>		<b>Total Hours</b>	<b>Number of Sessions</b>	<b>Clinicians Per Group Session</b>	<b>Total</b>
233 offenders					
10 hours group therapy (2 hour sessions)		2,330	194	1	194
1 hour individual therapy		233	233	1	233
Total Need					427
Clinicians Needed (6 hours per day x 5 days per week = 30 hours) (Total Need / 30)					14.2
Existing Staff					6.0
Need (Clinicians Needed less Existing Staff)					8.2
Request*					8.0
Unmet Need (Need less Request)					0.2

\*The above calculations do not include the need for supervisory staff. The Department also requested 2.0 Social Worker IVs to supervise the additional SW III positions.

The above tables assume the following:

- Each clinician is available to conduct therapy 30 hours per week. The other 10 hours per week would be spent on preparation, documentation, and other activities, such as crisis contacts.
- Each group session has an attendance of 6 offenders.

The calculations illustrate that the Department has been conservative in its request for additional staff.

The following table provides a breakdown of the need for Correctional Officer staff compared to existing staffing levels:

San Carlos Correctional Facility – Correctional Officers	Total Sessions
Group Sessions	
Need: 388 Group Sessions with 6 Participants	194
1.0 Correctional Officer can staff 20 group session per week	20
Additional Correctional Officers Needed for Group Sessions (Unmet Need/20)	9.7
Individual Sessions	
Need: 233 Offenders x 1 hour per session	233
1.0 Correctional Officer can staff 30 group sessions per week	30
Additional Correctional Officers Needed for Individual (Hours/CO availability)	8.0
Total Correctional Officer I Staffing Need	17.7
Request*	10.0
Unmet Need (Need less Request)	8.0

\*The above calculations do not include the need for supervisory staff. The Department also requested 2.0 Correctional Officer IIIs to supervise the additional CO I positions.

Staff Summary		
	Request	JBC Action
<b>Social Worker IIIs</b>		
Denver Women's Correctional Facility	2.0	
San Carlos Correctional Facility	8.0	
Total Social Worker III Positions	10.0	5.0
<b>Social Worker IVs</b>		
Denver Women's Correctional Facility	1.0	
San Carlos Correctional Facility	2.0	
Total SW IV Positions	3.0	1.0
<b>Correctional Officer Is</b>		
San Carlos Correctional Facility	10.0	6.0
<b>Correctional Officer IIIs</b>		
San Carlos Correctional Facility	2.0	1.0

### Psychologists

At Denver Women’s Correctional Facility and San Carlos Correctional Facility, the role of a psychologist is primarily to perform the initial assessment and diagnosis phases of treatment, including administration of various psychological batteries of tests. Psychologists may also confirm their diagnoses through more thorough observation of offenders and further consultation with a psychiatrist

when necessary. Currently, Denver Women's Correctional Facility has one psychologist that is assigned to the treatment program, and San Carlos Correctional Facility has three psychologists. The number of psychologists is sufficient to meet the current needs of the program.

## Office of State Planning and Budgeting FY 2015-16 Figure Setting Comeback Requests

Department:	Department of Local Affairs
Title:	Housing Development Grant Program

	FY 2014-15 Appropriation	FY 2015-16 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
<b>Total</b>	<b>\$14,717,338</b>	<b>\$3,420,000</b>	<b>\$0</b>	<b>\$3,420,000</b>	<b>\$3,420,000</b>
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$8,200,000	\$3,420,000	\$0	\$3,420,000	\$3,420,000
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$6,517,338	\$0	\$0	\$0	\$0

### Summary of Initial Request:

The Department of Local Affairs requested an additional \$3,420,000 million General Fund annually in the Housing Development Grant Fund beginning in FY 2015-16 for the development of an estimated 300 additional affordable rental housing units and 200 rental vouchers. The request was to appropriate the full amount to the Affordable Housing Grants and Loans line item.

### Committee Action:

The Joint Budget Committee voted to deny the Department's request. Committee members cited concern over providing such a large increase in funding to the program without clear evidence that the program will achieve the desired outcomes.

### OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the Committee approve the Department's request for \$3,420,000 General Fund, with JBC staff's recommendation to appropriate \$2,475,000 to the Affordable Housing Grants and Loans line item and \$945,000 to the Low Income Rental Subsidies line item.

Over the past three years, appropriations totaling \$8.4 million from the Affordable Housing Grants and Loans line item have supported the creation of 1,690 affordable rental units. Of these, 445 permanent housing units were developed for the homeless, 541 affordable units for seniors, 290 shelter units, and 414 for families with very low incomes. Based on this, the following conclusions can be drawn:

- Using data from Colorado Coalition for the Homeless, it is assumed permanently housing one homeless individual will generate an average of approximately \$8,929 per year to various governmental entities including the State. These savings stem from detox, incarceration, emergency room care, and outpatient / inpatient care. Over three years, these savings total

\$26,787 per person; for 445 homeless individuals that were housed through this program, the Division of Housing estimates a total savings of \$11.9 million;

- Department of Health Care Policy and Financing reports an average savings of \$31,128 per person, per year based on a comparison of the cost of nursing home care versus independent living under the Home and Community-based waiver program. Assuming that as few as one eighth of the 541 seniors that were housed over the last three years by the Housing Development Grant program would have otherwise been receiving nursing home care, the State estimates a cost savings of approximately \$6.3 million;
- The development of 1,690 total affordable rental units created 2,535 construction jobs and 541 permanent jobs, and generated a total of \$19.2 million in revenue for state and local governments. These outcomes are based on a study conducted by the National Association of Homebuilders in April 2012, *The Economic Impact of Building Subsidized and Market Rate Homes in Colorado*;
- When conservatively estimating all of these savings and additional revenue to State and local governments in Colorado, *the \$8.4 million investment in the affordable housing program yielded benefits of approximately \$37.4 million.*

Attached is the list of projects funded from the current \$8.2 million General Fund budget. By the April 2015 State Housing Board meeting, only \$374,842 will remain unencumbered. The Division of Housing has strategic outcomes which measure the impact of this investment on the needs for affordable housing. These outcomes include cost savings for persons receiving public assistance and public revenues from taxes and new jobs.

The funds requested for FY 2015-16 will be targeted to housing assistance for seniors and disabled individuals earning less than \$20,000 per year. Given the demand for affordable housing for seniors and the disabled, the request represents a small portion of the overall funding needs. Currently there are 24,249 senior households (62+ yrs. old) and 29,098 disabled households earning less than \$20,000 paying more than 50 percent of their income toward rent. Although the magnitude of the affordable housing need is substantially larger than the amount requested, the Department recommends only investing General Fund for at-risk households. Regarding evidence of the need, the current 18 month affordable housing pipeline (updated as of March 2015) totals \$128 million in requested subsidy from all affordable housing sources and a total development cost of \$933.7 million. The 18 month pipeline is projecting to develop 6,230 units, of which 3,620 would be developed in FY 2015-16.

With the additional resources, the Department will be able to develop 300 additional affordable rental housing units and finance 200 additional rental vouchers per year, both targeting seniors and persons with disabilities. The populations of these groups are growing in Colorado and there is a shortage of available affordable senior housing, so without additional resources, the State will be unable to provide additional housing units for these at-risk populations who earn less than \$20,000 annually and experience rental prices exceeding 50 percent of incomes.

The Department's request to increase the supply of affordable, supportive housing is aligned with the State's goal of ending chronic homelessness by 2015 and all homelessness by 2020. With this

additional \$3.42 million in funding, the program plans to annually target 500 more housing units for vulnerable and hard-to-house populations. Outcomes include reduced recidivism, increased supply of accessible units and supportive housing for aged persons with mental illness instead of costly institutions. The proposed increased funding levels also are designed to help the State meet the housing priorities established in the Pathways Home Plan, the Olmstead Plan, and S.B. 14-021 (Persons with Mental Illness Criminal Justice).

**2014-2015 Housing Development Grant (HDG) Project Summaries**

	<b>Beginning Balance:</b>	<b>\$8,200,000</b>		
<b>Project #</b>	<b>County and Name</b>	<b>Amount</b>	<b>Total Project Cost</b>	<b>Leveraging</b>
13-066	<b>Weld County</b> – Greeley Center for Independence	\$24,500	\$1,170,316	47:1
14-060	<b>Boulder County</b> - SPAN	\$405,000	\$3,937,030	9:1
14-062	<b>Jefferson County</b> – City Scape at Belmar	\$500,000	\$27,075,715	54:1
14-063	<b>Otero County</b> – Morningside	\$599,000	\$8,667,256	14:1
14-069	<b>Larimer County</b> – Loveland Domestic Violence Safehouse	\$250,000	\$1,126,978	4:1
14-070	<b>Boulder County</b> – Terry’s Place	\$60,000	\$1,181,069	19:1
14-071	<b>El Paso County</b> – The Santa Fe Apartments	\$560,000	\$2,711,500	4:1
14-073	<b>Larimer County</b> – Silver Leaf 2 Senior Apartments	\$681,157	\$2,542,085	3:1
14-074	<b>Washington County</b> – Washington County Nursing Home – Green House Project	\$400,000	\$9,050,995	22:1
14-076	<b>Larimer County</b> – Village on Matuka	\$200,000	\$1,947,430	9:1
14-079	<b>Boulder County</b> – Ready to Work Housing	\$510,000	\$4,181,647	8:1
14-081	<b>Delta County</b> – Abraham Connection	\$300,000	\$736,367	2:1
15-007	<b>Mesa County</b> – Asset House Remodel	\$120,000	\$647,734	5:1
15-011	<b>Denver County</b> – Karis Step Out	\$175,000	\$841,110	4:1
15-039	<b>Statewide</b> – HERO Alliance	\$210,000	\$3,612,000	17:1
15-041	<b>Metro Denver</b> – Fair Housing testing	\$40,286	\$40,286	1:1
15-042	<b>El Paso County</b> – Hatler-May	\$300,000	\$14,170,775	47:1
15-043	<b>Mesa County</b> – Pathways Village	\$360,000	\$8,639,722	23:1
15-044	<b>Grand County</b> – Grand Living Improvements	\$185,000	\$1,778,776	9:1
Purchase Order	<b>Statewide</b> – Analysis of Impediments to Fair Housing	\$44,715	\$44,715	1:1
15-050**	<i>Mesa County – HomewardBound Pathways Phase II</i>	\$800,000	\$6,133,508	7:1
15-051**	<i>Denver County – Arroyo Village</i>	\$700,000	\$24,648,455	35:1
15-052**	<i>Denver County – Terraza del Sol</i>	\$425,000	\$11,915,648	28:1
	<b>Current Balance:</b>	<b>\$7,825,158</b>		

\*\* Currently being underwritten. No award to date.





**Colorado Department of Education and  
Office of State Planning and Budgeting  
FY 2014-15 Figure Setting Comeback Requests**

Department:	Department of Education
Title:	Field Implementation Support

	FY 2013-14 Appropriation	FY 14-15 Budget 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	7.3	4.9	6.9	2.0
GF	\$0	\$1,266,535	\$896,758	\$1,114,490	\$217,732
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

**Summary of Initial Request:**

Through FY 2014-15, the Department used temporary state appropriations and federal grants to support school districts in implementing the state required educator evaluation system and Colorado Academic Standards. The Department requested an increase of \$1,266,535 General Fund and 7.3 FTE in FY 2015-16 to continue to provide field support for these statutorily required activities. This amount annualizes to \$1,795,532 and 10.5 FTE in FY 2016-17 and beyond.

**Committee Action:**

The Joint Budget Committee voted to approve the portion of the Department’s request related to educator evaluation and accompanying communication support. The Committee did reduce this part of the request by the centrally appropriated items such as health, life, and dental amounts (Option B in the Figure Setting document). The portion of the request pertaining to educator instructional support was denied.

**CDE and OSPB Comeback:**

The Department respectfully requests that the Joint Budget Committee reconsider their decision on the instructional support staff and associated funds related to training and support to districts. The information below is provided to further clarify the Department’s request and aid committee members in their decision making process. The Department is requesting the Joint Budget Committee approve the portion of the request pertaining to educator instructional support, consistent with Option B in the Department’s Figure Setting document.

*How did this work originate?*

In the spring of 2012, the Department garnered feedback through training sessions from superintendents, principals, and teachers regarding their needs for successful implementation of Colorado’s learning expectations. Participants expressed a need for expertise in instructional planning

to help teachers meet the learning expectations. At the same time, the state received a letter from the leadership of CASSA (Colorado Association of School Superintendents and Senior Administrators) requesting assistance in bringing together districts and teachers to develop localized instructional planning tools and resources.

These educator requests resulted in the Department working with 121 districts in nearly every region of the state and over 5,000 educators to help teachers design sample instructional plans for their year and sample instructional units.

What does this work look like in practice?

The first body of work engaged teachers in translating Colorado’s learning expectations into sample instructional plans for the year for every grade and content area. These teachers created over 700 sample instructional plans for their local use and for sharing with their colleagues in other districts.

As teachers created these sample instructional plans, they requested help with the next step of the instructional design process: developing sample units designed to help students meet the learning expectations. In three-day workshops, district-teams worked together to design over 100 sample instructional units designed by *them* and for *their* local use and which are available for any Colorado teacher to access and customize for their students.

Who has been involved in the work?

The district/teacher-led work has involved 121 districts across the state. Please see the attached map. The participation of rural districts has been a priority.

What are districts/teachers saying about the work?

The feedback the Department has received on this work is that it is the most valuable work the Department has facilitated for districts. In addition, the Department submitted 40 letters of support from districts at the December 2014 JBC hearing.

Entities Submitting Letters of Support

1. Adams 14	11. Denver Public Schools	20. Hinsdale	30. Plateau Valley
2. Aguilar	12. Dubuque Community School District	21. Holyoke	31. Platte Canyon
3. Alamosa	13. Durango	22. Hotchkiss	32. Poudre
4. Archuleta	14. East Central BOCES	23. Lake County	33. Pritchett
5. Bayfield	15. Ellicott	24. Lamar	34. Sangre de Cristo
6. Buffalo	16. Fountain Ft. Carson	25. Moffat RE-1	35. Steamboat Springs
7. Calhan	17. Garfield RE-2	26. Monte Vista	36. Summit
8. Canon City	18. Garfield 16	27. Morgan County	37. Thompson
9. Centennial	19. Gunnison Watershed	28. Northwest BOCES (represents 6 districts)	38. Trinidad
10. Cherry Creek		29. Otis	39. Windsor Charter Academy
			40. Woodland Park

Representative comments from teachers are provided below:

*“The work that Lake County has done with CDE has had immediate and tangible benefits in my classroom. I am able to discern which materials and resources will be most beneficial to my Department. I can plan lessons that focus on what and how the student will learn rather than simply what I am going to teach.” Karl Remsen, Lake County Schools (mathematics)*

*“...The Colorado Teacher authored sample instructional units offer even greater support. One of the best features is the student and teacher-resources suggested for each learning experience...The learning experiences have allowed me freedom for my own twist on lessons while I remain focused on the big ideas of each unit...these tools have made the transition much easier on me as an educator.” Jill Martinez, Del Norte Middle School (social studies)*

What is still needed?

Districts are still requesting help with this work. To date, districts have been able to build approximately 20 percent of the sample instructional units that they have requested. The funds will enable the Department to continue working with districts to help them build the rest of the units they are desiring. In addition, districts that have been implementing their instructional units are now asking for assistance in helping them engage their teachers in identifying exemplars of student work, developing sample performance tasks, and establishing student learning objectives tied to their sample unit plans. This is the next phase of work that is planned in response to these requests from districts and their staff. The requested funds will enable the Department to proceed with this work on behalf of districts.

The Department requests that the committee reconsider its decision and approve the requested funds so that the Department can meet the requests of teachers and districts across the state for continued support with instructional planning and design.