Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department:	Department of Human Services
Request Title:	Windows 7 Support / Microsoft Office Upgrade
Priority Number:	R-16

Dept. Approval by: _Will Kl_   10-18-13   Date

OSPB Approval by: _Emil U Sel_   10/25/13   Date

- ☑ Decision Item FY 2014-15
- ☐ Base Reduction Item FY 2014-15
- ☐ Supplemental FY 2013-14
- ☐ Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
Total of All Line Items	Total	349,399	0	349,399	1,370,355	0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	278,324	0	278,324	1,370,355	0
	CF	0	0	0	0	0
	RF	14,474	0	14,474	0	0
	FF	56,601	0	56,601	0	0
	MCF	14,474	0	14,474	0	0
	MGF	7,237	0	7,237	0	0
	NGF	285,561	0	285,561	1,370,355	0
(2) Office of Information Technology Services, (A) Information Technology, Operating Expenses	Total	349,399	0	349,399	1,370,355	0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	278,324	0	278,324	1,370,355	0
	CF	0	0	0	0	0
	RF	14,474	0	14,474	0	0
	FF	56,601	0	56,601	0	0
	MCF	14,474	0	14,474	0	0
	MGF	7,237	0	7,237	0	0
	NGF	285,561	0	285,561	1,370,355	0

Letternote Text Revision Required?   Yes: ☐   No: ☑   If yes, describe the Letternote Text Revision:

Cash or Federal Fund Name and COFRS Fund Number: N/A

Reappropriated Funds Source, by Department and Line Item Name: N/A

Approval by OIT?   Yes: ☑   No: ☐   Not Required: ☐

Schedule 13s from Affected Departments: N/A

Other Information: N/A

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Cost and FTE

- The Department requests one-time funding of $1,370,355 General Fund in FY 2014-15 to upgrade their operating systems to Windows 7 and to upgrade their Microsoft Office licenses from Office 2000 to Office 2013.

Current Program

- Currently, the Department has 3,840 desktops and laptops that are using Microsoft Windows XP as their operating system. Of the 3,840 devices, 2,990 are licensed only for Microsoft Office 2000.
- Approximately 80 percent of Department employees regularly work with or have access to Personal Health Information or Personally Identifiable Information, or other sensitive data.
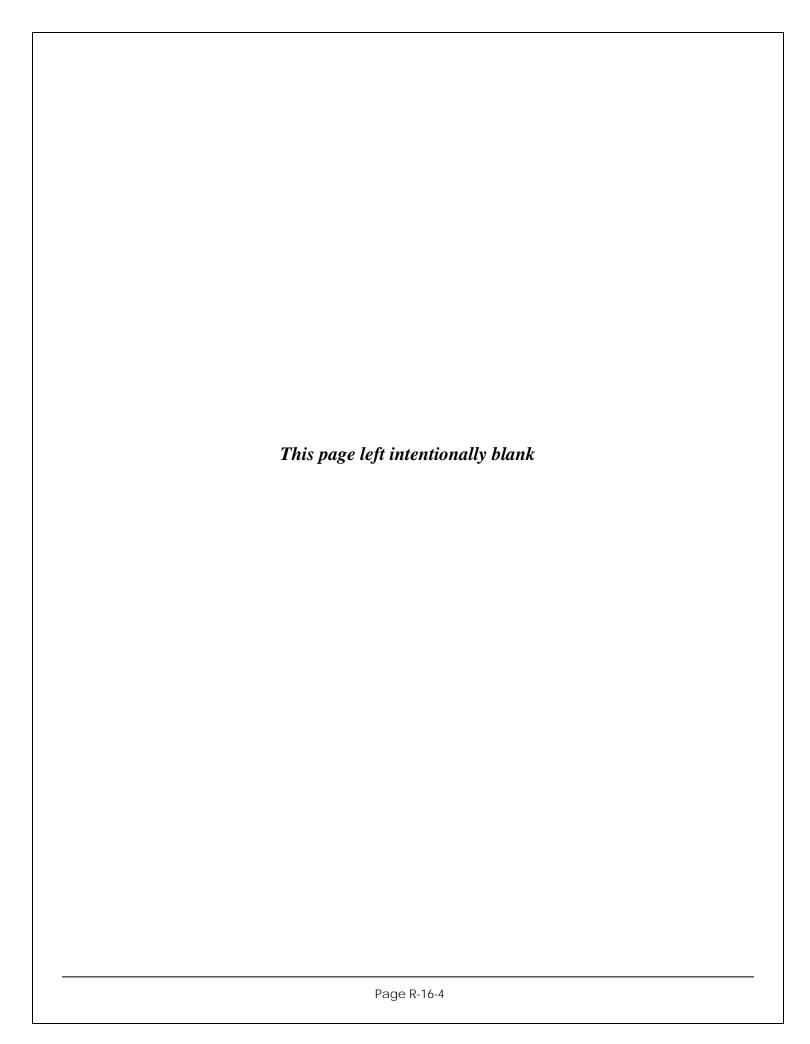
Problem or Opportunity

- In April 2014, Microsoft Corporation will no longer support Microsoft Windows XP or Microsoft Office 2003. Microsoft Corporation already does not support Microsoft Office 2000.
- Once the vendor stops supporting these software systems, the Department will no longer receive new security updates, non-security hot fixes, assisted support options, or online technical content updates.

Consequences of Problem

- Vulnerability to security risks increases if the Department remains in an unsupported and unpatched environment that is unable to identify malicious software that can steal, alter or delete information.
- The Department will become incompliant with HIPAA Security Rule 164.308(a)(1)(i) which requires policies and procedures to prevent, detect, contain, and correct security violations.
- The Department will be liable for the impact of lost or compromised data.
- Employee productivity can be adversely impacted when employees are using software applications that are becoming obsolete.

Proposed Solution

- The Department proposes one-time funding to upgrade the operating system, and for costs associated with a vendor for project management, system installation, and training, and for desktop application licenses. Ongoing costs for support and maintenance will be within the Department's current base funding.
- The Department anticipates this additional funding will result in continued system support which will allow the Department to provide better protection for confidential client data and to comply with federal security management requirements.

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State of Colorado

John W. Hickenlooper
Governor

Department of Human Services

Reggie Bicha
Executive Director

FY 2014-15 Funding Request
November 1, 2013

Department Priority: R-16
Request Detail: Windows 7 Support / Microsoft Office Upgrade

Summary of Incremental Funding Change for FY 2014-15	Total Funds	General Fund
Information Technology, Operating Expenses	$1,370,355	$1,370,355

Request Summary:

The Department requests one-time funding of $1,370,355 General Fund in FY 2014-15 to upgrade the Windows XP operating system to Windows 7 and Microsoft Office 2013 and for the project management, system installation and training associated with these upgrades.

Problem or Opportunity:

Over 3,840 of the Department's personal computers are using operating systems (Window XP) or software applications (Office 2000) that will no longer be supported by Microsoft Corporation (Microsoft) beginning in April 2014. Once the vendor stops supporting these systems and applications, the Department will no longer receive new security updates, non-security hot-fixes, assisted support options, or online technical content updates.

There are significant consequences of not having system support. The Department's mission requires that sensitive client information be protected. Without these support mechanisms available, the Department has a greater risk of jeopardizing the safety of clients' personal information. Also, the vulnerability to security risks could result in the Department becoming incompliant with the Health Insurance Portability and Accountability Act (HIPAA) Security Rule Requirement 164.308(a)(1)(i).   This rule requires the Department to have security management policies and procedures to prevent, detect, contain, and correct security violations. Unsupported systems are unable to prevent, detect or contain malicious software that can steal, alter or delete protected information.

Lastly, employee productivity can suffer when employees are using systems or applications that are becoming obsolete. Many employees come from other employment, education, or personal environments where they were using Windows 7 or later versions of Microsoft Office. This can cause frustration and productivity loss when employees don't have the same application features they are accustom to using or have previously been trained to use.

Proposed Solution:

The Department requests one-time funding of $1,370,355 General Fund in FY 2014-15 to upgrade the operating system from Windows XP to Windows 7 and the Microsoft Office suite from Office 2000 to Office 2013. The request also includes one-time costs for a project management, system installation, and training, and for desktop application licenses. The project manager will provide oversight, coordination, scheduling, verifying and reporting of the project. The ongoing costs for support and maintenance once the new operating system and software are installed will be supported in the Department's current base funding. The Governor's Office of Information Technology (OIT) has reviewed and supports this request.

Anticipated Outcomes:

The primary outcome of updating the operating system and desktop application is the Department will have continued system support from the vendor. This will help protect confidential client data and comply with federal security management requirements. The Department estimates that 80 percent of the Department's employees regularly work with Personal Health Information (PHI), Personally Identifiable Information (PII), and other sensitive data. Protecting this information is essential to the Department's mission to design and deliver high quality human and health services that improve the safety, independence and wellbeing of the people of Colorado.

This one-time funding will allow the operating system and applications to be upgraded within a year after the vendor stops providing support. If the Department waited to upgrade to Windows 7 during scheduled cycles of hardware replacement, it would take up to three years before these upgrades would be complete. Furthermore, the Department's base funding does not include the additional costs for upgrading the Microsoft Office licenses from Office 2000 to Office 2013.

Assumptions and Calculations:

The Department has 3,840 desktops and laptops that will require the upgrade of the standard operating system from Microsoft Windows XP to Microsoft Windows 7; 1,315 of them will receive the upgrade as part of the hardware renewal process this fiscal year; 2,525 of them will receive the upgrade as part of this funding request. (The Department already has operating system licenses as part of leasing the computers, but requires vendor engagement on each device.) Of the 3,840 devices, 2,990 are licensed only for Microsoft Office 2000 and will require licenses for Office 2013.

Cost assumptions and calculations for this request are identified in table 1 below.

Table 1: Cost Projects for Window 7 and Microsoft Office Upgrades		
Description	**FY 2014-15**	**Calculation Assumptions**
Contract Project Manager	$114,400	The Project Manager cost is based on the standard contract vendor project management rate of $55 per hour for one year.
Testing	12,100	Application compatibility and network testing costs are based on the Governor's Office of Information Technology (OIT) rates of $55 per hour and estimation of time to complete the work.
Contract Vendor Engagement	169,175	Vendor engagement for the upgrades is an estimation of two hours per device that requires a Windows 7 upgrade. The cost of $33.50 per hour is based on OIT provided rates.
OIT Staff Training	5,200	Twenty (20) OIT staff will receive training for Windows 7 system administration and Windows 7 and Office 2013 support. Each course has a cost of $260.
CDHS Staff Training	76,800	Training will be provided to the 3,840 end users on Windows 7. Cost per employee is estimated at $20.
Office 2013 Licenses	992,680	License costs of $332 for 2,990 devices is based on contract pricing with Insight (the State's vendor for software licensing).
Total	**$1,370,355**	**This request is for one-time funding.**