

Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Department of Human Services
Request Title: Increase Operating Funding for Critical Replacement Costs
Priority Number: R-18

Dept. Approval by: *Will Byl* 10-18-13
 Date

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

OSPB Approval by: *Erin Walsh* 10/25/13
 Date

| 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 | 3,377,779 | 0 | 3,377,494 | 233,083 | 233,083 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 2,454,829 | 0 | 2,454,555 | 233,083 | 233,083 |
| | CF | 11,422 | 0 | 11,422 | 0 | 0 |
| | RF | 711,909 | 0 | 711,898 | 0 | 0 |
| | FF | 199,619 | 0 | 199,619 | 0 | 0 |
| | MCF | 356,874 | 0 | 356,863 | 0 | 0 |
| | MGF | 178,437 | 0 | 178,431 | 0 | 0 |
| | NGF | 2,633,266 | 0 | 2,632,986 | 233,083 | 233,083 |
| (3) Office of Operations, (A) Administration, Operating Expenses | Total | 3,377,779 | 0 | 3,377,494 | 233,083 | 233,083 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 2,454,829 | 0 | 2,454,555 | 233,083 | 233,083 |
| | CF | 11,422 | 0 | 11,422 | 0 | 0 |
| | RF | 711,909 | 0 | 711,898 | 0 | 0 |
| | FF | 199,619 | 0 | 199,619 | 0 | 0 |
| | MCF | 356,874 | 0 | 356,863 | 0 | 0 |
| | MGF | 178,437 | 0 | 178,431 | 0 | 0 |
| | NGF | 2,633,266 | 0 | 2,632,986 | 233,083 | 233,083 |

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 \$233,083 General Fund in FY 2014-15 and in subsequent years to fund replacement and repairs of essential security and safety equipment throughout Department facilities.

Current Program

- The Division of Facilities Management in the Office of Administrative Solutions is responsible for operating, cleaning, and maintaining all Department facilities. Funding for capital outlay allows them to fulfill this duty. Capital outlay affects the care, safety and use of all Department facilities, linking it with all staff, clients, families, visitors, and members of the public.

Problem or Opportunity

- All Department offices supporting direct care services have critical security system equipment. These security systems are a major deterrent to assaults on staff, patients, youth, clients, and the public, as well as provide other valuable supports. This equipment is in need of replacement.
- The Department has seen increases in costs of this equipment over the original equipment purchase, with no additional funds to maintain and replace. Examples include, 130% increase in cameras, 231% increase in quad-controllers and processors, and 225% increase in DVRs.
- This request identifies equipment and systems that have been part of controlled maintenance requests but the increases in actual components have far outweighed the original operating funding to maintain them.
- All controlled maintenance projects assume “like kind” replacement. None of the Department’s security system upgrades replaced existing systems with an identical number of replacements.
- To replace the security system equipment, the incremental equipment capital cost is \$1,398,500, with the life expectancy ranging between four and six years. The Department requests funding to replace this equipment using a six-year life expectancy, requiring an annualized appropriations of \$233,083.

Consequences of Problem

- Inadequate funding to replace security system equipment compromises the ability to comply with relevant regulatory and accreditation requirements, results in frequent system failures, reduces service to customers, and increases emergency controlled maintenance requests.
- Facilities Management maintains security systems for the Department for 22 buildings and campuses, almost exclusively in 24/7 environments. Program personnel depend on the cameras and recording devices to function consistently and reliably to ensure safety and security of all people.

Proposed Solution

- The Department proposes funding of \$233,083 annually to restore capital outlay funding.
- The funding request is on-going; the six-year replacement would recycle after the sixth year.

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State of Colorado
Department of Human Services
FY 2014-15 Funding Request
November 1, 2013

John W. Hickenlooper
Governor

Reggie Bicha
Executive Director

Department Priority: R-18
Request Detail: Increase Operating Funding for Critical Replacement Costs

| Summary of Incremental Funding Change for FY 2014-15 | Total Funds | General Fund |
|---|--------------------|---------------------|
| Office Operations, Administration, Operating Expenses | \$233,083 | \$233,083 |

Request Summary:

The Department requests \$233,083 General Fund in FY 2014-15 and in subsequent years to fund replacement and repairs of essential security and safety equipment throughout Department facilities.

Problem or Opportunity:

The Colorado Department of Human Services (Department) is entrusted to serve the State's most vulnerable people. The Department is mandated to house and provide comprehensive psychiatric, psychological, rehabilitation and therapeutic care to individuals with a serious mental illness - both civilly committed and in a forensic capacity. It is mandated to provide treatment and housing for detained and convicted youths who have demonstrated delinquent behavior. The Department is also the safety net for serving developmentally disabled individuals with the most intensive needs transferring from community programs to Regional Centers.

Many of these individuals have a history of violence or self-harm. Electronic devices such as cameras, switchers, monitors, central processing units, alarms, intercoms and other equipment help provide a safe environment for the clients, patients and youths the Department serves. Program personnel depend on the cameras and recording devices to function consistently and reliably to ensure the personal safety and security of all individuals within the confines of the facilities. In addition, the recordings act as a deterrent for anyone perpetrating a crime against an individual or causing damage to the physical plant. If equipment is likely to malfunction or is obsolete, this monitoring and preventive measure cannot be counted on.

The age and reliability of this equipment in the Department's facilities is passing its useful life. The standard for replacing personal computer is a three year lease. There is no similar standard for safety and security equipment replacement. As the security equipment is nearing its useful life, the Department is experiencing failures of equipment on a more frequent basis. The consequences of unplanned failures are

experienced when the evidence is most needed. For example, when a mistreatment grievance is filed by a client, patient or youth, the inclination is to go to the recorder only to find it has failed and no longer records. Therefore, there would be no evidence to confirm or deny the allegations and it can take investigators weeks to resolve the case when properly functioning security equipment (cameras, recorders, alarms) could have provided the evidence in a matter of minutes and would have been indisputable.

Funding to replace this safety and security equipment is not included in the Department's base operating budget. If the Department considered replacing this equipment with existing funds, a level of service in another area would be reduced.

Proposed Solution:

The estimated capital costs for replacing the needed security system equipment is \$1,398,500. However, the equipment has different life spans ranging between four and six years. Thus, the Department is requesting funding to replace this equipment on a six-year reoccurring basis, requiring an annual cost of \$233,083.

Most of the Department's safety and security equipment has aged past its useful life of four to six years, depending on the component. As part of controlled maintenance project, the Department was able to replace some of this equipment at Platte Valley Youth Services Center (Platte Valley) two years ago, at Marvin W. Foote Youth Services Center (Foote) and Spring Creek Youth Services Center (Spring Creek) last year, and is in the process of replacing the equipment at Lookout Mountain Youth Services Center (Lookout Mountain). The remaining of the Department's safety and security equipment is older than the high security forensic unit which opened in June 2009 in at the Colorado Mental Health Institute at Pueblo (CMHIP). This building is now over four years old.

According to the depreciable hospital asset guide, the American Hospital Association Health and Data Management Group "Estimated Useful Lives of Depreciable Hospital Assets, Revised 2013 Edition," most of the equipment at high security forensic unit at CMHIP is rapidly approaching the end of its useful life. Other buildings including all the remaining mental health facilities at CMHIP and the Colorado Mental Health Institute at Fort Logan (CMHIFL) are older. In the Division of Youth Corrections (DYC), Adams, Mount View, Gilliam, Grand Mesa, Zebulon Pike, and Pueblo Youth Services Centers the equipment is only being replaced when it fails. The last time a major upgrade was done to any DYC facilities, other than the facilities mentioned above, was in 1988. At the Regional Centers, the equipment is all old without retro fit programs in place from the time of any installations.

Anticipated Outcomes:

The Department is required to meet standards by organizations such as the Joint Commission, The American Correctional Association, International Building Code, and Colorado Department of Public

Health and Environment. Consistently meeting these standards with consistent updates to the safety and security equipment ensures compliance and accreditation requirements. Funding to replace the aging equipment will allow the Department to comply with licensing and accreditation requirements as well as provide a safer environment for the clients, patients, youth, staff and visitors to the Department's facilities.

Assumptions and Calculations:

The cost estimates of equipment replacement are provided through past replacements within the Department's Division of Facilities Management (Division) and the multiple security system vendors the Division has used in the past, such as the projects mentioned above, Foote, Platte, Spring Creek and Lookout Mountain. The estimated are rounded, representing an illustrative sample. For example, a zoom camera might be manufactured by Sony or Panasonic; it may zoom from 30 to 100 mm or 30 to 240 mm. A camera may also have low light capabilities or wide angle. There are many variables to the inventory of this equipment and the capabilities.

| Components | Life Expectancy (Years) | Incremental Units | Unit Cost | Total Cost |
|---|------------------------------------|--------------------------|------------------|--------------------|
| Cameras: | | | | |
| Fixed Pan | 5 | 371 | \$500 | \$185,500 |
| Zoom | 5 | 200 | \$1,500 | \$300,000 |
| Quad Controllers | 4 | 143 | \$3,500 | \$500,500 |
| Processors | 6 | 143 | \$1,500 | \$214,500 |
| DVRs | 5 | 36 | \$5,500 | \$198,000 |
| Total | | | | \$1,398,500 |
| Rotating basis of replacement based on six year cycle (annual costs) | | | | \$233,083 |

