

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Medical Marijuana Computer System
 Department: Public Health and Environment
 Priority Number: S-3, BA - 2

Dept. Approval by: *[Signature]*
 OSPB Approval: *[Signature]*

Date: 12/15/2010
 Date: 12-20-10

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	3,597,004	4,678,278	85,000	4,763,278	4,733,644	0	4,733,644	86,000	4,819,644	86,000
	FTE	53.1	68.9	0.0	68.9	68.4	0.0	68.4	0.0	68.4	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	2,366,048	3,143,972	85,000	3,228,972	3,155,408	0	3,155,408	86,000	3,241,408	86,000
	CFE/RF	104,349	292,773	0	292,773	298,031	0	298,031	0	298,031	0
	FF	1,126,607	1,241,533	0	1,241,533	1,280,205	0	1,280,205	0	1,280,205	0
(2) Center for Health and Environmental Information, (A) Health Statistics and Vital Records, Personal Services	Total	3,496,205	4,190,474	46,000	4,236,474	4,235,617	0	4,235,617	8,000	4,243,617	8,000
	FTE	53.1	68.9	0.0	68.9	68.4	0.0	68.4	0.0	68.4	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	2,366,048	3,143,972	46,000	3,189,972	3,155,408	0	3,155,408	8,000	3,163,408	8,000
	CFE/RF	3,550	3,550	0	3,550	3,550	0	3,550	0	3,550	0
	FF	1,126,607	1,042,952	0	1,042,952	1,076,659	0	1,076,659	0	1,076,659	0
(2) Center for Health and Environmental Information, (B) Information Technology Services, Management and Administration of OIT	Total	100,799	487,804	39,000	526,804	498,027	0	498,027	78,000	576,027	78,000
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	0	0	39,000	39,000	0	0	0	78,000	78,000	78,000
	CFE/RF	100,799	289,223	0	289,223	294,481	0	294,481	0	294,481	0
	FF	0	198,581	0	198,581	203,546	0	203,546	0	203,546	0

Non-Line Item Request: None
 Letternote Revised Text for FY 2010-11:

a Of these amounts, \$1,662,113 shall be from the Vital Statistics Records Cash Fund created in Section 25-2-121 (2) (b) (I), C.R.S., \$1,299,353-\$1,384,343 shall be from the Medical Marijuana Program Cash Fund created in Section 25-1.5-106 (2), C.R.S., \$118,673 shall be from the Tobacco Education Programs Fund created in Section 24-22-117 (2) (c) (I), C.R.S., \$118,673 shall be from the Prevention, Early Detection, and Treatment Fund created in Section 24-22-117 (2) (d) (I), C.R.S., and \$103,151 shall be from various sources of cash funds. The Tobacco Education Programs Fund and the Prevention, Early Detection and Treatment Fund consist of revenues from additional state cigarette and tobacco taxes imposed pursuant to Section 21 of Article X of the State Constitution; appropriations from this fund do not constitute fiscal year spending for the purposes of Section 20 of Article X of the State Constitution.

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Medical Marijuana Computer System
 Department: Public Health and Environment Dept. Approval by: _____ Date: _____
 Priority Number: S-3, BA - 2 OSPB Approval: _____ Date: _____

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13

Letternote Text Requested for FY 2011-12: a Of these amounts, \$1,662,113 shall be from the Vital Statistics Records Cash Fund created in Section 25-2-121 (2) (b) (I), C.R.S., ~~\$1,299,353~~ \$1,385,343 shall be from the Medical Marijuana Program Cash Fund created in Section 25-1.5-106 (2), C.R.S., \$118,673 shall be from the Tobacco Education Programs Fund created in Section 24-22-117 (2) (c) (I), C.R.S., \$118,673 shall be from the Prevention, Early Detection, and Treatment Fund created in Section 24-22-117 (2) (d) (I), C.R.S., and \$103,151 shall be from various sources of cash funds. The Tobacco Education Programs Fund and the Prevention, Early Detection and Treatment Fund consist of revenues from additional state cigarette and tobacco taxes imposed pursuant to Section 21 of Article X of the State Constitution; appropriations from this fund do not constitute fiscal year spending for the purposes of Section 20 of Article X of the State Constitution.

Cash or Federal Fund Name and COFRS Fund Number: Fund 14V - Medical Marijuana Cash Fund
 Reappropriated Funds Source, by Department and Line Item Name: None
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: Department of Public Safety, Office of Information Technology

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Medical Marijuana Computer System
 Department: Governor's Office of Information Technology Dept. Approval by: *[Signature]* Date: December 15, 2010
 Priority Number: OSPB Approval: *[Signature]* Date: 12-20-10

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	1,717,010	5,009,470	78,000	5,087,470	5,070,499	0	5,070,499	156,000	5,226,499	156,000
	FTE	17.7	68.9	0.0	68.9	68.9	0.0	68.9	0.0	68.9	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	1,717,010	5,009,470	78,000	5,087,470	5,070,499	0	5,070,499	156,000	5,226,499	156,000
	FF	0	0	0	0	0	0	0	0	0	0
Governor-Lieutenant Governor-State Planning & Budgeting (5) Office of Information Technology, (C) Statewide Information Technology Services. (2) Statewide IT Management	Total	1,717,010	5,009,470	78,000	5,087,470	5,070,499	0	5,070,499	156,000	5,226,499	156,000
	FTE	17.7	68.9	0.0	68.9	68.9	0.0	68.9	0.0	68.9	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	1,717,010	5,009,470	78,000	5,087,470	5,070,499	0	5,070,499	156,000	5,226,499	156,000
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: None
 Letternote Revised Text for FY 2010-11: This amount shall be from the Department of Revenue and the Department of Public Health and Environment
 Letternote Text Requested for FY 2011-12: This amount shall be from the Department of Revenue and the Department of Public Health and Environment
 Cash or Federal Fund Name and COFRS Fund Number:
 Reappropriated Funds Source, by Department and Line Item Name:
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: Department of Public Health and Environment, Department of Public Safety:

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Medical Marijuana Computer System
Department: Public Safety
Priority Number: NP-4
Dept. Approval by: *[Signature]*
OSP Approval: *[Signature]*
Date: January 3, 2011
Date: 12-20-10

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actuals FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	1,208,824	1,350,352	92,000	1,442,352	1,350,352	0	1,350,352	16,000	1,366,352	16,000
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	570,114	591,765	0	591,765	591,765	0	591,765	0	591,765	0
	CF	638,710	758,587	0	758,587	758,587	0	758,587	0	758,587	0
	HUTF	0	0	0	0	0	0	0	0	0	0
	RF	0	0	92,000	92,000	0	0	0	16,000	16,000	16,000
	FF	0	0	0	0	0	0	0	0	0	0
(5) Colorado Bureau of Investigation, (B) Colorado Crime Information Center (CCIC) (3) Information Technology	Total	1,208,824	1,350,352	92,000	1,442,352	1,350,352	0	1,350,352	16,000	1,366,352	16,000
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	570,114	591,765	0	591,765	591,765	0	591,765	0	591,765	0
	CF	638,710	758,587	0	758,587	758,587	0	758,587	0	758,587	0
	HUTF	0	0	0	0	0	0	0	0	0	0
	RF	0	0	92,000	92,000	0	0	0	16,000	16,000	16,000
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: None
Letternote Revised Text for FY 2010-11: None
Letternote Text Requested for FY 2011-12: None
Cash or Federal Fund Name and COFRS Fund Number: N/A
Reappropriated Funds Source, by Department and Line Item Name: Medical Marijuana Fund-Dept. of Public Health and Environment
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments: Public Health and Environment, Office of Information Technology

CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Public Health and Environment/Department of Revenue/Governor's Office of Information Technology & Department of Public Safety
Priority Number:	S – 3, BA # 2
Change Request Title:	Medical Marijuana Computer System

SELECT ONE (click on box):

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-12

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department of Public Health and Environment (CDPHE), in conjunction with the Department of Public Safety (CDPS), the Department of Revenue (DOR), and the Governor's Office of Information Technology (OIT) requests the following for their respective roles in the administration and regulation of medical marijuana in Colorado. The approval of this request is critical to the regulatory scheme being implemented by the Department of Revenue and must be implemented as soon as possible to comply with the requirements of HB 10-1284.

Given the complexity of designing interfaces with the CDPHE and DOR systems, the Colorado Bureau of Investigation's Colorado Crime Information Center (CCIC) vendor expects that it will take five to six months to complete the work. Until the appropriations are in place, fiscal rules prevent the department from even entering into contract negotiations with the vendor. This request includes several divisions and below is a summary of both the FY 2010-11 and FY 2011-12 requests:

FY 2010-11 – CDPHE Cash Funds \$85,000, Reappropriated funds \$92,000 for DPS, and \$78,000 reappropriated funds for OIT.

FY 2011-12 and FY 2012-13 – CDPHE Cash Funds \$86,000. (Personal services and \$8,000 CF operating), \$16,000 reappropriated funds for DPS and \$156,000 reappropriated funds for OIT.

The departments agree that the law does not require CDPS to be involved. Rather, the law simply requires that CDPHE provide information to police officers concerning the appropriate marijuana licensure of individuals and retailers. After considering various options for this requirement, the departments determined that the most efficient means of accomplishing this requirement is to take advantage of electronic links that already exist between the State and all local law enforcement agencies. Those links occur through the CBI's Colorado Crime Information Center (CCIC). Rather than reinvent this wheel, it makes operational sense to provide marijuana licensure information to police officers through a system in which they already work on a daily basis, and with which they are already intimately familiar.

Section 12-43.3-103(2)(c), C.R.S., provides that the regulatory provisions for medical marijuana become effective on July 1, 2011. The primary component of the regulatory scheme as testified to in Committee are the systems discussed above. These must be built and tested well before the effective date. Once implemented, the Medical Marijuana Enforcement Division in the Department of Revenue will need to educate more than 2,300 licensees on the utilization of the system before the effective date. Thus, it is imperative to commence the project as soon as possible. In addition, the Department of Revenue is charged with promulgating rules that address these issues. It is expected that these will become effective on March 1, 2011.

When completing the fiscal notes, the departments did not realize how much integration would be needed to make all the systems work. Based on HB 10-1284, DOR will also need access to the CDPHE database (which was not anticipated) to confirm patients that

choose a center for their medical marijuana (this allows a center to grow 6 plants and have 2 ounces).

The departments hired a consultant (through OIT) along with DOR and input from DPS to look at current systems. The CDPHE system is not set up to handle 113,000 patients and to provide interface with the other two departments. The consultant gave us long-term and short-term needs. In the short term, the Department of Public Health and Environment is placing a band-aid on the current system to give DPS 24/7 access to the database. This is the request that is being presented at this time. Long-term, the CDPHE may need to purchase a new system that is compatible with DOR and can handle increased patient load. This is part of the reason a project manager needs to be hired.

Funding Summary for FY 2010-11

Department	Purpose	Fund	Fund Source	Amount requested via this request
CDPHE	Link for DPS to Switch	Medical Marijuana Program Fund	Cash	\$46,000
CDPHE	Program manager (FY 2010-11)	Medical Marijuana Program Fund	Cash	\$39,000
Total CDPHE				\$85,000
DPS	Link for DPS to Switch	Medical Marijuana Program Fund and Medical Marijuana Enforcement Licensing Fund	Reappropriated	\$92,000
Office of Information Technology	Project Manager (FY 2010-11)	Medical Marijuana Program Fund and Medical Marijuana Enforcement Licensing Fund	Reappropriated	\$78,000

Funding Summary for FY 2011-12

Department	Purpose	Fund	Fund Source	Amount requested via this request
CDPHE	Maintenance of DPS links	Medical Marijuana Program Fund	Cash	\$8,000
CDPHE	Program manager (FY 2011-12)	Medical Marijuana Program Fund	Cash	\$78,000
Total CDPHE				\$86,000
DPS	Maintenance for DPS to Switch	Medical Marijuana Program Fund and Medical Marijuana Enforcement Licensing Fund	Reappropriated	\$16,000
Office of Information Technology	Project Manager (FY 2011-12)	Medical Marijuana Program Fund and Medical Marijuana Enforcement Licensing Fund	Reappropriated	\$156,000

The requested \$85,000 cash funds will be from the Medical Marijuana Fund (CDPHE). The \$92,000 Reappropriated funds will also be from the Medical Marijuana Fund as well as from the Medical Marijuana Enforcement Licensing Fund at the Department of Revenue. The Governor’s Office of Information Technology (OIT) will need \$78,000 reappropriated funds for a project manager in FY 2010-11 and \$156,000 reappropriated funds for the project manager in FY 2011-12 and potentially for the out years. In addition, the Department of Public Safety will need \$16,000 reappropriated funds for FY 2011-12 and future years to maintain the computer link. The source of these funds is the Medical Marijuana Fund as well as the Medical Marijuana Enforcement Licensing Fund. Future year needs will be reevaluated by the departments and OIT annually and any changes in need will be handled through the normal budget process.

CDPHE:

FY 2010-11 - Cash funds of \$46,000 to be transferred to the Department of Public Safety to create the interface between the CDPHE Medical Marijuana Registry and the CBI-CCIS Message Switch system.

Please note that the CDPHE is also incurring a cost of \$46,000 to create the link between CDPHE and the CBI-CCIS Message system. However, this is being paid out of an existing appropriation for the Medical Marijuana Program.

Cash funds of \$39,000 for half the cost of a project manager. This will be for 6 months (January – June 2011). The CDPHE will pay an estimated 50% of the project manager's costs.

FY 2011-12 - Cash funds of \$78,000 for half the cost of a project manager for the full year. The CDPHE will continue to pay an estimated 50% of the project manager's costs.

Cash funds of \$8,000 to be transferred to the Department of Public Safety to maintain the interface between the CDPHE Medical Marijuana Registry and the CBI-CCIS Message Switch system.

DOR:

The funding of this request is critical to the regulatory scheme being implemented by the Department of Revenue and must be implemented as soon as possible to comply with the requirements of HB 10-1284. While the Department of Revenue is not requesting additional resources, there will be expenditures from the Department of revenue to fulfill this project. The information for the Department of Revenue is included to present a complete picture of the costs of the project.

The Department of Revenue's cost to build an interface with CCIS (state law enforcement system) is \$46,000 in FY 2010-11 and the cost to develop a client web-based services system linked to CDPHE and CDPS is \$46,000 in FY 2010-11. Additionally, the Department's portion of a project manager for 6 months in FY 2010-11 is \$39,000. Thus, the total cost for the medical marijuana interface project, including a project manager is \$131,000 in FY 2010-11. The project manager will also be needed in FY 2011-12 and possibly FY 2012-13 at an annual cost of \$78,000. Additionally, \$8,000 will be required for the maintenance of computer links in FY 2011-12, for a total cost of

\$86,000 in FY 2011-12 and \$8,000 for each year thereafter. The funding source for this project is the Medical Marijuana Enforcement Licensing Fund. This information is being included as informational.

The Department of Revenue does not require additional spending authority in order to implement this request.

CDPS:

This request includes an increase in reappropriated funds of \$92,000 for FY 2010-11 in CDPS; the revenue source will be split equally between CDPHE and DOR. These funds will be used to complete the interface between the CDPHE Medical Marijuana Registry and the CBI-CCIS system. \$46,000 of this \$92,000 will be from the CDPHE as noted above). The remaining \$46,000 will be used for the completion of the interface between the Department of Revenue and the CBI-CCIS system as identified above.

FY 2011-12 - Reappropriated funds of \$16,000. This will be used to maintain the interface between the three agencies (CDPHE/DOR/DPS).

OIT:

The Governor's Office of Information Technology (OIT) will not be involved, financially, with the completion of the computer switch component of the request. However, OIT is involved in working with the departments and the CCIS contractors to ensure that the work is completed and that the work done will meet the needs of the agencies. The departments have spoken with OIT and according to the OIT, the only way the departments can accomplish the goals outlined in this supplemental is to receive the funding and/or spending authority as soon as possible. OIT has multiple technical solutions that are required to meet the business needs. These solutions will require procurement, design, build, test, and deployment activities.

Requests \$78,000 reappropriated funds for project management services in FY 2010-11 and \$156,000 for the same services in FY 2011-12 and potentially for the out years. Future year needs will be reevaluated by the departments and OIT annually and any changes in need will be handled through the normal budget process.

Further, OIT is included in this request, because beginning in FY 2010-11 this request includes the budget neutral addition of reappropriated spending authority in OIT. OIT will require additional spending authority to provide the necessary project management services to facilitate successful implementation of the multi-agency medical marijuana system (\$78,000 reappropriated funds in FY 2010-11 for half a year to direct the technical and operational implementation of this effort and \$156,000 reappropriated funds annualized beginning in FY 2011-12). The reappropriated funds should be appropriated in the budget of the Governor, Lieutenant Governor, State Planning and Budgeting, Office of Information Technology, Statewide Information Technology Services, Statewide Information Technology Management line item for FY 2010-11, FY 2011-12 and potentially FY 2012-13, and will be included in the Common Policy allocations for CDPHE as applicable in the respective referenced fiscal years.

Total:

FY 2010-11 – CDPHE Cash Funds \$85,000, Reappropriated funds \$92,000 for DPS, and \$78,000 reappropriated funds for OIT.

FY 2011-12 – CDPHE Cash Funds \$86,000. (Personal services and \$8,000 CF operating), \$16,000 reappropriated funds for DPS and \$156,000 reappropriated funds for OIT.

General Description of Request:

In 2000, Colorado voters approved Constitutional Amendment 20, which established the Medical Marijuana Registry program. Section 14 of article XVIII of the Colorado Constitution creates limited exceptions to Colorado's criminal laws for patients, primary care givers, and physicians acting in conformance with the obligations of the Amendment. This Amendment permits the medical use of marijuana through physician

recommendation to alleviate debilitating medical conditions. CDPHE is the state health agency designated to administer the Medical Marijuana Registry (MMR) program authorized by the Amendment, and has been performing this function since 2001.

New state legislation (HB 10-1284 and SB 10-109) passed during the 2010 legislative session adds additional responsibilities to the CDPHE's administration of the program, and also introduces the licensing and regulation of Medical Marijuana Centers (MMCs) by the Department of Revenue. Specifically, HB 10-1284 Medical Marijuana Regulations requires that the Department of Revenue license and regulate MMC's, and imposes additional requirements on CDPHE's administration of the MMR program concerning patients and care-givers, including but not limited to ensuring that no more than a maximum of five patients are served by a single care-giver. In order to properly administer the licensing program for MMCs and other related licensees, the Department of Revenue will need limited access to the CDPHE's computer system to confirm a patient's choice of a medical marijuana center. In addition, this bill requires that the CDPHE make certain MMR program information available to law enforcement personnel 24 hours a day, seven days a week.

The CDPHE included \$7,000 in the fiscal note for HB 10-1284 in order to make limited information from the MMR accessible electronically. Since the bill has passed, the three departments have been working together on multiple issues, including the development of the overall rules, recommendations, policies and guidelines for the enforcement of medical marijuana statutes and constitutional requirements. As a result of these multi-departmental meetings the working group has determined that the \$7,000 authorized as part of the fiscal note is not sufficient to ensure secure 24/7 access by law enforcement to the MMR database.

In addition, this collaboration has identified several issues that will necessitate additional information system projects and/or updates. To manage both the current project and anticipated future projects, the Office of Information Technology is requesting reappropriated spending authority to provide project management services necessary to coordinate all IT issues with regard to medical marijuana. This project manager will be

hired at the OIT rate of \$75/hour, which covers all of OIT's costs. This cost would then be distributed to the CDPHE and DOR based on the hours the employee spends on each department. The current estimate is that this responsibility will be split equally between CDPHE and DOR.

For FY 2010-11 the cost of the project manager is only for a portion of the year and is based on 1040 hours (6 months) X \$75 = \$78,000. Again, the costs are anticipated to be split between CDPHE and DOR.

For FY 2011-12 this cost is based on 2080 hours X \$75 = \$156,000.

OIT Estimated FY 2010 – 11 & FY 2011 – 12 Project Management Service Costs

OIT is statutorily charged with coordination, monitoring, and oversight of Executive Branch IT projects. The \$75/hour OIT rate is well below qualified consultant/contractor rates that are paid to vendors on a regular basis by state departments, cities and municipalities for senior project management capabilities that range from \$100 - \$150/hour. The OIT rate for this function is based upon existing OIT service rate models, assumptions, methodology and data for statewide technology services. This rate includes operating, overhead costs, general administrative costs, and cyber-security coordination and oversight to eliminate the potential for underestimates of total cost of ownership for IT capital projects, while also providing maximum benefit to the State and the departments involved.

The OIT rate includes the following components:

- Review and approval of technical requirements;
- The resolution of complex issues/risks that impact the project;
- OIT will support the design, documentation, development, modification, testing, installation, implementation and maintenance of hardware and software applications as applicable;

- Preparation of Statements of Work (SOWs), Requests for Information (RFI), Requests for Proposals (RFPs) and participation on evaluation teams for potential vendor selection, etc.;
- OIT will provide cyber-security architecture consultation to optimize planning, development, implementation, and maintenance phases; and
- OIT will validate that the project adheres to enterprise cyber-security standards, policies, and procedures that ensure the confidentiality, integrity and availability of systems, networks, and data.

The current fee for a Medical Marijuana Registry card is \$90 per year. That fee is adequate to generate sufficient revenue to cover these requested increases without raising the fee.

Consequences If Not Funded:

As established in HB 10-1284, access to CDPHE's and DOR's Medical marijuana information is necessary in order for departments to implement new legislation to safely and effectively control the distribution of medical marijuana. The Department of Revenue the Department of Regulatory Agencies, and law enforcement officials must be able to quickly access the most current information regarding medical marijuana registrants. If departments cannot access the information, they will be unable to fulfill their legal obligations. For example, if law enforcement does not have appropriate documentation or a way to verify if an individual is legally entitled to possess marijuana, false arrests and the subsequent burden on the individuals impacted and the judicial system may occur.

Calculations for Request:

Department of Public Health & Environment

Summary of Request FY 2010-11	Total Funds	Cash Funds
Total Request	\$85,000	\$85,000
(2) Center for Health and Environmental Information, (A) Health Statistics and Vital Records, Personal Services	\$46,000	\$46,000
(2) Center for Health and Environmental Information, (B) Information Technology Services, OIT Management and Administration	\$39,000	\$39,000

Summary of Request FY 2011-12	Total Funds	Cash Funds
Total Request	\$86,000	\$86,000
(2) Center for Health and Environmental Information, (A) Health Statistics and Vital Records, Personal Services	\$8,000	\$8,000
(2) Center for Health and Environmental Information, (B) Information Technology Services, OIT Management and Administration	\$78,000	\$78,000

Department of Revenue

No appropriation changes will occur for the Department of Revenue.

Department of Public Safety

Summary of Request FY 2010-11	Total Funds	Reappropriated Funds

Summary of Request FY 2010-11	Total Funds	Reappropriated Funds
Total Request	\$92,000	\$92,000
CDPS, (5) Colorado Bureau of Investigation, (2) Colorado Crime Information Center (CCIC), (3) Information Technology.	\$92,000	\$92,000

Summary of Request FY 2011-12	Total Funds	Reappropriated Funds
Total Request	\$16,000	\$16,000
CDPS, (5) Colorado Bureau of Investigation, (2) Colorado Crime Information Center (CCIC), (3) Information Technology.	\$16,000	\$16,000

Governor's Office of Information Technology

Summary of Request FY 2010-11	Total Funds	Reappropriated Funds
Total Request	\$78,000	\$78,000
(5) Office of Information Technology, (C) Statewide Information Technology Services, (2) Statewide Information Technology Management	\$78,000	\$78,000

Summary of Request FY 2011-12	Total Funds	Reappropriated Funds
Total Request	\$156,000	\$156,000
(5) Office of Information Technology, (C) Statewide Information Technology Services, (2) Statewide Information Technology Management	\$156,000	\$156,000

Cash Funds Projections:

Fund 14V – Medical Marijuana

Cash Fund Name	Cash Fund Number	FY 2009-10 Expenditures	FY 2009-10 End of Year Cash Balance	FY 2010-11 End of Year Cash Balance Estimate	FY 2011-12 End of Year Cash Balance Estimate
Medical Marijuana Program Fund	14V	\$1,048,783	\$9,760,838	(\$1,573,725)	\$9,346
Medical Marijuana Enforcement Licensing Fund	15Z	N/A	N/A	(\$0)*	\$1,899,310

*Assumes approval of this request. Due to the updated projections above, the cash fund transfer from the Medical Marijuana Cash Fund will need to be adjusted to reflect current revenue estimates. This adjustment to the November 1 cash fund transfer request, if deemed necessary, will be submitted February 15, 2011.

Detailed Information Regarding Anticipated Fund Balance For the Medical Marijuana Program Fund (CDPHE):

FY 2009-10 End of Year Cash Balance Estimate (Actual data available after August 9)	\$9,760,838
FY 2010-11 Long Bill appropriation, 1331 supplemental (plus POTS and Indirect)	(\$3,604,444)
SB 10-109 (FY 2010-11 Appropriation)	(\$815,224)
HB 10-1284 (FY 2010-11 Appropriation)	(\$59,747)
Loan to Department of Revenue for HB 10-1284 – This amount should be repaid during FY 2010-11 (however, to conservatively estimate fund balance the payback is not included in these calculations). HB 10-1284 authorized the Department of Revenue to borrow up to \$1,000,000 from the Medical Marijuana Program Fund in order to implement their program before funding comes in from licenses.	(\$1,000,000)
Repayment of Department of Revenue Loan for HB 10-1284	\$1,000,000
Transfer to General Fund on June 30, 2011 (HB 10-1388 Cash Fund Transfers Augment General Fund)	(\$3,000,000)
FY 2010-11 Transfer to the General Fund	(\$9,000,000)
Deferred revenue from FY 2010-11 adjustment	(\$4,760,148)
Revenue from July 1, 2010 – June 30, 2011 (estimate a total of 111,000 applications at \$90 each)	\$9,990,000
FY 2010-11 S-3, BA #2 – Medical Marijuana Computer System	(\$85,000)
FY 2010-11 End of Year Cash Balance Estimate	(\$1,573,725)
FY 2011-12 Long Bill request estimate (base budget and adjustments for common policies)	(\$1,150,018)
FY 2011-12 DI #1 – Medical Marijuana	(\$1,093,939)
FY 2011-12 BA # 1a – Medical Marijuana	\$383,028
FY 2010-11 S-3, BA #2 – Medical Marijuana Computer System	(\$86,000)
FY 2011-12 Anticipated Revenues (estimate a total of 11,000 applications at \$90 each)	\$9,990,000
FY 2011-12 Transfer to the General Fund – Amended November 1 request	(\$6,460,000)
FY 2011-12 End of Year Cash Balance Estimate	\$9,346

*Once the Program has stabilized, the Department will evaluate the fee as necessary to cover the cost of the program. The Board of Health may reconsider the fee level as early as next spring.

Assumptions for Calculations:

The Department of Public Safety has a contractor that works on their CBI-CCIS system. This contractor has provided an estimate of \$92,000 to complete the interfaces between the CDPS, the CDPHE and the DOR.

Please note that the DOR and CDPHE will each incur an additional cost of \$46,000 for programming of their systems as part of the interface. These costs will be absorbed in current appropriations.

In addition, the OIT has noted that their billing rate for project management is \$75 per hour. They expect to need a full time project manager to handle the coordination and oversight of all the medical marijuana related projects that have been identified.

Impact on Other Government Agencies:

This request will impact the Department of Public Safety, the Department of Revenue and the Governor's Office of Information Technology. The Department of Public Safety will need to receive funding from both the CDPHE and the Department of Revenue in order to fund the connection of the computer systems. The Department of Revenue has sufficient spending authority to do their portion and therefore is not requesting additional spending authority. The Governor's Office of Information Technology will require additional reappropriated spending authority as identified in the table below and on the attached schedule 13 to provide necessary project management services.

Cost Benefit Analysis:

Statute requires that law enforcement personnel in Colorado have access to certain medical marijuana information from the CDPHE on a 24 hour/seven day a week basis. The Office of Information Technology conducted meetings with relevant stakeholders (Department of Revenue, Department of Public Health and Environment, Department of Public Safety) to evaluate the best option for complying with the new legislative mandates. The workgroup determined that the spending authority and use of OIT project management services proposed in this request would allow for the most cost effective solution for providing 24 hour / seven day a week access to this information.

The cost of updating the CBI – CCIS System is estimated to be \$92,000 and is based on the estimates provided by the contractor (CPI) that manages and maintains the CBI – CCIS System.

While it is not possible to quantify the cost benefit ratio of this request, it is the most cost effective solution the departments could identify that would meet the immediate need of providing access to information and complying with statute.

Implementation Schedule:

Task	Month/Year
Supplemental approved	February 2011
CDPS computer connection completed	June 30, 2011
Project manager hired at OIT	January 2011

Statutory and Federal Authority:

C.R.S. 25-1.5-106. (2010) Medical marijuana program - powers and duties of Department.

(7) Primary caregivers.

(d) A primary caregiver shall provide to a law enforcement agency, upon inquiry, the registry identification card number of each of his or her patients. The state health agency shall maintain a registry of this information and make it available twenty-four hours per day and seven days a week to law enforcement for verification purposes. Upon inquiry by a law enforcement officer as to an individual's status as a patient or primary caregiver, the state health agency shall check the registry. If the individual is not registered as a patient or primary caregiver, the state health agency may provide that response to law enforcement. If the person is a registered patient or primary caregiver, the state health agency may not release information unless consistent with section 14 of article XVIII of the state constitution. The state health agency may promulgate rules to provide for the efficient administration of this paragraph (d).

C.R.S. 12-43.3-201. (2010) State licensing authority - creation

(1) For the purpose of regulating and controlling the licensing of the cultivation, manufacture, distribution, and sale of medical marijuana in this state, there is hereby created the state licensing authority, which shall be the executive director of the department of revenue or the deputy director of the department of revenue if the executive director so designates.

(2) The executive director of the department of revenue shall be the chief administrative officer of the state licensing authority and may employ, pursuant to section 13 of article XII of the state constitution, such officers and employees as may be determined to be necessary, which officers and employees shall be part of the department of revenue. The state licensing authority shall, at its discretion, based upon workload, employ no more than one full-time equivalent employee for each ten medical marijuana centers licensed by or making application with the authority. No moneys shall be appropriated to the state licensing authority from the general fund for the operation of this article, nor shall the state licensing authority expend any general fund moneys for the operation of this article.

12-43.3-202. Powers and duties of state licensing authority - repeal.

(1) The state licensing authority shall:

(a) Grant or refuse state licenses for the cultivation, manufacture, distribution, and sale of medical marijuana as provided by law; suspend, fine, restrict, or revoke such licenses upon a violation of this article, or a rule promulgated pursuant to this article; and impose any penalty authorized by this article or any rule promulgated pursuant to this article. The state licensing authority may take any action with respect to a registration pursuant to this article as it may with respect to a license pursuant to this article, in accordance with the procedures established pursuant to this article.

(2) (a) Rules promulgated pursuant to paragraph (b) of subsection (1) of this section may include, but need not be limited to, the following subjects:

(I) Compliance with, enforcement of, or violation of any provision of this article, or any rule issued pursuant to this article, including procedures and grounds for denying, suspending, fining, restricting, or revoking a state license issued pursuant to this article;

(II) Specifications of duties of officers and employees of the state licensing authority;

(III) Instructions for local licensing authorities and law enforcement officers;

(VIII) Development of individual identification cards for owners, officers, managers, contractors, employees, and other support staff of entities licensed pursuant to this article, including a fingerprint-based criminal history record check as may be required by the state licensing authority prior to issuing a card;

(IX) Identification of state licensees and their owners, officers, managers, and employees;

(XIII) The specification of acceptable forms of picture identification that a medical marijuana center may accept when verifying a sale;

(c) Nothing in this article shall be construed to limit a law enforcement agency's ability to investigate unlawful activity in relation to a medical marijuana center, optional premises cultivation operation, or medical marijuana-infused products manufacturer. A law enforcement agency shall have the authority to run a Colorado crime information center criminal history record check of a primary caregiver, licensee, or employee of a licensee during an investigation of unlawful activity related to medical marijuana.

Performance Measures:

There are no specific performance measures in the department's strategic plan related to this request.