

A. Budget Narrative/Justification Year One 1/15/10 through 1/14/11

Object Class Category	Federal Funds	Non-Federal Cash	Non-Federal In-Kind	TOTAL	Justification	
Personnel	\$203,308	0	37,250	\$240,558	Principal Investigator, Deputy Secretary (Aaron Dunkel) = .25 FTE @ \$100,000/yr	= \$25,000 Non-Federal
					KDHE Secretary (Roderick Bremby) = .05 FTE @ \$110,000/yr	= \$5,500 Non-Federal
					KDHE Chief Fiscal Officer (Pat Kuester) = .05 FTE @ \$80,000/yr	= \$4,000 Non-Federal
					KDHE Fiscal Analyst (Andy Thomas) = .05 FTE @ \$55,000/yr	= \$2,750 Non-Federal
					HIT Coordinator (TBD) = 1.0 FTE @ \$100,000/yr	= \$100,000 Federal
					Project Manager (TBD) = 1.0 FTE @ \$75,000/yr	= \$75,000 Federal
					Admin Specialist (TBD) = 1.0 FTE @ \$28,308/yr	= \$28,308 Federal
					TOTAL:	\$240,558

Fringe Benefits	\$60,992	0	\$11,175	\$72,167	Fringes on Project Staff @ 30% of salary.	
					FICA (7.65%)	= \$ 15,553 Federal; \$2,850 Non-Federal
					Health (12.084%)	= \$ 24,568 Federal; \$4,501 Non-Federal
					Retirement (9.17%)	= \$ 18,643 Federal; \$3,416 Non-Federal
					State Leave Assessment (.57%)	= \$ 1,159 Federal; \$212 Non Federal
					Workers Comp Insurance (.366%)	= \$ 7,44 Federal \$136 Non-Federal
					Unemployment Insurance (.16%)	= \$ 325 Federal \$60 Non-Federal
					TOTAL:	\$72,167

Travel	\$24,893	0		\$24,893	Travel to 2 Annual Grantee Meetings:	(Federal)
					Airfare: 1 RT x 2 people x \$400/RT x 2	= \$1,600
					Lodging: 3 nights x 2 people x \$200/night x 2	= \$ 2,400
					Per Diem: 2 days x 2 people x \$38/day x 2	= \$ 304
					Mileage: 1 RT x 2 people x 300 miles x .55/m x 2	= \$660
					Ground Transportation: 1 RT x 2 people x \$75 x 2	= 300
					Misc Tolls, parking, gratuities: 1 RT x 2 people X 37 x 2	= \$148
					SUBTOTAL:	\$5,412
					Out-of-Town Project Site Visits	(Federal)
					Car mileage: 20,000 miles @ \$.55/mile	= \$11,000
					Airfare: 1 RT x 2 people x \$400/RT x 3	= \$ 2,400
					Lodging in state:	
					2 people x 1 night/trip x \$80/night x 15 trips	= \$2,400
					Lodging out of state:	
					2 people x 2 nights/trip x \$150/night x 3 trips	\$1,800
					Per Diem out of state: 2 people x \$38/day x 6 days	= \$ 456
					Per Diem in state: 2 people x \$38/day x 18.75 days	= \$1,425
SUBTOTAL	\$19,481					
TOTAL:	\$24,893					
Equipment	0	0	0	0	No equipment requested	

Supplies	\$5,000	0	0	\$5,000		(Federal)
					Laptop computer and software (2 x \$2,000)	= \$4,000
					Consumable supplies (paper, pens, etc.) (\$83.33/mo x 12 months)	= \$1,000
					TOTAL:	\$5,000
Contractual	\$1,885,000	0	0	\$1,885,000	SMEs for technical assistance (TBD)	(Federal)
					Technical Support (2080 hrs. x \$175/hr)	= \$364,000
					Operations (2080 hrs. x \$125/hr)	= \$260,000
					Governance (Team Tech) (520 hrs. x \$100/hr)	= \$52,000
					Finance (2080 hrs x \$125/hr)	= \$260,000
					Legal (1040 hrs x \$250/hr)	= \$260,000
					Asset Inventory	= \$100,000
					Facility Rental (2 x 2,000)	= \$4,000
					HIT Associates – Joe Brisson and others (50 weeks x \$5,000/wk x 2)	= \$500,000
					Legal fees to establish 501 (c) 3	= \$40,000
					Evaluation estimated at 2% of grant total	= \$45,000
					TOTAL:	\$1,885,000

Other	\$18,826			\$18,826		(Federal)
					Data line (3 people x 12 mo X \$43/mo)	= \$ 1,548
					Local phone service (3 people x 12 mo x \$17/mo)	= \$ 612
					Long distance (3 people x 12 mo x \$10/mo)	= \$240
					Blackberry service (2 people x 12 mo x \$50/mo)	= \$1,200
					Postage (12 mo x \$8.83/mo)	= \$106
					Fed Ex (12 mo x \$10/mo)	= \$120
					Website Portal	= \$15,000
					TOTAL:	\$18,826
Indirects	\$115,136	0	\$10,363	\$125,499	Calculated on all direct costs (excluding all but the first \$25,000 of each contract) at the federally negotiated rate of 21.4%. Federal: ((\$2,198,019 - \$1,660,000)) x 21.4% Non-Federal: (\$48,425 x 21.4%)	= \$115,136 (Federal) = \$10,363 (Non-Fed)
					TOTAL:	\$125,499
TOTAL	\$2,313,155	0	\$58,788	\$2,371,943		\$2,371,943

Budget Justification: Non-federal contributions have been calculated at the rates indicated in the grant instructions. All costs are reasonable and allocable and are in accordance with state and federal purchasing guidelines.

Personnel: All salaries are set consistent with state policy.

Non-Federal in kind: (\$37,250)

Principal Investigator, Aaron Dunkel, Deputy Secretary - (.25 FTE) Deputy Secretary Dunkel will service as the Principal Investigator and will contribute .25 FTE in kind to the project. He will be responsible for all aspects of the project and will ensure that project goals are met with integrity and in a timely manner. He will ensure that project activities are in compliance with State and Federal policy.

Secretary, Roderick Bremby – (.05 FTE) Secretary Bremby will build collaborative partnerships across the state for successful implementation of the initiative.

Chief Fiscal Officer, Pat Kuester – (.05 FTE) Ms. Kuester will provide financial and accounting oversight to the project to insure compliance with all State, OMB and GAO regulation.

Fiscal Analyst, Andy Thomas (.05 FTE) – Mr. Thomas will prepare all federally required financial status reports and will oversee all the purchasing and payment activities to ensure compliance with State and Federal policy.

Federal: (\$203,308)

HIT Coordinator. (1.00 FTE @ \$100,000) The HIT Coordinator is the lead administrative officer for the HIE. The HIT Coordinator will be responsible for insuring and coordinating the state’s response to achieving meaningful EHR use. The HIT Coordinator is responsible for a variety of internal and external activities. Internal expectations include identifying and leading organizational strategies and policies as well as insuring successful administration of Federal funds. The HIT Coordinator will concentrate on a diverse array of external responsibilities. These responsibilities include coordinating with state agencies ranging from Kansas Health Policy Authority (Medicaid and state employee health), Kansas Department of Health and Environment (emergency management, public and population health, critical access hospitals) and the eHealth

Advisory Council. The HIT Coordinator will also be the primary contact to other non-state agencies such as the Kansas Hospital Association, Kansas Medical Society, regional Resource Extension Centers, other state and regional HIEs, as well as the various statewide health organizations.

Project Manager. (1.00 FTE @ \$75,000) The Project Manager is responsible for administrative, leadership and other management activities associated with the Federal HIE project. The Project Manager will coordinate and insure appropriate reporting, accounting, auditing as well as managing specific program tasks to insure appropriate completion. The Project Manager will also be responsible for interpreting Federal program expectations and communicating with the remainder of the organization. As such the Project Manager will be the primary point of contact with Federal and other organizations involved in this specific program.

Admin Specialist. (1.00 FTE @ \$28,308) The Administrative Specialist is responsible for supporting the state HIT Coordinator, Project Manager, and consultants assigned to the project. This individual will accomplish many of the day-to-day tasks, including required operational and other reporting details required by ONC and KDHE.

Fringe Benefits:(\$60,992 Federal; \$11,175 Non-Federal in kind)

Fringe benefits are calculated at 30% in accordance with state policy as established by the Division of Budget.

Travel:(\$24,893 Federal) All expenditures are calculated at the approved state rate, in accordance with the policies established by Division of Purchasing.

The submitted budget reflects a funding request of \$5,412 for travel for two people to travel to Washington D.C. and Chicago, Illinois for two days each year of the project period as required by the grant. This request includes funding for airfare, per diem, lodging, mileage, ground transportation, toll, parking, and gratuities at the approved state rates.

The budget also reflects a funding request of \$19,481 for 2 people to travel across the state for domain workgroup meetings. The majority of this request is for mileage, but it also includes airfare, per diem, and lodging at the approved state rates.

Supplies: (\$5,000 Federal) All expenditures are calculated at the contracted state rates, in accordance with the policies established by the Division of Purchasing, and include a one-time request of \$4,000 for two laptop computers and software for the HIT Coordinator and the Program Manager. It also includes a modest request of \$1,000 for consumable office supplies such as paper, pencils, envelopes, and other necessary consumable expenditures, consistent with the scope of the project.

Other: (\$18,826) All expenditures are calculated at the current rates established by the Department of Administration or communication contractor providers. The submitted budget reflects a funding request of \$3,826 for data and telephone lines, Blackberry service necessary for communication while traveling, postage, fed ex, and \$15,000 for expenditures related to the website portal.

Contractual Services: (\$1,885,000 Federal) The budget reflects a funding request for three contracts:

1. HIT Associates– (\$500,000). Joe Brisson and others from HIT Associates will provide organizational, technical, and strategic expertise to the development and implementation of the statewide HIE as well as coordinate any other contract expertise provided. HIT Associates will provide expertise so that the statewide HIE can successfully coordinate with other NHIN participants, regional HIE efforts connecting to

2. The agency will contract with subject matter experts (SMEs) to provide the following:
 - a. Technical Support. (\$364,000). To support the creation of the strategic and operational plan, KDHE will contract with expert technical resources familiar with HIE infrastructure.
 - b. Operations. (\$260,000). To support the creation of the strategic and operational plan, KDHE will contract with expert operational resources familiar with HIE operations.
 - c. Governance (Team Tech) (\$52,000). Facilitation and participatory expertise will be provided by Team Tech, Inc., a Kansas-based strategic consulting firm whose facilitation and consulting expertise has been utilized by various units of government since 1995.
 - d. Finance (\$260,000). To support the creation of the strategic and operational plan, KDHE will contract with expert financial resources familiar with HIE business models and sustainability planning.
 - e. Legal (\$260,000). Primary privacy and security officer responsible for maintaining organization's compliance with federal and state laws. This includes developing and managing legal documents associated with health information exchange, such as data sharing agreements, business associate agreements, patient permissions, and data service agreements.
 - f. Asset inventory (\$100,000) – These funds are requested to conduct a state-level asset inventory of existing health system resources.

3. The agency will rent a facility to facilitate 2 meetings with stakeholders to support the organizational development process, including eHAC Steering Committee, the eHAC Advisory Council, the domain workgroups, and community stakeholders. (\$4,000)
4. Legal fees to establish the 501 (c) 3 – (\$40,000)
5. Evaluation – (\$45,000) The Development of the evaluation plan is pending specific guidance from the Office of the National Coordinator. KDHE has allocated approximately 2% of funding per ONC guidance to accomplishing program evaluation. KDHE anticipates that this evaluation may be accomplished through an outsourcing arrangement with a research type organization or a university.

In general, KDHE anticipates that the previously described performance measures will play a key role in the evaluation program. These measures will assist KDHE in evaluating performance in the five specific domains: Governance, Finance/Sustainment, Policy/Legal, Technical Operations and Technical Infrastructure. Within each of these domains, specific measures will be used to identify improvement opportunities and gauge progress against both national and state-specific targets. Input on candidate measures will be obtained from stakeholders before implementation. Measures will be primarily quantitative, but consideration will also be given to appropriate qualitative measures.

INDIRECT COSTS: (\$115,136 Federal; \$10,363 Non-Federal in kind) –Indirect costs are calculated at the rate of 21.4% on all direct costs, excluding all but the first \$25,000 of each contract, in accordance with the agency’s federally negotiated cost rate agreement.

A. Budget Narrative/Justification Year Two 1/15/11 through 1/14/12

Object Class Category	Federal Funds	Non-Federal Cash	Non-Federal In-Kind	TOTAL	Justification	
Personnel	\$128,308	0	40,000	\$168,308	Principal Investigator, Deputy Secretary (Aaron Dunkel) = .25 FTE @ \$100,000/yr	= \$25,000 Non-Federal
					KDHE Secretary (Roderick Bremby) = .05 FTE @ \$110,000/yr	= \$5,500 Non-Federal
					KDHE Chief Fiscal Officer (Pat Kuester) = .05 FTE @ \$80,000/yr	= \$4,000 Non-Federal
					KDHE Fiscal Analyst (Andy Thomas) = .10 FTE @ \$55,000/yr	= \$5,500 Non-Federal
					HIT Coordinator (TBD) = 1.0 FTE @ \$100,000/yr	= \$100,000 Federal
					Admin Specialist (TBD) = 1.0 FTE @ \$28,308/yr	= \$28,308 Federal
					TOTAL:	\$168,308

Fringe Benefits	\$45,902	0	\$4590	\$50,492	Fringes on Project Staff @ 30% of salary.	
					FICA (7.65%)	= \$11,705 Federal; \$1,171 Non-Federal
					Health (12.084%)	= \$18,489 Federal; \$1,849 Non-Federal
					Retirement (9.17%)	= \$14,031 Federal; \$1,403 Non-Federal
					State Leave Assessment (.57%)	= \$872 Federal; \$87 Non Federal
					Workers Comp Insurance (.366%)	= \$560 Federal \$56 Non-Federal
					Unemployment Insurance (.16%)	= \$245 Federal \$24 Non-Federal
					TOTAL:	\$50,492

Travel	\$24,893	0		\$24,893	Travel to 2 Annual Grantee Meetings:	(Federal)
					Airfare: 1 RT x 2 people x \$400/RT x 2	= \$1,600
					Lodging: 3 nights x 2 people x \$200/night x 2	= \$ 2,400
					Per Diem: 2 days x 2 people x \$38/day x 2	= \$ 304
					Mileage: 1 RT x 2 people x 300 miles x .55/m x 2	= \$660
					Ground Transportation: 1 RT x 2 people x \$75 x 2	= 300
					Misc Tolls, parking, gratuities: 1 RT x 2 people X 37 x 2	= \$148
					SUBTOTAL:	\$5,412
					Out-of-Town Project Site Visits	(Federal)
					Car mileage: 20,000 miles @ \$.55/mile	= \$11,000
					Airfare: 1 RT x 2 people x \$400/RT x 3	= \$ 2,400
					Lodging in state:	
					2 people x 1 night/trip x \$80/night x 15 trips	= \$2,400
					Lodging out of state:	
					2 people x 2 nights/trip x \$150/night x 3 trips	\$1,800
					Per Diem out of state: 2 people x \$38/day x 6 days	= \$ 456
					Per Diem in state: 2 people x \$38/day x 18.75 days	= \$1,425
SUBTOTAL:	\$19,481					
TOTAL:	\$24,893					
Equipment	0	0	0	0	No equipment requested	

Supplies	\$1,000	0	0	\$1,000		
					Consumable supplies (paper, pens, etc.) (\$83.33/mo x 12 months)	= \$1,000 (Federal)
					TOTAL:	\$1,000
Contractual	\$5,809,690	0	\$620,400	\$6,430,90	Contracts to providers for technical assistance (TBD)	
					Technical Support (1473 hrs. x \$50/hr x 5 people)	= \$368,250 (Federal)
					Operations (1473 hrs. x \$50/hr x 5 people)	= \$368,250 (Federal)
					Governance (1473 hrs. x \$100/hr)	= \$147,300 (Federal)
					Finance (1473 hrs x \$50/hr)	= \$73,650 (Federal)
					Legal (1473 hrs x \$100/hr)	= \$147,300 (Federal)
					Infrastructure for 501 (c) 3 Servers – (10 x 8,184 ea)	= \$81,840 (Federal)
					Hosting servers– (10 x \$600/ea x 12 mo)	= \$72,000 (Federal)
					Network Management – (\$6,000/mo x 12 mo)	= \$72,000 (Federal)
					System Administration – (\$9,000 x 12 mo)	= \$108,000 (Federal)
					Software Licensing	= \$1,500,000 (Federal)
					Connectivity Charges (400 connections x \$6,875 ea)	= \$2,129,600 (Federal) = \$620,400 (Non-Federal)
					Facility Rental (2 x \$2,000)	= \$4,000 (Federal)
					NHIN Gateway	= \$250,000 (Federal)
Project Manager (\$75K/yr + 30% fringes)	= \$97,500 (Federal)					
HIT Associates – Joe Brisson (50 weeks x \$5,000/wk)	= \$250,000 (Federal)					
Evaluation estimated at 2% of grant total	= \$140,000 (Federal)					
TOTAL:	\$6,4,30,90					

Other	\$18,826			\$18,826		(Federal)
					Data line (3 people x 12 mo X \$43/mo)	= \$ 1,548
					Local phone service (3 people x 12 mo x \$17/mo)	= \$ 612
					Long distance (3 people x 12 mo x \$10/mo)	= \$240
					Blackberry service (2 people x 12 mo x \$50/mo)	= \$1,200
					Postage (12 mo x \$8.83/mo)	= \$106
					Fed Ex (12 mo x \$10/mo)	= \$120
					Website Portal	= \$15,000
				TOTAL:		\$18,826
Indirects	\$62,901	0	\$9,542	\$72,443	Calculated on all direct costs (excluding all but the first \$25,000 of each contract) at the federally negotiated rate of 21.4%. Federal: (\$6,028,619 - \$5,734,690) x 21.4% Non-Federal: (\$664,990-620,400) x 21.4%	= \$62,901 (Federal) = \$9,542 (Non-Fed)
					TOTAL:	\$72,443
TOTAL	\$6,091,520	0	\$674,532	\$6,766,052		\$6,766,052

Budget Justification: Non-federal contributions have been calculated at the rates indicated in the grant instructions. All costs are reasonable and allocable and are in accordance with state and federal purchasing guidelines.

Personnel: All salaries are set consistent with state policy.

Non-Federal in kind: (\$40,000)

Principal Investigator, Aaron Dunkel, Deputy Secretary - (.25 FTE) Deputy Secretary Dunkel will service as the Principal Investigator and will contribute .25 FTE in kind to the project. He will be responsible for all aspects of the project and will ensure that project goals are met with integrity and in a timely manner. He will ensure that project activities are in compliance with State and Federal policy.

Secretary, Roderick Bremby – (.05 FTE) Secretary Bremby will build collaborative partnerships across the state for successful implementation of the initiative.

Chief Fiscal Officer, Pat Kuester – (.05 FTE) Ms. Kuester will provide financial and accounting oversight to the project to insure compliance with all State, OMB and GAO regulation.

Fiscal Analyst, Andy Thomas (.10 FTE) – Mr. Thomas will prepare all federally required financial status reports and will oversee all the purchasing and payment activities to ensure compliance with State and Federal policy.

Federal: (\$128,308)

HIT Coordinator. (1.00 FTE @ \$100,000) The HIT Coordinator is the lead administrative officer for the HIE. The HIT Coordinator will be responsible for insuring and coordinating the state's response to achieving meaningful EHR use. The HIT Coordinator is responsible for a variety of internal and external activities. Internal expectations include identifying and leading organizational strategies and policies as well as insuring successful administration of Federal funds. The HIT Coordinator will concentrate on a diverse array of external responsibilities. These responsibilities include coordinating with state agencies ranging from Kansas Health Policy Authority (Medicaid and state employee health),

Kansas Department of Health and Environment (emergency management, public and population health, critical access hospitals) and the eHealth Advisory Council. The HIT Coordinator will also be the primary contact to other non-state agencies such as the Kansas Hospital Association, Kansas Medical Society, regional Resource Extension Centers, other state and regional HIEs, as well as the various statewide health organizations.

Admin Specialist. (1.00 FTE @ \$28,308) The Administrative Specialist is responsible for supporting the state HIT Coordinator, Project Manager, and consultants assigned to the project. This individual will accomplish many of the day-to-day tasks, including required operational and other reporting details required by ONC and KDHE.

Fringe Benefits:(\$45,902 Federal; \$4,590 Non-Federal in kind)

Fringe benefits are calculated at 30% in accordance with state policy as established by the Division of Budget.

Travel:(\$24,893 Federal) All expenditures are calculated at the approved state rate, in accordance with the policies established by Division of Purchasing.

The submitted budget reflects a funding request of \$5,412 for travel for two people to travel to Washington D.C. and Chicago, Illinois for two days each year of the project period as required by the grant. This request includes funding for airfare, per diem, lodging, mileage, ground transportation, toll, parking, and gratuities at the approved state rates.

The budget also reflects a funding request of \$19,481 for 2 people to travel across the state for domain workgroups. The majority of this request is for mileage, but it also includes airfare, per diem, and lodging at the approved state rates.

Supplies: (\$1,000 Federal) All expenditures are calculated at the contracted state rates, in accordance with the policies established by the Division of Purchasing. It includes a modest request of \$1,000 for consumable office supplies such as paper, pencils, envelopes, and other necessary consumable expenditures, consistent with the scope of the project.

Other: (\$18,826 Federal) All expenditures are calculated at the current rates established by the Department of Administration or communication contractor providers. The submitted budget reflects a funding request of \$3,826 for data and telephone lines, Blackberry service necessary for communication while traveling, postage, fed ex, and \$15,000 for expenditures related to the website portal.

Contractual Services: (\$5,809,690 Federal; \$620,400 Non-Federal) The budget reflects funding for the following contracts:

6. HIT Associates– (\$250,000). Joe Brisson from HIT Associates will provide organizational, technical, and strategic expertise to the development and implementation of the statewide HIE as well as coordinate any other contract expertise provided. HIT Associates will provide expertise so that the statewide HIE can successfully coordinate with other NHIN participants, regional HIE efforts connecting to the statewide HIE, and Federal and state connections such as Department of Defense, Veterans Affairs, Social Security as well as Kansas' Medicaid, immunization and disease registry systems. HIT Associates will also provide expertise to guide and coordinate technical, financial and legal expectations of the HIE.
7. The agency will contract with the 501(c) 3 for the following staff:

- a. Technical Support. (\$368,250). Technical staff will be responsible for a variety of technical services. Technical services will include development activities that support the HIE's responsibility to provide and receive data from a diverse set of health organizations from across the state as well as connections to other data sources, including NHIN, Medicaid, regulatory data sources. Technical staff will develop appropriate inbound and outbound interfaces to provide services that are necessary to meet meaningful EHR use as well as future expectations. Technical staff will also provide guidance to the Regional Extension Center activities as that organization provides supporting services to health organizations in the state.
- b. Operations. (\$368,250). Operations staff will be responsible for insuring 24/7 operation of a secure data center operation as well as performing all necessary backup and recovery processes. Along with performing operational tasks associated with data exchange the operations staff will provide customer support to health organizations and providers. Operations staff will also develop plans for the ongoing operation of the HIE and maintain budgets or technology architecture based on those plans.
- c. Governance (\$147,300).
- d. Finance (\$73,650). Finance staff is responsible for developing, maintaining and representing the organizations financial matters. Tasks will include monitoring and reporting for this specific Federal program as well as any other operations of the organization. Other tasks include managing service contracts with HIE customers and financial obligations with other organizations, such as vendors. Finance staff will also work with Regional Extension Center staff to document the impacts of HIE operations on health organizations.

- e. Legal (\$147,300). Primary privacy and security officer responsible for maintaining organization's compliance with federal and state laws. This includes developing and managing legal documents associated with health information exchange, such as data sharing agreements, business associate agreements, patient permissions, and data service agreements.
 - f. Infrastructure for 501 (c) 3 (\$333,840). These funds are requested for technical infrastructure needs for the 501 (c) 3 for servers, hosting, network management, and system administration.
8. The agency will rent a facility to facilitate 2 meetings with stakeholders to support the organizational development process, including eHAC Steering Committee, the eHAC Advisory Council, the domain workgroups, and community stakeholders. (\$4,000)
 9. Software Licensing – (\$1,500,000)
 10. Connectivity Charges for 400 health care providers and organizations– (\$2,129,600 Federal); (\$620,400 Non-Federal)
 11. NHIN Gateway - \$250,000
 12. 501 (c) 3 - Project Manager. (1.00 FTE @ \$75,000 + \$22,500 fringe benefits) This position will shift from KDHE to the 501 (c) 3. The Project Manager will still be responsible for administrative, leadership and other management activities associated with the Federal HIE project. The Project Manager will coordinate and insure appropriate reporting, accounting, auditing as well as managing specific program tasks to insure appropriate completion. The Project Manager will also be responsible for interpreting Federal program expectations and communicating with the remainder of the organization.

13. Evaluation – (\$140,000) The Development of the evaluation plan is pending specific guidance from the Office of the National Coordinator. KDHE has allocated approximately 2% of funding per ONC guidance to accomplishing program evaluation. KDHE anticipates that this evaluation may be accomplished through an outsourcing arrangement with a research type organization or a university. In general, KDHE anticipates that the previously described performance measures will play a key role in the evaluation program. These measures will assist KDHE in evaluating performance in the five specific domains: Governance, Finance/Sustainment, Policy/Legal, Technical Operations and Technical Infrastructure. Within each of these domains, specific measures will be used to identify improvement opportunities and gauge progress against both national and state-specific targets. Input on candidate measures will be obtained from stakeholders before implementation. Measures will be primarily quantitative, but consideration will also be given to appropriate qualitative measures.

INDIRECT COSTS: (\$62,901 Federal; \$9,542 Non-Federal in kind) –Indirect costs are calculated at the rate of 21.4% on all direct costs, excluding all but the first \$25,000 of each contract, in accordance with the agencies federally negotiated cost rate agreement.

A. Budget Narrative/Justification Year Three 1/15/12 through 1/14/13

Object Class Category	Federal Funds	Non-Federal Cash	Non-Federal In-Kind	TOTAL	Justification	
Personnel	\$131,516	0	40,000	\$171,516	Principal Investigator, Deputy Secretary (Aaron Dunkel) = .25 FTE @ \$100,000/yr	= \$25,000 Non-Federal
					KDHE Secretary (Roderick Bremby) = .05 FTE @ \$110,000/yr	= \$5,500 Non-Federal
					KDHE Chief Fiscal Officer (Pat Kuester) = .05 FTE @ \$80,000/yr	= \$4,000 Non-Federal
					KDHE Fiscal Analyst (Andy Thomas) = .10 FTE @ \$55,000/yr	= \$5,500 Non-Federal
					HIT Coordinator (TBD) = 1.0 FTE @ \$102,500/yr	= \$102,500 Federal
					Admin Specialist (TBD) = 1.0 FTE @ \$29,016/yr	= \$29,016 Federal
					TOTAL:	\$171,516

Fringe Benefits	\$44,766	0	\$6,689	\$51,455	Fringes on Project Staff @ 30% of salary.	
					FICA (7.65%)	= \$11,415 Federal; \$1,705 Non-Federal
					Health (12.084%)	= \$18,032 Federal; \$2,694 Non-Federal
					Retirement (9.17%)	= \$13,683 Federal; \$2,045 Non-Federal
					State Leave Assessment (.57%)	= \$851 Federal; \$127 Non Federal
					Workers Comp Insurance (.366%)	= \$546 Federal \$82 Non-Federal
					Unemployment Insurance (.16%)	= \$239 Federal \$36 Non-Federal
					TOTAL:	\$51,455

Travel	\$24,128	0		\$24,128	Travel to 2 Annual Grantee Meetings:	(Federal)
					Airfare: 1 RT x 2 people x \$400/RT x 2	= \$1,600
					Lodging: 3 nights x 2 people x \$200/night x 2	= \$ 2,400
					Per Diem: 2 days x 2 people x \$38/day x 2	= \$ 304
					Mileage: 1 RT x 2 people x 300 miles x .55/m x 2	= \$660
					Ground Transportation: 1 RT x 2 people x \$75 x 2	= 300
					Misc Tolls, parking, gratuities: 1 RT x 2 people X 37 x 2	= \$148
					SUBTOTAL:	\$5,412
					Out-of-Town Project Site Visits	(Federal)
					Car mileage: 20,000 miles @ \$.55/mile	= \$11,000
					Airfare: 1 RT x 2 people x \$400/RT x 3	= \$ 2,400
					Lodging in state:	
					2 people x 1 night/trip x \$80/night x 12 trips	= \$1,920
					Lodging out of state:	
					2 people x 2 nights/trip x \$150/night x 3 trips	\$1,800
					Per Diem out of state: 2 people x \$38/day x 6 days	= \$ 456
					Per Diem in state: 2 people x \$38/day x 15 days	= \$1,140
SUBTOTAL:	\$18,716					
TOTAL:	\$24,128					
Equipment	0	0	0	0	No equipment requested	

Supplies	\$1,000	0	0	\$1,000	Consumable supplies (paper, pens, etc.) (\$83.33/mo x 12 months)	= \$1,000 (Federal)
					TOTAL:	\$1,000
Contractual	\$94,937	0	\$15,000	\$109,937	Project Manager (\$76,875/yr + 30% fringes)	= \$84,937 (Federal) = \$15,000 (Non-Federal)
					Evaluation estimated at 2% of grant total	= \$10,000 (Federal)
					TOTAL:	\$109,937
Other	\$18,826	0	0	\$18,826		(Federal)
					Data line (3 people x 12 mo X \$43/mo)	= \$ 1,548
					Local phone service (3 people x 12 mo x \$17/mo)	= \$ 612
					Long distance (3 people x 12 mo x \$10/mo)	= \$240
					Blackberry service (2 people x 12 mo x \$50/mo)	= \$1,200
					Postage (12 mo x \$8.83/mo)	= \$106
					Fed Ex (12 mo x \$10/mo)	= \$120
					Website Portal	= \$15,000
TOTAL:	\$18,826					
Indirects	\$54,621	0	\$9,991	\$64,612	Calculated on all direct costs (excluding all but the first \$25,000 of each contract) at the federally negotiated rate of 21.4%. Federal: (\$315,173-\$59,937) x 21.4% Non-Federal: (\$61,689-\$15,000) x 21.4%	= \$54,621 (Federal) = \$9,991 (Non-Fed)
					TOTAL:	\$64,612
TOTAL	\$369,794	0	\$71,680	\$441,474	\$441,474	

Budget Justification: Non-federal contributions have been calculated at the rates indicated in the grant instructions. All costs are reasonable and allocable and are in accordance with state and federal purchasing guidelines.

Personnel: All salaries are set consistent with state policy.

Non-Federal in kind: (\$40,000)

Principal Investigator, Aaron Dunkel, Deputy Secretary - (.25 FTE) Deputy Secretary Dunkel will service as the Principal Investigator and will contribute .25 FTE in kind to the project. He will be responsible for all aspects of the project and will ensure that project goals are met with integrity and in a timely manner. He will ensure that project activities are in compliance with State and Federal policy.

Secretary, Roderick Bremby – (.05 FTE) Secretary Bremby will build collaborative partnerships across the state for successful implementation of the initiative.

Chief Fiscal Officer, Pat Kuester – (.05 FTE) Ms. Kuester will provide financial and accounting oversight to the project to insure compliance with all State, OMB and GAO regulation.

Fiscal Analyst, Andy Thomas (.10 FTE) – Mr. Thomas will prepare all federally required financial status reports and will oversee all the purchasing and payment activities to ensure compliance with State and Federal policy.

Federal: (\$131,516)

HIT Coordinator. (1.00 FTE @ \$102,500) Salary includes a 2.5 percent increase over year two. The HIT Coordinator is the lead administrative officer for the HIE. The HIT Coordinator will be responsible for insuring and coordinating the state's response to achieving meaningful EHR use. The HIT Coordinator is responsible for a variety of internal and external activities. Internal expectations include identifying and leading organizational strategies and policies as well as insuring successful administration of Federal funds. The HIT Coordinator will concentrate on a diverse array of external responsibilities. These responsibilities include coordinating with state agencies ranging from Kansas Health Policy Authority (Medicaid and state employee health), Kansas Department of Health and Environment (emergency management, public and population health, critical access hospitals) and the eHealth Advisory Council. The HIT Coordinator will also be the primary contact to other non-state agencies such as the Kansas Hospital Association, Kansas Medical Society, regional Resource Extension Centers, other state and regional HIEs, as well as the various statewide health organizations.

Admin Specialist. (1.00 FTE @ \$29,016) Salary includes a 2.5 percent increase over year two. The Administrative Specialist is responsible for supporting the state HIT Coordinator, Project Manager, and consultants assigned to the project. This individual will accomplish many of the day-to-day tasks, including required operational and other reporting details required by ONC and KDHE.

Fringe Benefits:(\$44,766 Federal; \$6,689 Non-Federal in kind)

Fringe benefits are calculated at 30% in accordance with state policy as established by the Division of Budget.

Travel:(\$24,128 Federal) All expenditures are calculated at the approved state rate, in accordance with the policies established by Division of Purchasing.

The submitted budget reflects a funding request of \$5,412 for travel for two people to travel to Washington D.C. and Chicago, Illinois for two days each year of the project period as required by the grant. This request includes funding for airfare, per diem, lodging, mileage, ground transportation, toll, parking, and gratuities at the approved state rates.

The budget also reflects a funding request of \$18,716 for 2 people to travel across the state for domain workgroups. The majority of this request is for mileage, but it also includes airfare, per diem, and lodging at the approved state rates.

Supplies: (\$1,000 Federal) All expenditures are calculated at the contracted state rates, in accordance with the policies established by the Division of Purchasing. It includes a modest request of \$1,000 for consumable office supplies such as paper, pencils, envelopes, and other necessary consumable expenditures, consistent with the scope of the project.

Other: (\$18,826 Federal) All expenditures are calculated at the current rates established by the Department of Administration or communication contractor providers. The submitted budget reflects a funding request of \$3,826 for data and telephone lines, Blackberry service necessary for communication while traveling, postage, fed ex, and \$15,000 for expenditures related to the website portal.

Contractual Services: (\$84,934 Federal; \$15,000 Non-Federal) The budget reflects a funding request for two contracts:

14. 501 (c) 3 - Project Manager. (1.00 FTE @ \$76,875 + \$23,062 fringe benefits) This includes a 2.5 percent increase over year two. The

Project Manager will continue to be responsible for administrative, leadership and other management activities associated with the Federal

HIE project. The Project Manager will coordinate and insure appropriate reporting, accounting, auditing as well as managing specific program tasks to insure appropriate completion. The Project Manager will also be responsible for interpreting Federal program expectations and communicating with the remainder of the organization.

15. Evaluation – (\$10,000) The Development of the evaluation plan is pending specific guidance from the Office of the National Coordinator.

KDHE has allocated approximately 2% of funding per ONC guidance to accomplishing program evaluation. KDHE anticipates that this evaluation may be accomplished through an outsourcing arrangement with a research type organization or a university.

In general, KDHE anticipates that the previously described performance measures will play a key role in the evaluation program. These measures will assist KDHE in evaluating performance in the five specific domains: Governance, Finance/Sustainment, Policy/Legal, Technical Operations and Technical Infrastructure. Within each of these domains, specific measures will be used to identify improvement opportunities and gauge progress against both national and state-specific targets. Input on candidate measures will be obtained from stakeholders before implementation. Measures will be primarily quantitative, but consideration will also be given to appropriate qualitative measures.

INDIRECT COSTS: (\$54,621 Federal; \$9,991 Non-Federal in kind) –Indirect costs are calculated at the rate of 21.4% on all direct costs, excluding all but the first \$25,000 of each contract, in accordance with the agencies federally negotiated cost rate agreement.

A. Budget Narrative/Justification Year Four 1/15/13 through 1/14/14

Object Class Category	Federal Funds	Non-Federal Cash	Non-Federal In-Kind	TOTAL	Justification	
Personnel	\$134,804	0	40,000	\$174,804	Principal Investigator, Deputy Secretary (Aaron Dunkel) = .25 FTE @ \$100,000/yr	= \$25,000 Non-Federal
					KDHE Secretary (Roderick Bremby) = .05 FTE @ \$110,000/yr	= \$5,500 Non-Federal
					KDHE Chief Fiscal Officer (Pat Kuester) = .05 FTE @ \$80,000/yr	= \$4,000 Non-Federal
					KDHE Fiscal Analyst (Andy Thomas) = .10 FTE @ \$55,000/yr	= \$5,500 Non-Federal
					HIT Coordinator (TBD) = 1.0 FTE @ \$105,063/yr	= \$105,063 Federal
					Admin Specialist (TBD) = 1.0 FTE @ \$29,741/yr	= \$29,741 Federal
					TOTAL:	\$174,804

Fringe Benefits	\$34,962	0	\$17,479	\$52,441	Fringes on Project Staff @ 30% of salary.	
					FICA (7.65%)	= \$8,915 Federal; \$4,457 Non-Federal
					Health (12.084%)	= \$14,083 Federal; \$7,041 Non-Federal
					Retirement (9.17%)	= \$10,687 Federal; \$5,343 Non-Federal
					State Leave Assessment (.57%)	= \$664 Federal; \$332 Non Federal
					Workers Comp Insurance (.366%)	= \$427 Federal \$213 Non-Federal
					Unemployment Insurance (.16%)	= \$186 Federal \$93 Non-Federal
					TOTAL:	\$52,441
Travel	\$5,412	0		\$5,412	Travel to 2 Annual Grantee Meetings:	(Federal)
					Airfare: 1 RT x 2 people x \$400/RT x 2	= \$1,600
					Lodging: 3 nights x 2 people x \$200/night x 2	= \$ 2,400
					Per Diem: 2 days x 2 people x \$38/day x 2	= \$ 304
					Mileage: 1 RT x 2 people x 300 miles x .55/m x 2	= \$660
					Ground Transportation: 1 RT x 2 people x \$75 x 2	= 300
					Misc Tolls, parking, gratuities: 1 RT x 2 people X 37 x 2	= \$148
					TOTAL:	\$5,412
Equipment	0	0	0	0	No equipment requested	

Supplies	0	0	0	0	No supplies requested	
Contractual	\$48,734	0	\$62,752	\$111,486	Project Manager (\$78,797/yr + 30% fringes)	= \$39,684 (Federal) = \$62,752 (Non-Federal)
					Evaluation estimated at 2% of grant total	= \$9,050 (Federal)
					TOTAL:	\$111,486

Other	\$18,826	0	0	\$18,826		(Federal)
					Data line (3 people x 12 mo X \$43/mo)	= \$ 1,548
					Local phone service (3 people x 12 mo x \$17/mo)	= \$ 612
					Long distance (3 people x 12 mo x \$10/mo)	= \$240
					Blackberry service (2 people x 12 mo x \$50/mo)	= \$1,200
					Postage (12 mo x \$8.83/mo)	= \$106
					Fed Ex (12 mo x \$10/mo)	= \$120
					Website Portal	= \$15,000
	TOTAL:	\$18,826				
Indirects	\$48,803	0	\$12,302	\$61,104	Calculated on all direct costs (excluding all but the first \$25,000 of each contract) at the federally negotiated rate of 21.4%. Federal: (\$242,738-14,684) x 21.4% Non-Federal: (\$120,231-62,752) x 21.4%	= \$48,802 (Federal) = \$12,302 (Non-Fed)
					TOTAL:	\$61,104
TOTAL	\$291,541	0	\$132,533	\$424,073		\$424,073

Budget Justification: Non-federal contributions have been calculated at the rates indicated in the grant instructions. All costs are reasonable and allocable and are in accordance with state and federal purchasing guidelines.

Personnel: All salaries are set consistent with state policy.

Non-Federal in kind: (\$40,000)

Principal Investigator, Aaron Dunkel, Deputy Secretary - (.25 FTE) Deputy Secretary Dunkel will service as the Principal Investigator and will contribute .25 FTE in kind to the project. He will be responsible for all aspects of the project and will ensure that project goals are met with integrity and in a timely manner. He will ensure that project activities are in compliance with State and Federal policy.

Secretary, Roderick Bremby – (.05 FTE) Secretary Bremby will build collaborative partnerships across the state for successful implementation of the initiative.

Chief Fiscal Officer, Pat Kuester – (.05 FTE) Ms. Kuester will provide financial and accounting oversight to the project to insure compliance with all State, OMB and GAO regulation.

Fiscal Analyst, Andy Thomas (.10 FTE) – Mr. Thomas will prepare all federally required financial status reports and will oversee all the purchasing and payment activities to ensure compliance with State and Federal policy.

Federal: (\$134,804)

HIT Coordinator. (1.00 FTE @ \$105,063) Salary includes a 2.5 percent increase over year three. The HIT Coordinator is the lead administrative officer for the HIE. The HIT Coordinator will be responsible for insuring and coordinating the state's response to achieving meaningful EHR use. The HIT Coordinator is responsible for a variety of internal and external activities. Internal expectations include identifying and leading organizational strategies and policies as well as insuring successful administration of Federal funds. The HIT Coordinator will concentrate on a diverse array of external responsibilities. These responsibilities include coordinating with state agencies ranging from Kansas Health Policy Authority (Medicaid and state employee health), Kansas Department of Health and Environment (emergency management, public and population health, critical access hospitals) and the eHealth Advisory Council. The HIT Coordinator will also be the primary contact to other non-state agencies such as the Kansas Hospital Association, Kansas Medical Society, regional Resource Extension Centers, other state and regional HIEs, as well as the various statewide health organizations.

Admin Specialist. (1.00 FTE @ \$29,741) Salary includes a 2.5 percent increase over year three. The Administrative Specialist is responsible for supporting the state HIT Coordinator, Project Manager, and consultants assigned to the project. This individual will accomplish many of the day-to-day tasks, including required operational and other reporting details required by ONC and KDHE.

Fringe Benefits: (\$34,962 Federal; \$17,479 Non-Federal in kind)

Fringe benefits are calculated at 30% in accordance with state policy as established by the Division of Budget.

Travel: (\$5,412 Federal) All expenditures are calculated at the approved state rate, in accordance with the policies established by Division of Purchasing. The submitted budget reflects a funding request of \$5,412 for travel for two people to travel to Washington D.C. and Chicago, Illinois for two days each year of the project period as required by the grant. This request includes funding for airfare, per diem, lodging, mileage, ground transportation, toll, parking, and gratuities at the approved state rates.

Other: (\$18,826 Federal) All expenditures are calculated at the current rates established by the Department of Administration or communication contractor providers. The submitted budget reflects a funding request of \$3,826 for data and telephone lines, Blackberry service necessary for communication while traveling, postage, fed ex, and \$15,000 for expenditures related to the website portal.

Contractual Services: (\$48,734 Federal; \$62,752 Non-Federal) The budget reflects a funding request for two contracts:

16. 501 (c) 3 - Project Manager. (1.00 FTE @ \$78,797 + \$23,639 fringe benefits) This includes a 2.5 percent increase over year three. The Project Manager will continue to be responsible for administrative, leadership and other management activities associated with the Federal HIE project. The Project Manager will coordinate and insure appropriate reporting, accounting, auditing as well as managing specific program tasks to insure appropriate completion. The Project Manager will also be responsible for interpreting Federal program expectations and communicating with the remainder of the organization.
17. Evaluation – (\$9,050) The Development of the evaluation plan is pending specific guidance from the Office of the National Coordinator. KDHE has allocated approximately 2% of funding per ONC guidance to accomplishing program evaluation. KDHE anticipates that this evaluation may be accomplished through an outsourcing arrangement with a research type organization or a university.

In general, KDHE anticipates that the previously described performance measures will play a key role in the evaluation program. These measures will assist KDHE in evaluating performance in the five specific domains: Governance, Finance/Sustainment, Policy/Legal, Technical Operations and Technical Infrastructure. Within each of these domains, specific measures will be used to identify improvement opportunities and gauge progress against both national and state-specific targets. Input on candidate measures will be obtained from stakeholders before implementation. Measures will be primarily quantitative, but consideration will also be given to appropriate qualitative measures.

INDIRECT COSTS: (\$48,802 Federal; \$12,302 Non-Federal in kind) –Indirect costs are calculated at the rate of 21.4% on all direct costs, excluding all but the first \$25,000 of each contract, in accordance with the agencies federally negotiated cost rate agreement.