

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2014-15 STAFF FIGURE SETTING
OFFICE OF THE GOVERNOR**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:
Kevin Neimond, JBC Staff
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For Further Information Contact:

Joint Budget Committee Staff
200 E. 14th Avenue, 3rd Floor
Denver, Colorado 80203
Telephone: (303) 866-2061
TDD: (303) 866-3472

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OFFICE OF THE GOVERNOR

Department Overview

This Joint Budget Committee staff figure setting document includes the following offices and agencies within the Office of the Governor:

- The Office of the Governor oversees operation of the executive branch of State government including coordination, direction, and planning of agency operations. The Office represents the State, and serves as a liaison with local and federal governments. Includes the core functions of a traditional executive director's office and the Colorado Energy Office;
- The Office of the Lieutenant Governor directly oversees the Colorado Commission of Indian Affairs, Commission on Community Service, and other initiatives. The Lieutenant Governor temporarily takes the Governor's place if the Governor is out of Colorado or is unable to perform his/her duties. Note, the passage of H.B. 11-1155 (McNulty & Pace/Shaffer & Kopp) permitted the Lieutenant Governor to serve as the Executive Director of the Department of Higher Education in addition to his elected role as Lieutenant Governor;
- The Office of State Planning and Budgeting develops executive branch budget requests, and reviews and analyzes departmental expenditures. Additionally, the Office prepares quarterly revenue and economic estimates for the state;
- The Office of Economic Development and International Trade assists in strengthening Colorado's prospects for long-term economic growth by providing broad-based support to businesses;
- The Office of Information Technology oversees technology initiatives at the State level, and recommends the implementation of strategies to maximize efficiencies in service delivery through the application of enterprise technology solutions.

GENERAL NOTES ABOUT THIS PACKET

This document begins with an overview of the request and recommendation followed by sections for the five divisions in this agency. Each division section begins with a request and recommendation summary, including a table of recommendations and a description of all change items (including decision items) from the current FY 2013-14 appropriation to the FY 2014-15 recommendation. The line item detail sections within each division section include a line item request and recommendation summary table, as well.

DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

Executive Request

The Office of the Governor requests an appropriation of \$273,195,416 total funds (including \$32,161,902 General Fund) and 1,069.9 FTE for FY 2014-15. The request for FY 2014-15 represents an increase of \$44,483,660 total funds (including \$9,394,516 General Fund) and 9.0 FTE over the current FY 2013-14 appropriation. The increase in General Fund is primarily driven by the following:

- Economic development initiatives (\$15,881,236 General Fund);
- Centrally appropriated line items (\$1,312,761 General Fund);
- Information technology initiatives (\$428,866 General Fund); and
- Continuation of Lean process improvement (\$397,965 General Fund).

The increase in FTE is driven by decision items in other agencies, including the Departments of Human Services and Public Safety, which require information technology support functions.

Staff Recommendation

Staff recommends an appropriation of \$229,826,807 total funds (including \$20,314,811 General Fund) and 1,066.8 FTE for FY 2014-15. The recommendation for FY 2014-15 represents an increase of \$1,115,051 total funds (including a decrease of \$2,452,575 General Fund) and 5.9 FTE over the current FY 2013-14 appropriation. The difference in General Fund between the request and the recommendation is primarily driven by the following:

- Economic development initiatives (staff recommends \$10,605,000 General Fund less than the request);
- Information technology initiatives (staff recommends \$428,866 General Fund less than the request); and
- Continuation of Lean process improvement (staff recommends \$172,965 General Fund less than the request).

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$223,462,739	\$19,858,574	\$38,584,806	\$158,263,738	\$6,755,621	1,057.9
Other legislation	1,903,802	2,214,673	(1,844,266)	1,533,395	0	3.0
HB 14-1235 (Supplemental Bill)	<u>3,345,215</u>	<u>694,139</u>	<u>382,000</u>	<u>2,269,076</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$228,711,756	\$22,767,386	\$37,122,540	\$162,066,209	\$6,755,621	1,060.9
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$228,711,756	\$22,767,386	\$37,122,540	\$162,066,209	\$6,755,621	1,060.9
R1 Continuous Improvement and Planning Program	225,000	225,000	0	0	0	0.0
R2 Economic Development Commission - General Economic Incentives and Marketing	2,986,236	2,986,236	0	0	0	0.0

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Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
R3 Advanced Industries accelerator	0	0	0	0	0	0.0
R4 Colorado Tourism Office	2,000,000	2,000,000	0	0	0	0.0
R5 Minority/Women Owned Business Office	15,000	15,000	0	0	0	0.0
R6 Procurement Technical Assistance Center	0	0	0	0	0	0.0
R7 Aerospace Strategic Plan Implementation and Champion	175,000	175,000	0	0	0	0.0
R8 Colorado Office of Film, Television, and Media	800,000	800,000	0	0	0	0.0
R9 Economic Gardening Pilot Project	100,000	100,000	0	0	0	0.0
R10 Long Bill restructure	0	0	0	0	0	0.0
R11 Secure Colorado Phase II	4,100,000	0	0	4,100,000	0	0.0
R12 Eliminate redundant applications	2,960,000	0	0	2,960,000	0	0.0
R13 Capitol Complex network resiliency	660,000	0	0	660,000	0	0.0
R14 Broadband mapping strategy	155,200	0	0	155,200	0	0.0
R15 Service management ecosystem	3,455,000	0	0	3,455,000	0	0.0
R16 Digital Trunked Radio System (DTRS) operations increase	1,116,397	0	0	1,116,397	0	0.0
R17 IT technical development	256,620	0	0	256,620	0	0.0
BA CBMS technology improvement workplan	4,041,531	0	0	4,041,531	0	0.0
BA Legal services adjustment	40,587	40,587	0	0	0	0.0
Non-prioritized requested changes	1,661,960	86,802	0	1,575,158	0	5.4
Centrally appropriated line items	3,743,914	470,590	218,010	3,482,324	(427,010)	0.0
Statewide IT common policy adjustments	1,348,603	899,189	0	449,414	0	0.0
Indirect cost assessment	91,243	0	(59,790)	17,744	133,289	0.0
Staff-initiated refinance	0	(100,908)	0	100,908	0	0.0
Annualize prior year legislation	(15,989,776)	(2,657,904)	4,299,250	(17,631,122)	0	0.5
Annualize prior year funding	(12,704,821)	(7,492,168)	(300,000)	(4,912,653)	0	0.0
Annualize prior year salary survey and merit pay	(122,643)	1	(65,124)	(3,646)	(53,874)	0.0
TOTAL	\$229,826,807	\$20,314,811	\$41,214,886	\$161,889,084	\$6,408,026	1,066.8
Increase/(Decrease)	\$1,115,051	(\$2,452,575)	\$4,092,346	(\$177,125)	(\$347,595)	5.9
Percentage Change	0.5%	(10.8%)	11.0%	(0.1%)	(5.1%)	0.6%
FY 2014-15 Executive Request	\$273,195,416	\$32,161,902	\$36,205,827	\$198,435,783	\$6,391,904	1,069.9
Request Above/(Below) Recommendation	\$43,368,609	\$11,847,091	(\$5,009,059)	\$36,546,699	(\$16,122)	3.1

(1) Office of the Governor

The Office of the Governor oversees operation of the executive branch of State government including coordination, direction, and planning of agency operations. The Office represents the State, and serves as a liaison with local and federal governments. This division includes the core functions of a traditional executive director's office, as well as the Colorado Energy Office.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$38,758,850	\$4,446,094	\$11,143,396	\$18,870,069	\$4,299,291	65.1
Other legislation	325,900	0	300,000	25,900	0	0.0
HB 14-1235 (Supplemental Bill)	<u>584,139</u>	<u>584,139</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$39,668,889	\$5,030,233	\$11,443,396	\$18,895,969	\$4,299,291	65.1
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$39,668,889	\$5,030,233	\$11,443,396	\$18,895,969	\$4,299,291	65.1
BA Legal services adjustment	40,587	40,587	0	0	0	0.0
NP OIT requested changes	271,924	85,637	0	186,287	0	0.0
NP CDPS cyber-crime initiative	18,550	0	0	18,550	0	0.0
NP Annual fleet vehicle request	7,517	0	0	7,517	0	0.0
Centrally appropriated line items	3,743,914	470,590	218,010	3,482,324	(427,010)	0.0
Statewide IT common policy adjustments	1,348,603	899,189	0	449,414	0	0.0
Indirect cost assessment	50,703	0	(29,890)	0	80,593	0.0
Annualize prior year salary survey and merit pay	(2,740,091)	(50,867)	(65,124)	(2,515,538)	(108,562)	0.0
Annualize prior year legislation	<u>(960,039)</u>	<u>(634,139)</u>	<u>(300,000)</u>	<u>(25,900)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$41,450,557	\$5,841,230	\$11,266,392	\$20,498,623	\$3,844,312	65.1
Increase/(Decrease)	\$1,781,668	\$810,997	(\$177,004)	\$1,602,654	(\$454,979)	0.0
Percentage Change	4.5%	16.1%	(1.5%)	8.5%	(10.6%)	0.0%
FY 2014-15 Executive Request						
Request Above/(Below) Recommendation	\$1,746,210	\$1,339,352	(\$57,194)	\$480,174	(\$16,122)	0.0

Issue Descriptions

BA Legal services adjustment: The recommendation includes an increase of \$40,587 General Fund for FY 2014-15 for anticipated expenses of the Cooke, et al. v. Hickenlooper court case.

Analysis: BA Legal services adjustment

Cooke, et al. v. Hickenlooper is a challenge to two bills passed during the 2013 legislative session and signed into law.

- House Bill 13-1224 (Fields/Hodge) established limitations on large-capacity ammunition magazines, which are defined as those that can accept more than 15 rounds of ammunition, eight shotgun shells when combined with a fixed magazine, or 28 inches of shotgun shells; and
- House Bill 13-1229 (Fields & McCann/Carroll) expanded situations in which background checks are required prior to the transfer of a firearm, and changed the process for reporting and updating the records on which background checks are based.

The date of the trial is set for March 2014. The Office received an appropriation of \$634,139 General Fund for FY 2013-14 for the costs associated with the trial. The Office requests, and staff recommends, a decrease for FY 2014-15 to an appropriation of \$40,587 General Fund for this purpose based on estimated costs.

NP OIT requested changes: The Office's request includes the following changes requested by the Governor's Office of Information Technology: Secure Colorado Phase II, eliminate redundant applications, Capitol Complex network resiliency, and IT service management eco-system. Recommendations for information technology will be presented to the Committee later in the day by Kevin Neimond during figure setting for the Governor's Office of Information Technology. Staff will incorporate the Committee's action into the Long Bill.

NP CDPS cyber-crime initiative: The Committee approved a decision item in the Department of Public Safety to create a Cyber Crime Task Force with the Governor's Office of Information Technology. In this division, the decision item adds funds for centrally appropriated line items for the FTE added in the Governor's Office of Information Technology.

NP Annual fleet vehicle request: The Office's request includes the annual fleet vehicle change from the Department of Personnel. Common policy recommendations will be presented to the Committee on Friday, March 14th by Alfredo Kemm during figure setting for the Department of Personnel's common policies. Staff will incorporate the Committee's action into the Long Bill.

Centrally appropriated line items: The Office's request includes adjustments to centrally appropriated line items for the following: State contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; Capitol Complex leased space; and payment to risk management and property funds. The portions of these request items that have not already been addressed by the Committee will be presented on Friday, March 14th by Alfredo Kemm during figure setting for

the Department of Personnel's common policies. Staff will incorporate the Committee's action into the Long Bill.

Statewide IT common policy adjustments: The Office's request includes the information technology common policy adjustments requested by the Governor's Office of Information Technology. Recommendations for information technology will be presented to the Committee later in the day by Kevin Neimond during figure setting for the Governor's Office of Information Technology. Staff will incorporate the Committee's action into the Long Bill.

Indirect cost assessment: The recommendation includes an increase of \$50,703 total funds in the Colorado Energy Office for FY 2014-15 for Statewide indirect cost collections. Staff's recommendation is consistent with prior Committee action.

Annualize prior year salary survey and merit pay: The Office's request, and staff's recommendation, includes adjustments as part of the distribution of funds from central appropriations of moneys for salary survey and merit pay based on prior fiscal year allocations.

Annualize prior year legislation: The Office's request, and staff's recommendation, includes adjustments related to prior year legislation. For this division, the annualization of prior year funding reduction is primarily driven by appropriations made in the FY 2013-14 supplemental bill (H.B. 14-1235).

LINE ITEM DETAIL – (1) OFFICE OF THE GOVERNOR

(A) GOVERNOR’S OFFICE

Administration of Governor's Office and Residence

As Chief Executive of the State, the Governor is responsible for the overall operation of the executive branch of government. This office provides for coordination, direction, and planning of agency operations, maintains liaison with local governments and the federal government, and exercises the executive powers of the State. This line item provides the funding for the personal services and operating expenses for the Office of Policy and Research, the Office of Legislative Relations, the Office of Legal Counsel, Boards and Commissions, Office of the Citizens’ Advocate, and the position of the Governor.

Request: The Office requests an appropriation of \$2,231,463 total funds (including \$2,212,334 General Fund) and 31.4 FTE for FY 2014-15.

Recommendation: Staff recommends that the Committee appropriate \$2,231,463 total funds and 31.4 FTE for this line item in FY 2014-15. The recommendation is consists of \$2,212,334 General Fund and \$19,129 reappropriated funds from Statewide indirect cost recoveries from federal grants received by the Office of the Governor. The following table summarizes the calculations for staff's recommendation.

Office of the Governor, Governor's Office, Administration of Governor's Office and Residence						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$2,136,132	\$2,117,003	\$0	\$19,129	\$0	31.4
TOTAL	\$2,136,132	\$2,117,003	\$0	\$19,129	\$0	31.4
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$2,136,132	\$2,117,003	\$0	\$19,129	\$0	31.4
Annualize prior year salary survey and merit pay	95,331	95,331	0	0	0	0.0
TOTAL	\$2,231,463	\$2,212,334	\$0	\$19,129	\$0	31.4
Increase/(Decrease)	\$95,331	\$95,331	\$0	\$0	\$0	0.0
Percentage Change	4.5%	4.5%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$2,231,463	\$2,212,334	\$0	\$19,129	\$0	31.4
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

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Discretionary Fund

Pursuant to Section 24-9-105, C.R.S., elected officials may be provided specified amounts to expend as each elected official sees fit. The specified maximum amount for the Governor is \$20,000, and is subject to appropriation by the General Assembly.

Request: The Office requests a continuation level of funding of \$19,500 General Fund for FY 2014-15.

Recommendation: Staff recommends a continuation level of funding of \$19,500 General Fund for FY 2014-15. The following table summarizes the calculations for staff's recommendation.

Office of the Governor, Governor's Office, Discretionary Fund						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$19,500	\$19,500	\$0	\$0	\$0	0.0
TOTAL	\$19,500	\$19,500	\$0	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$19,500	\$19,500	\$0	\$0	\$0	0.0
TOTAL	\$19,500	\$19,500	\$0	\$0	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$19,500	\$19,500	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Mansion Activity Fund

The Governor's Residence, located in the City and County of Denver at 400 East Eighth Avenue, is 26,431 square feet, and is accompanied by a 4,837 square foot Carriage House located on the same property. The two buildings are made available to the public for various activities and require spending authority for funds collected for use of the Governor's mansion. Funds received are from public and State agency use fees used to cover the costs of holding functions at these facilities.

Request: The Office requests a continuation level of funding of \$200,000 cash funds for FY 2014-15.

Recommendation: Staff recommends a continuation level of funding of \$200,000 cash funds for FY 2014-15. The moneys originate from rental fees for events using the mansion facilities. The following table summarizes the calculations for staff's recommendation.

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Office of the Governor, Governor's Office, Mansion Activity Fund						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$200,000</u>	<u>\$0</u>	<u>\$200,000</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$200,000	\$0	\$200,000	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$200,000</u>	<u>\$0</u>	<u>\$200,000</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$200,000	\$0	\$200,000	\$0	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$200,000	\$0	\$200,000	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(B) SPECIAL PURPOSE

Health, Life, and Dental

The appropriation covers the cost of the State's share of the employee's health, life and dental insurance as it relates to the number of employees in the Governor's Office that elect to be covered. Rates and premiums are determined by the Department of Personnel.

Request: The Office requests an appropriation of \$7,420,486 (including \$539,734 General Fund) for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$7,417,650 total funds for FY 2014-15. The recommendation consists of \$539,734 General Fund, \$324,562 cash funds from various sources, \$6,464,873 reappropriated funds from direct billings by the Governor's Office of Information Technology and Statewide indirect cost collections from the Office of the Governor, Governor's Office of Information Technology, the Colorado Energy Office, and the Colorado Department of Transportation, and \$88,481 from various federal funds. The following table summarizes the calculations for staff's recommendation.

Office of the Governor, Special Purpose, Health, Life, and Dental						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$7,787,102</u>	<u>\$417,135</u>	<u>\$312,056</u>	<u>\$6,666,891</u>	<u>\$391,020</u>	<u>0.0</u>
TOTAL	\$7,787,102	\$417,135	\$312,056	\$6,666,891	\$391,020	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$7,787,102	\$417,135	\$312,056	\$6,666,891	\$391,020	0.0
NP CDPS cyber-crime initiative*	6,006	0	0	6,006	0	0.0
Centrally appropriated line items**	<u>(375,458)</u>	<u>122,599</u>	<u>12,506</u>	<u>(208,024)</u>	<u>(302,539)</u>	<u>0.0</u>
TOTAL	\$7,417,650	\$539,734	\$324,562	\$6,464,873	\$88,481	0.0
Increase/(Decrease)	(\$369,452)	\$122,599	\$12,506	(\$202,018)	(\$302,539)	0.0
Percentage Change	(4.7%)	29.4%	4.0%	(3.0%)	(77.4%)	0.0%
FY 2014-15 Executive Request:	\$7,420,486	\$539,734	\$324,562	\$6,467,709	\$88,481	0.0
Request Above/(Below) Recommendation	\$2,836	\$0	\$0	\$2,836	\$0	0.0

*This request item was addressed in a separate staff figure setting presentation by Viktor Bojilov for the Department of Public Safety on Thursday, February 20th. Staff has included the Committee's action in this recommendation.

**This request item was addressed in a separate staff figure setting presentation by Joy Huse for total compensation common policies on Monday, January 13th. Staff has included the Committee's action in this recommendation.

Short-term Disability

Short-term disability insurance coverage is available for all employees and paid by the State based on payroll that provides partial payment of an employee's salary if that individual becomes disabled and cannot perform

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his or her work duties. Any changes in the appropriation are based on Common Policy as approved by the Committee.

Request: The Office requests an appropriation of \$163,511 (including \$11,068 General Fund) for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$164,289 total funds for FY 2014-15. The recommendation consists of \$11,121 General Fund, \$7,411 cash funds from various sources, \$143,633 reappropriated funds from direct billings by the Governor’s Office of Information Technology and Statewide indirect cost collections from the Office of the Governor, Governor’s Office of Information Technology, the Colorado Energy Office, and the Colorado Department of Transportation, and \$2,124 from various federal funds. The following table summarizes the calculations for staff’s recommendation.

Office of the Governor, Special Purpose, Short-term Disability						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$144,968</u>	<u>\$7,694</u>	<u>\$6,121</u>	<u>\$124,496</u>	<u>\$6,657</u>	<u>0.0</u>
TOTAL	\$144,968	\$7,694	\$6,121	\$124,496	\$6,657	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$144,968	\$7,694	\$6,121	\$124,496	\$6,657	0.0
NP CDPS cyber-crime initiative*	280	0	0	280	0	0.0
Centrally appropriated line items**	<u>19,041</u>	<u>3,427</u>	<u>1,290</u>	<u>18,857</u>	<u>(4,533)</u>	<u>0.0</u>
TOTAL	\$164,289	\$11,121	\$7,411	\$143,633	\$2,124	0.0
Increase/(Decrease)	\$19,321	\$3,427	\$1,290	\$19,137	(\$4,533)	0.0
Percentage Change	13.3%	44.5%	21.1%	15.4%	(68.1%)	0.0%
FY 2014-15 Executive Request:	\$163,511	\$11,068	\$7,376	\$142,953	\$2,114	0.0
Request Above/(Below) Recommendation	(\$778)	(\$53)	(\$35)	(\$680)	(\$10)	0.0

*This request item was addressed in a separate staff figure setting presentation by Viktor Bojilov for the Department of Public Safety on Thursday, February 20th. Staff has included the Committee’s action in this recommendation.

**This request item was addressed in a separate staff figure setting presentation by Joy Huse for total compensation common policies on Monday, January 13th. Staff has included the Committee’s action in this recommendation.

S.B. 04-257 Amortization Equalization Disbursement

The line item reflects an increase to the effective PERA contribution rates beginning January 1, 2006 to bring the Office of the Governor into compliance with Section 24-51-211, C.R.S.

Request: The Office requests an appropriation of \$2,985,359 (including \$201,975 General Fund) for FY 2014-15.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Recommendation: Staff recommends an appropriation of \$2,999,560 total funds for FY 2014-15. The recommendation consists of \$202,970 General Fund, \$135,176 cash funds from various sources, \$2,622,679 reappropriated funds from direct billings by the Governor’s Office of Information Technology and Statewide indirect cost collections from the Office of the Governor, Governor’s Office of Information Technology, the Colorado Energy Office, and the Colorado Department of Transportation, and \$38,735 from various federal funds. The following table summarizes the calculations for staff’s recommendation.

Office of the Governor, Special Purpose, S.B. 04-257 Amortization Equalization Disbursement						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$2,771,161</u>	<u>\$145,583</u>	<u>\$116,720</u>	<u>\$2,381,875</u>	<u>\$126,983</u>	<u>0.0</u>
TOTAL	\$2,771,161	\$145,583	\$116,720	\$2,381,875	\$126,983	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$2,771,161	\$145,583	\$116,720	\$2,381,875	\$126,983	0.0
NP CDPS cyber-crime initiative*	6,330	0	0	6,330	0	0.0
Centrally appropriated line items**	<u>222,069</u>	<u>57,387</u>	<u>18,456</u>	<u>234,474</u>	<u>(88,248)</u>	<u>0.0</u>
TOTAL	\$2,999,560	\$202,970	\$135,176	\$2,622,679	\$38,735	0.0
Increase/(Decrease)	\$228,399	\$57,387	\$18,456	\$240,804	(\$88,248)	0.0
Percentage Change	8.2%	39.4%	15.8%	10.1%	(69.5%)	0.0%
FY 2014-15 Executive Request:	\$2,985,359	\$201,975	\$134,525	\$2,610,313	\$38,546	0.0
Request Above/(Below) Recommendation	(\$14,201)	(\$995)	(\$651)	(\$12,366)	(\$189)	0.0

*This request item was addressed in a separate staff figure setting presentation by Viktor Bojilov for the Department of Public Safety on Thursday, February 20th. Staff has included the Committee’s action in this recommendation.

**This request item was addressed in a separate staff figure setting presentation by Joy Huse for total compensation common policies on Monday, January 13th. Staff has included the Committee’s action in this recommendation.

S.B. 06-235 Supplemental Amortization Equalization Disbursement

This appropriation reflects an increase to the effective PERA contribution rates beginning January 1, 2008 to bring the Office of the Governor into compliance with Section 24-51-211, C.R.S.

Request: The Office requests an appropriation of \$2,798,773 (including \$189,352 General Fund) for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$2,812,088 total funds for FY 2014-15. The recommendation consists of \$190,284 General Fund, \$126,727 cash funds from various sources, \$2,458,762 reappropriated funds from direct billings by the Governor’s Office of Information Technology and Statewide indirect cost collections from the Office of the Governor, Governor’s Office of Information Technology, the Colorado Energy Office, and the Colorado Department of Transportation, and \$36,315 from various federal funds. The following table summarizes the calculations for staff’s recommendation.

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Office of the Governor, Special Purpose, S.B. 06-235 Supplemental Amortization Equalization Disbursement						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$2,501,279</u>	<u>\$130,964</u>	<u>\$105,372</u>	<u>\$2,150,305</u>	<u>\$114,638</u>	<u>0.0</u>
TOTAL	\$2,501,279	\$130,964	\$105,372	\$2,150,305	\$114,638	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$2,501,279	\$130,964	\$105,372	\$2,150,305	\$114,638	0.0
NP CDPS cyber-crime initiative*	5,934	0	0	5,934	0	0.0
Centrally appropriated line items**	<u>304,875</u>	<u>59,320</u>	<u>21,355</u>	<u>302,523</u>	<u>(78,323)</u>	<u>0.0</u>
TOTAL	\$2,812,088	\$190,284	\$126,727	\$2,458,762	\$36,315	0.0
Increase/(Decrease)	\$310,809	\$59,320	\$21,355	\$308,457	(\$78,323)	0.0
Percentage Change	12.4%	45.3%	20.3%	14.3%	(68.3%)	0.0%
FY 2014-15 Executive Request:	\$2,798,773	\$189,352	\$126,117	\$2,447,168	\$36,136	0.0
Request Above/(Below) Recommendation	(\$13,315)	(\$932)	(\$610)	(\$11,594)	(\$179)	0.0

*This request item was addressed in a separate staff figure setting presentation by Viktor Bojilov for the Department of Public Safety on Thursday, February 20th. Staff has included the Committee's action in this recommendation.

**This request item was addressed in a separate staff figure setting presentation by Joy Huse for total compensation common policies on Monday, January 13th. Staff has included the Committee's action in this recommendation.

Salary Survey

This line item provides funding for market adjustments to occupational groups' salaries in the Office of the Governor.

Request: The Office requests an appropriation of \$1,185,409 (including \$82,038 General Fund) for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$2,419,767 total funds for FY 2014-15. The recommendation consists of \$164,077 General Fund, \$109,342 cash funds from various sources, \$2,115,012 reappropriated funds from direct billings by the Governor's Office of Information Technology and Statewide indirect cost collections from the Office of the Governor, Governor's Office of Information Technology, the Colorado Energy Office, and the Colorado Department of Transportation, and \$31,336 from various federal funds. The following table summarizes the calculations for staff's recommendation.

Office of the Governor, Special Purpose, Salary Survey						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Special Purpose, Salary Survey						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 13-230 (Long Bill)	<u>\$1,680,659</u>	<u>\$80,822</u>	<u>\$69,937</u>	<u>\$1,453,818</u>	<u>\$76,082</u>	<u>0.0</u>
TOTAL	\$1,680,659	\$80,822	\$69,937	\$1,453,818	\$76,082	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$1,680,659	\$80,822	\$69,937	\$1,453,818	\$76,082	0.0
Centrally appropriated line items*	2,419,767	164,077	109,342	2,115,012	31,336	0.0
Annualize prior year salary survey and merit pay	<u>(1,680,659)</u>	<u>(80,822)</u>	<u>(69,937)</u>	<u>(1,453,818)</u>	<u>(76,082)</u>	<u>0.0</u>
TOTAL	\$2,419,767	\$164,077	\$109,342	\$2,115,012	\$31,336	0.0
Increase/(Decrease)	\$739,108	\$83,255	\$39,405	\$661,194	(\$44,746)	0.0
Percentage Change	44.0%	103.0%	56.3%	45.5%	(58.8%)	0.0%
FY 2014-15 Executive Request:	\$1,185,409	\$82,038	\$53,710	\$1,033,993	\$15,668	0.0
Request Above/(Below) Recommendation	(\$1,234,358)	(\$82,039)	(\$55,632)	(\$1,081,019)	(\$15,668)	0.0

*This request item was addressed in a separate staff figure setting presentation by Joy Huse for total compensation common policies on Monday, January 13th. Staff has included the Committee's action in this recommendation.

Merit Pay

This line item funds merit pay for employees in the Office of the Governor based on performance and evaluations.

Request: The Office requests an appropriation of \$1,181,294 (including \$83,829 General Fund) for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$1,183,604 total funds for FY 2014-15. The recommendation consists of \$84,243 General Fund, \$55,061 cash funds from various sources, \$1,029,003 reappropriated funds from direct billings by the Governor's Office of Information Technology and Statewide indirect cost collections from the Office of the Governor, Governor's Office of Information Technology, the Colorado Energy Office, and the Colorado Department of Transportation, and \$15,297 from various federal funds. The following table summarizes the calculations for staff's recommendation.

Office of the Governor, Special Purpose, Merit Pay						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$1,235,501</u>	<u>\$65,376</u>	<u>\$51,594</u>	<u>\$1,061,720</u>	<u>\$56,811</u>	<u>0.0</u>
TOTAL	\$1,235,501	\$65,376	\$51,594	\$1,061,720	\$56,811	0.0

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Special Purpose, Merit Pay						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$1,235,501	\$65,376	\$51,594	\$1,061,720	\$56,811	0.0
Centrally appropriated line items*	1,183,604	84,243	55,061	1,029,003	15,297	0.0
Annualize prior year salary survey and merit pay	<u>(1,235,501)</u>	<u>(65,376)</u>	<u>(51,594)</u>	<u>(1,061,720)</u>	<u>(56,811)</u>	<u>0.0</u>
TOTAL	\$1,183,604	\$84,243	\$55,061	\$1,029,003	\$15,297	0.0
Increase/(Decrease)	(\$51,897)	\$18,867	\$3,467	(\$32,717)	(\$41,514)	0.0
Percentage Change	(4.2%)	28.9%	6.7%	(3.1%)	(73.1%)	0.0%
FY 2014-15 Executive Request:	\$1,181,294	\$83,829	\$54,795	\$1,027,449	\$15,221	0.0
Request Above/(Below) Recommendation	(\$2,310)	(\$414)	(\$266)	(\$1,554)	(\$76)	0.0

*This request item was addressed in a separate staff figure setting presentation by Joy Huse for total compensation common policies on Monday, January 13th. Staff has included the Committee's action in this recommendation.

Shift Differential

This line item is used to pay for the adjustment to compensate employees for work performed outside of the regular Monday through Friday 8:00 a.m. to 5:00 p.m. work schedule. Employees eligible for shift differential in the Office of the Governor are assigned to the Governor's Office of Information Technology.

Request: The Office requests an appropriation of \$89,289 reappropriated funds for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$89,289 reappropriated funds from billings by the Governor's Office of Information Technology for FY 2014-15. The following table summarizes the calculations for staff's recommendation.

Office of the Governor, Special Purpose, Shift Differential						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$81,671</u>	<u>\$0</u>	<u>\$0</u>	<u>\$81,671</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$81,671	\$0	\$0	\$81,671	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$81,671	\$0	\$0	\$81,671	\$0	0.0
Centrally appropriated line items*	<u>7,618</u>	<u>0</u>	<u>0</u>	<u>7,618</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$89,289	\$0	\$0	\$89,289	\$0	0.0

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Special Purpose, Shift Differential						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$7,618	\$0	\$0	\$7,618	\$0	0.0
Percentage Change	9.3%	0.0%	0.0%	9.3%	0.0%	0.0%
FY 2014-15 Executive Request:	\$89,289	\$0	\$0	\$89,289	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

*This request item was addressed in a separate staff figure setting presentation by Joy Huse for total compensation common policies on Monday, January 13th. Staff has included the Committee's action in this recommendation.

Workers' Compensation

Workers' compensation insurance for the entire state (excluding Department of Higher Education institutions) is carried by the Department of Personnel and Administration. Appropriations to departments covered by the insurance are provided through Committee Common Policy determined through actuarial calculations and three years of claims history. All changes in the Office of the Governor's appropriation for workers' compensation are the result of Committee common policy changes.

Request: The Office requests an appropriation of \$402,868 total funds (\$51,881 General Fund) for FY 2014-15.

Recommendation: Staff's recommendation is pending. Common policy recommendations will be presented to the Committee on Friday, March 14th by Alfredo Kemm during figure setting for the Department of Personnel's common policies. Staff will incorporate the Committee's action into the Long Bill. The following table summarizes the calculations for the request.

Office of the Governor, Special Purpose, Workers' Compensation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$445,361</u>	<u>\$57,353</u>	<u>\$0</u>	<u>\$388,008</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$445,361	\$57,353	\$0	\$388,008	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$445,361	\$57,353	\$0	\$388,008	\$0	0.0
Centrally appropriated line items*	<u>(42,493)</u>	<u>(5,472)</u>	<u>0</u>	<u>(37,021)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$402,868	\$51,881	\$0	\$350,987	\$0	0.0
Increase/(Decrease)	(\$42,493)	(\$5,472)	\$0	(\$37,021)	\$0	0.0
Percentage Change	(9.5%)	(9.5%)	0.0%	(9.5%)	0.0%	0.0%
FY 2014-15 Executive Request:	\$402,868	\$51,881	\$0	\$350,987	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Special Purpose, Workers' Compensation						
Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE	

*This recommended change represents the funding level requested by the Department. This request will be addressed in a separate staff figure setting presentation by Alfredo Kemm on Friday, March 14th. Staff will incorporate the Committee's action into the Long Bill.

Legal Services

Legal representation for all divisions in the Office of the Governor is provided by the Department of Law. This line item pays for those services. The appropriation is based on the blended hourly rate, as set by the Committee every year, and the number of hours an agency requires.

Request: The Office requests an appropriation of \$500,632 General Fund for FY 2014-15 to purchase 5,051 hours of legal services from the Department of Law.

Recommendation: Staff recommends funding for 5,051 hours of legal services, but the dollar amount recommendation is pending. Final Department of Law rate recommendations will be presented to the Committee by Craig Harper via a memo near the end of the figure setting process. Staff will incorporate the Committee's action into the Long Bill. The following table summarizes calculations for the request.

Office of the Governor, Special Purpose, Legal Services						
Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE	
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$460,045	\$460,045	\$0	\$0	\$0	0.0
HB 14-1235 (Supplemental Bill)	<u>634,139</u>	<u>634,139</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,094,184	\$1,094,184	\$0	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$1,094,184	\$1,094,184	\$0	\$0	\$0	0.0
BA Legal services adjustment	40,587	40,587	0	0	0	0.0
Annualize prior year legislation	<u>(634,139)</u>	<u>(634,139)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$500,632	\$500,632	\$0	\$0	\$0	0.0
Increase/(Decrease)	(\$593,552)	(\$593,552)	\$0	\$0	\$0	0.0
Percentage Change	(54.2%)	(54.2%)	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$500,632	\$500,632	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Lobato Litigation Expenses

The line item appropriates moneys for the defense and trial of the Lobato v. State of Colorado court case outside of the legal services purchased from the Department of Law. Costs included in the line item include expert witnesses, transcripts, and retention of contract attorneys to review and produce documents on a short timeline.

Request: The Office is not requesting an appropriation for this purpose for FY 2014-15 due to the conclusion of the lawsuit.

Recommendation: Staff recommends not appropriating funds for this purpose for FY 2014-15. The following table summarizes staff’s calculations for the recommendation.

Office of the Governor, Special Purpose, Lobato Litigation Expenses						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$50,000	\$50,000	\$0	\$0	\$0	0.0
HB 14-1235 (Supplemental Bill)	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$0	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Purchase of Services from Computer Center

The Office of the Governor’s share of the use of the State’s mainframe and other enterprise services is funded by this appropriation. The Governor’s Office of Information Technology bills agencies for the use of these services. Changes in the appropriation are based on department utilization, and are adjusted through the common policy adopted by the Committee.

Request: The Office requests an appropriation of \$2,255,463 total funds (including \$1,255,159 General Fund) for FY 2014-15. The Office also requests that this line item be consolidated into a new line item called “Payments to OIT” along with other information technology common policy line items.

Recommendation: Staff’s recommendation is pending. Common policy recommendations will be presented to the Committee later in the day by Kevin Neimond during figure setting for the Governor’s Office of

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Information Technology common policies. Staff will incorporate the Committee’s action into the Long Bill. The following table summarizes the calculations for the request.

Office of the Governor, Special Purpose, Purchase of Services from Computer Center						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$972,982	\$256,298	\$0	\$716,684	\$0	0.0
TOTAL	\$972,982	\$256,298	\$0	\$716,684	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$972,982	\$256,298	\$0	\$716,684	\$0	0.0
NP Eliminate redundant applications*	45,043	14,189	0	30,854	0	0.0
Statewide IT common policy adjustments*	1,237,438	984,672	0	252,766	0	0.0
TOTAL	\$2,255,463	\$1,255,159	\$0	\$1,000,304	\$0	0.0
Increase/(Decrease)	\$1,282,481	\$998,861	\$0	\$283,620	\$0	0.0
Percentage Change	131.8%	389.7%	0.0%	39.6%	0.0%	0.0%
FY 2014-15 Executive Request:	\$2,255,463	\$1,255,159	\$0	\$1,000,304	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

*This request will be considered during Committee staff’s figure setting presentation by Kevin Neimond for the Governor’s Office of Information Technology scheduled for later this day.

Colorado State Network

Per common policy, the appropriation provides funding for the Office of the Governor’s payment to the Governor’s Office of Information Technology to support the State’s telecommunications infrastructure.

Request: The Office requests an appropriation of \$570,008 total funds (including \$157,706 General Fund) for FY 2014-15. The Office also requests that this line item be consolidated into a new line item called “Payments to OIT” along with other information technology common policy line items.

Recommendation: Staff’s recommendation is pending. Common policy recommendations will be presented to the Committee later in the day by Kevin Neimond during figure setting for the Governor’s Office of Information Technology common policies. Staff will incorporate the Committee’s action into the Long Bill. The following table summarizes the calculations for the request.

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Office of the Governor, Special Purpose, Colorado State Network						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$400,791</u>	<u>\$168,641</u>	<u>\$0</u>	<u>\$232,150</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$400,791	\$168,641	\$0	\$232,150	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$400,791	\$168,641	\$0	\$232,150	\$0	0.0
NP Network resiliency*	24,168	7,613	0	16,555	0	0.0
Statewide IT common policy adjustments*	<u>145,049</u>	<u>(18,548)</u>	<u>0</u>	<u>163,597</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$570,008	\$157,706	\$0	\$412,302	\$0	0.0
Increase/(Decrease)	\$169,217	(\$10,935)	\$0	\$180,152	\$0	0.0
Percentage Change	42.2%	(6.5%)	0.0%	77.6%	0.0%	0.0%
FY 2014-15 Executive Request:	\$570,008	\$157,706	\$0	\$412,302	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

*This request will be considered during Committee staff's figure setting presentation by Kevin Neimond for the Governor's Office of Information Technology scheduled for later this day.

Management and Administration of OIT

The line item was added during the FY 2008-09 supplemental appropriation process to reimburse the Governor's Office of Information Technology for the Office of the Governor's share of the management and administration of the Governor's Office of Information Technology.

Request: The Office of the Governor is not requesting that the appropriation be reduced by \$6,664 total funds (including a decrease of \$42,678 General Fund) for FY 2014-15. The Office also requests that this line item be consolidated into a new line item called "Payments to OIT" along with other information technology common policy line items. If the consolidation of all IT common policy billings is not approved by the Committee, this line item be zeroed out for FY 2014-15.

Recommendation: Staff's recommendation is pending. Common policy recommendations will be presented to the Committee later in the day by Kevin Neimond during figure setting for the Governor's Office of Information Technology common policies. Staff will incorporate the Committee's action into the Long Bill. The following table summarizes the calculations for the request.

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Office of the Governor, Special Purpose, Management and Administration of OIT						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
NP IT service management ecosystem*	52,575	16,561	0	36,014	0	0.0
Statewide IT common policy adjustments*	<u>(59,239)</u>	<u>(59,239)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	(\$6,664)	(\$42,678)	\$0	\$36,014	\$0	0.0
Increase/(Decrease)	(\$6,664)	(\$42,678)	\$0	\$36,014	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	(\$6,664)	(\$42,678)	\$0	\$36,014	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

*This request will be considered during Committee staff's figure setting presentation by Kevin Neimond for the Governor's Office of Information Technology scheduled for later this day.

COFRS Modernization

This line item contains appropriations for the Office's share of costs associated with the implementation of the Colorado Financial Reporting System (COFRS) upgrade project.

Request: The Office seeks a continuation level of funding of \$45,426 total funds (including \$22,407 General Fund) for FY 2014-15 for this line item.

Recommendation: Staff's recommendation is pending. This request was addressed in a separate staff figure setting presentation by Amanda Bickel on Tuesday, March 11th after this document went to print. Staff will incorporate the Committee's action into the Long Bill. The following table summarizes calculations for the request.

Office of the Governor, Special Purpose, COFRS Modernization						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$45,426</u>	<u>\$22,407</u>	<u>\$23,019</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$45,426	\$22,407	\$23,019	\$0	\$0	0.0

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Special Purpose, COFRS Modernization						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$45,426</u>	<u>\$22,407</u>	<u>\$23,019</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL*	\$45,426	\$22,407	\$23,019	\$0	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$45,426	\$22,407	\$23,019	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

*This recommendation represents the funding level requested by the Office. This request was addressed in a separate staff figure setting presentation by Amanda Bickel on Tuesday, March 11th after this document went to print. Staff will incorporate the Committee’s action into the Long Bill.

Information Technology Security

This line item was added during the FY 2013-14 budget cycle for the Governor’s Office of Information Technology to address the State’s most pressing cyber security needs. The moneys for FY 2013-14 are being used for intrusion detection, threat and vulnerability management, network segmentation equipment, centralized firewall management, and sensitive network authentication.

Request: The Office requests an appropriation of \$189,529 total funds (including \$53,614 General Fund) for FY 2014-15. The Office also requests that this line item be consolidated into a new line item called “Payments to OIT” along with other information technology common policy line items.

Recommendation: Staff’s recommendation is pending. Information technology common policy recommendations will be presented to the Committee on Thursday, March 13th by Kevin Neimond. Staff will incorporate the Committee’s action into the Long Bill. The following table summarizes calculations for the request.

Office of the Governor, Special Purpose, Information Technology Security						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$14,036</u>	<u>\$14,036</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$14,036	\$14,036	\$0	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$14,036	\$14,036	\$0	\$0	\$0	0.0
NP Secure Colorado - Phase II*	150,138	47,274	0	102,864	0	0.0
Statewide IT common policy adjustments*	<u>25,355</u>	<u>(7,696)</u>	<u>0</u>	<u>33,051</u>	<u>0</u>	<u>0.0</u>

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Special Purpose, Information Technology Security						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$189,529	\$53,614	\$0	\$135,915	\$0	0.0
Increase/(Decrease)	\$175,493	\$39,578	\$0	\$135,915	\$0	0.0
Percentage Change	1,250.3%	282.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$189,529	\$53,614	\$0	\$135,915	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

*This request will be considered during Committee staff's figure setting presentation by Kevin Neimond for the Governor's Office of Information Technology scheduled for later this day.

Payment to Risk Management and Property Funds

The Office of the Governor's share of liability and property insurance carried by the Department of Personnel and Administration is appropriated through this line item. The State's liability program is used to pay liability claims and expenses brought against the state. The Office of the Governor's appropriation, and any changes to it, are driven by the common policies established by the Committee.

Request: The Office requests an appropriation of \$283,474 total funds (including \$87,713 General Fund) for FY 2014-15.

Recommendation: Staff's recommendation is pending. Common policy recommendations will be presented to the Committee on Friday, March 14th by Alfredo Kemm during figure setting for the Department of Personnel's common policies. Staff will incorporate the Committee's action into the Long Bill. The following table summarizes the calculations for the request.

Office of the Governor, Special Purpose, Payment to Risk Management and Property Funds						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$214,323</u>	<u>\$66,316</u>	<u>\$0</u>	<u>\$148,007</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$214,323	\$66,316	\$0	\$148,007	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$214,323	\$66,316	\$0	\$148,007	\$0	0.0
Centrally appropriated line items*	<u>69,151</u>	<u>21,397</u>	<u>0</u>	<u>47,754</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$283,474	\$87,713	\$0	\$195,761	\$0	0.0
Increase/(Decrease)	\$69,151	\$21,397	\$0	\$47,754	\$0	0.0
Percentage Change	32.3%	32.3%	0.0%	32.3%	0.0%	0.0%

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Special Purpose, Payment to Risk Management and Property Funds						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Executive Request:	\$283,474	\$87,713	\$0	\$195,761	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

*This recommended change represents the funding level requested by the Office. This request will be addressed in a separate staff figure setting presentation by Alfredo Kemm on Friday, March 14th. Staff will incorporate the Committee’s action into the Long Bill.

Vehicle Lease Payments

This line funds the annual payment to the Department of Personnel and Administration for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles. No vehicles are assigned to the Governor’s Office, the Lieutenant Governor’s Office, the Office of Homeland Security, or the Office of State Planning and Budgeting. Leased vehicles for the Office of the Governor are used by staff in Governor’s Office of Information Technology.

Request: The Office requests an appropriation of \$80,548 reappropriated funds for FY 2014-15.

Recommendation: Staff’s recommendation is pending. Common policy recommendations will be presented to the Committee on Friday, March 14th by Alfredo Kemm during figure setting for the Department of Personnel’s common policies. Staff will incorporate the Committee’s action into the Long Bill. The following table summarizes the calculations for the request.

Office of the Governor, Special Purpose, Vehicle Lease Payments						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$73,031</u>	<u>\$0</u>	<u>\$0</u>	<u>\$73,031</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$73,031	\$0	\$0	\$73,031	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$73,031	\$0	\$0	\$73,031	\$0	0.0
NP Annual fleet vehicle request*	<u>7,517</u>	<u>0</u>	<u>0</u>	<u>7,517</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$80,548	\$0	\$0	\$80,548	\$0	0.0
Increase/(Decrease)	\$7,517	\$0	\$0	\$7,517	\$0	0.0
Percentage Change	10.3%	0.0%	0.0%	10.3%	0.0%	0.0%
FY 2014-15 Executive Request:						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

*This recommended change represents the funding level requested by the Office. This request will be addressed in a separate staff figure setting presentation by Alfredo Kemm on Friday, March 14th. Staff will incorporate the Committee’s action into the Long Bill.

Leased Space

The appropriation funds the leased space needs of OIT only. The majority of the leased space expenses for the Governor’s Office of Information Technology are tied to a ten-year lease at Pearl Plaza (601 East 18th Avenue in Denver) and the Enterprise Facility for Operational Recovery, Readiness Response and Transition (eFort).

Request: The Office requests a continuation level of funding of \$3,148,018 reappropriated funds for FY 2014-15.

Recommendation: Staff’s recommends an appropriation of \$3,148,018 reappropriated funds for FY 2014-15. The appropriation consists of funds from direct billings by the Governor’s Office of Information Technology. The following table summarizes the calculations for staff’s recommendation.

Office of the Governor, Special Purpose, Leased Space						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$3,148,018</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,148,018</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$3,148,018	\$0	\$0	\$3,148,018	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$3,148,018</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,148,018</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$3,148,018	\$0	0	\$3,148,018	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$3,148,018	\$0	\$0	\$3,148,018	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Capitol Complex Leased Space

The Capitol Complex Leased Space appropriation funds the Governor’s Office payment to the Department of Personnel and Administration for leased space within the Capitol Complex per Common Policy. All changes in the appropriation are a result of the rate increases charged by the Department of Personnel and Administration.

Request: The Office requests an appropriation of \$526,927 total funds (including \$330,533 General Fund) for FY 2014-15.

Recommendation: Staff’s recommendation is pending. Common policy recommendations will be presented to the Committee on Friday, March 14th by Alfredo Kemm during figure setting for the Department of Personnel’s common policies. Staff will incorporate the Committee’s action into the Long Bill. The following table summarizes the calculations for the request.

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Office of the Governor, Special Purpose, Capitol Complex Leased Space						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$591,187</u>	<u>\$366,921</u>	<u>\$0</u>	<u>\$224,266</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$591,187	\$366,921	\$0	\$224,266	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$591,187	\$366,921	\$0	\$224,266	\$0	0.0
Centrally appropriated line items*	<u>(64,260)</u>	<u>(36,388)</u>	<u>0</u>	<u>(27,872)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$526,927	\$330,533	\$0	\$196,394	\$0	0.0
Increase/(Decrease)	(\$64,260)	(\$36,388)	\$0	(\$27,872)	\$0	0.0
Percentage Change	(10.9%)	(9.9%)	0.0%	(12.4%)	0.0%	0.0%
FY 2014-15 Executive Request:	\$526,927	\$330,533	\$0	\$196,394	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

*This recommended change represents the funding level requested by the Office. This request will be addressed in a separate staff figure setting presentation by Alfredo Kemm on Friday, March 14th. Staff will incorporate the Committee's action into the Long Bill.

(C) COLORADO ENERGY OFFICE

The Colorado Energy Office (CEO) has historically been funded with federal moneys associated with weatherization projects and petroleum violation escrow funds (PVE) awarded to the State beginning in the early 1980s. PVE is a fixed source of funding, with a total allocation to Colorado of \$70.5 million. In preparation for the depletion of PVE funds, CEO migrated funding for its programs to alternative sources, such as limited gaming tax revenue, which were later eliminated due to the influx of federal moneys from the American Recovery and Reinvestment Act of 2009 (ARRA). Under federal guidelines, the Office exhausted the ARRA moneys by the middle of FY 2012-13.

To address the future of the Office in a post-era environment, H.B. 12-1315 (Becker/Steadman) changed the statutory mission of CEO from promoting renewable energy and energy efficiency to encouraging all sources of energy development. Additionally, it created the Clean and Renewable Energy Cash Fund and the Innovative Energy Fund. The Clean and Renewable Energy Cash Fund receives a transfer of \$1.6 million from the General Fund from FY 2012-13 through FY 2016-17, while the Innovative Energy Fund receives a transfer of \$1.5 million from the Severance Tax Trust Fund from FY 2012-13 through FY 2016-17.

In response to the H.B. 12-1315-authorized restructuring, the Colorado Energy Office organized itself into four areas: policy, initiatives, low income weatherization assistance, and communications. Through these four functional areas, the Office is engaged in accomplishing the following six goals and objectives in accordance with the broad statutory parameters set forth by H.B. 12-1315 (note, the Office has implemented corresponding performance measures for each goal and objective which are not listed in this document, but are available as an appendix to staff's briefing document date December 18, 2013):

- Enhance the state's policies to increase energy efficiency and incentivize discussions and decisions in the electric power sector by engaging the environmental community, the renewable energy industry, the coal and mining industry, the oil and gas industry, and utilities;
- Promote the diversification of infrastructure of the state's transportation fuels by increasing fleet adoption, availability, and knowledge of alternative fuels and innovative technologies;
- Unlock the potential of energy efficiency in the residential, commercial, and governmental sectors;
- Support innovation in the energy market and economic development through achievement of the objectives of the Colorado Blueprint published by the Office of Economic Development and International Trade;
- Increase energy information in the state by providing accurate information to State agencies, stakeholders, media, and communities; and
- Administer the Low-Income Weatherization Assistance Program to provide energy efficiency services to qualifying Coloradans.

To keep apprised of the Office's performance toward meeting these goals, staff recommends the inclusion of the following request for information:

Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Governor, Colorado Energy Office -- The Colorado Energy Office is requested to submit a report to the Joint Budget Committee on November 1, 2014. At a minimum, the report shall specify the following information with regard to the programs administered by the Office in FY 2013-14: (1) the amount of moneys expended in FY 2013-14 from the Clean and Renewable Energy Fund,

JBC Staff Figure Setting – FY 2014-15
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Innovative Energy Fund, Colorado Low-income Energy Assistance Fund, and Public School Energy Efficiency Fund; (2) the goals and objectives that the moneys in section (1) were intended to achieve; (3) the performance measures used by the Office to monitor the status of moneys outlined in section (1) against said measures; and (4) the status of the performance measures outlined in section (3).

Program Administration

The line item reflects moneys received by the Office from the Clean and Renewable Energy Cash Fund, the Innovative Energy Fund, and the federal U.S. Department of Energy for the administration and implementation of the Office’s programs.

Request: The Office requests an appropriation of \$6,425,019 total funds and 32.3 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$6,425,019 total funds and 32.3 FTE for FY 2014-15. The recommendation consists of \$1,480,589 cash funds from the Clean and Renewable Energy Cash Fund (originating as severance tax moneys), \$1,420,099 cash funds from the Innovative Energy Fund (originating as General Fund moneys), and \$3,524,331 federal funds from the Department of Energy. The following table summarizes the calculations for staff’s recommendation.

Office of the Governor, Colorado Energy Office, Program Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$6,346,624</u>	<u>\$0</u>	<u>\$2,846,624</u>	<u>\$0</u>	<u>\$3,500,000</u>	<u>32.3</u>
TOTAL	\$6,346,624	\$0	\$2,846,624	\$0	\$3,500,000	32.3
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$6,346,624	\$0	\$2,846,624	\$0	\$3,500,000	32.3
Annualize prior year salary survey and merit pay	<u>78,395</u>	<u>0</u>	<u>54,064</u>	<u>0</u>	<u>24,331</u>	<u>0.0</u>
TOTAL	\$6,425,019	\$0	\$2,900,688	\$0	\$3,524,331	32.3
Increase/(Decrease)	\$78,395	\$0	\$54,064	\$0	\$24,331	0.0
Percentage Change	1.2%	0.0%	1.9%	0.0%	0.7%	0.0%
FY 2014-15 Executive Request:	\$6,425,019	\$0	\$2,900,688	\$0	\$3,524,331	32.3
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Low-Income Energy Assistance

Moneys from the Operational Account of the Severance Tax Trust Fund are transferred to CEO's Low-Income Energy Assistance Fund. Moneys in the Fund are continuously appropriated to CEO to provide home energy efficiency improvements for low-income households.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Request: The Office requests a continuation level of funding of \$7,100,000 cash funds for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$7,100,000 cash funds for FY 2014-15. The recommendation consists of \$6,500,000 cash funds from the transfer of moneys from the Operational Account of the Severance Tax Trust Fund and \$600,000 cash funds from contracts with utility providers that are deposited in the Clean and Renewable Energy Cash Fund. The following table summarizes the calculations for staff's recommendation.

Office of the Governor, Colorado Energy Office, Low-Income Energy Assistance						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$7,100,000	\$0	\$7,100,000	\$0	\$0	0.0
TOTAL	\$7,100,000	\$0	\$7,100,000	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$7,100,000	\$0	\$7,100,000	\$0	\$0	0.0
TOTAL	\$7,100,000	\$0	\$7,100,000	\$0	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$7,100,000	\$0	\$7,100,000	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

School Energy Efficiency

House Bill 07-1309 (Weissmann/Tupa) required estimated tax payments and withholding for oil and gas severance taxes to be made on a monthly basis, rather than quarterly. The additional interest earned from collecting monthly payments is deposited into the Public School Energy Efficiency Fund, up to a maximum of \$1.5 million annually. Money in the fund is continuously appropriated to the Colorado Energy Office for energy efficiency projects and programs in public schools.

Request: The Office requests an appropriation of \$210,318 cash funds and 1.4 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$210,318 cash funds and 1.4 FTE from interest earned from collecting monthly tax payments and withholding for oil and gas severance for FY 2014-15. The following table summarizes the calculations for staff's recommendation.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Colorado Energy Office, School Energy Efficiency						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$207,975</u>	<u>\$0</u>	<u>\$207,975</u>	<u>\$0</u>	<u>\$0</u>	<u>1.4</u>
TOTAL	\$207,975	\$0	\$207,975	\$0	\$0	1.4
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$207,975	\$0	\$207,975	\$0	\$0	1.4
Annualize prior year salary survey and merit pay	<u>2,343</u>	<u>0</u>	<u>2,343</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$210,318		\$210,318	\$0	\$0	1.4
Increase/(Decrease)	\$2,343	\$0	\$2,343	\$0	\$0	0.0
Percentage Change	1.1%	0.0%	1.1%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$210,318	\$0	\$210,318	\$0	\$0	1.4
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	(0.0)

Legal Services

The Legal Services appropriation provides funding for the cost of purchasing legal services from the Department of Law based on GEO's number of legal services hours needed and the hourly rate per Common Policy. These hours have traditionally been federally funded, and represent anticipated legal services costs for the Office.

Request: The Office requests a continuation funding level of \$100,188 total funds to purchase 1,100 hours of legal services from the Department of Law for FY 2014-15.

Recommendation: Staff recommends funding for 1,100 hours of legal services, but the dollar amount recommendation is pending. Final Department of Law rate recommendations will be presented to the Committee by Craig Harper via a memo near the end of the figure setting process. Staff will incorporate the Committee's action into the Long Bill. The following table summarizes calculations for the request.

Office of the Governor, Colorado Energy Office, Legal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$100,188</u>	<u>\$0</u>	<u>\$73,088</u>	<u>\$0</u>	<u>\$27,100</u>	<u>0.0</u>
TOTAL	\$100,188	\$0	\$73,088	\$0	\$27,100	0.0

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Colorado Energy Office, Legal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$100,188</u>	<u>\$0</u>	<u>\$73,088</u>	<u>\$0</u>	<u>\$27,100</u>	<u>0.0</u>
TOTAL	\$100,188	\$0	\$73,088	\$0	\$27,100	0.0
Increase/(Decrease)						
	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change						
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Indirect Cost Assessment

The line item appropriates funds for the Office’s share of assessed Statewide indirect cost recoveries.

Request: The Office requests an appropriation of \$80,593 federal funds for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$80,593 federal funds for FY 2014-15. The following table summarizes the calculations for staff’s recommendation.

Office of the Governor, Colorado Energy Office, Indirect Cost Assessment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$29,890</u>	<u>\$0</u>	<u>\$29,890</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$29,890	\$0	\$29,890	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$29,890	\$0	\$29,890	\$0	\$0	0.0
Indirect cost assessment*	<u>50,703</u>	<u>0</u>	<u>(29,890)</u>	<u>0</u>	<u>80,593</u>	<u>0.0</u>
TOTAL	\$80,593	\$0	\$0	\$0	\$80,593	0.0
Increase/(Decrease)						
	\$50,703	\$0	(\$29,890)	\$0	\$80,593	0.0
Percentage Change						
	169.6%	0.0%	(100.0%)	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

*Action was taken on this request during Committee staff’s figure setting presentation by Alfredo Kemm for Statewide Indirect Cost Recoveries on Wednesday, January 30, 2013.

(D) OTHER PROGRAMS AND GRANTS

Program Administration

The line item provides funds for the disabled parking and education program established via H.B. 10-1019 (Frangas/Williams).

Request: The Office of the Governor requests a continuation appropriation of \$1,000 cash funds for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$1,000 cash funds for FY 2014-15 from the Disabled Parking Education and Enforcement Fund per H.B. 10-1019.

(2) Office of the Lieutenant Governor

Colorado's Constitution provides for the Lieutenant Governor to become Governor in the case of the death, impeachment, felony conviction, incapacitation, or resignation of the Governor. The Lieutenant Governor serves as chairperson of the Colorado Commission of Indian Affairs, and handles additional responsibilities assigned by the Governor.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Office of the Lieutenant Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$302,194	\$301,010	\$1,184	\$0	\$0	5.0
TOTAL	\$302,194	\$301,010	\$1,184	\$0	\$0	5.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$302,194	\$301,010	\$1,184	\$0	\$0	5.0
Annualize prior year salary survey and merit pay	<u>15,213</u>	<u>15,213</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$317,407	\$316,223	\$1,184	\$0	\$0	5.0
Increase/(Decrease)	\$15,213	\$15,213	\$0	\$0	\$0	0.0
Percentage Change	5.0%	5.1%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Issue Descriptions

Annualize prior year salary survey and merit pay: The request, and staff's recommendation, includes an increase of \$15,213 General Fund in the Office of the Lieutenant Governor as part of the distribution of moneys centrally appropriated each year in the Special Purpose subdivision in the Office of the Governor for salary survey and merit pay based on prior fiscal year allocations. Note, the increase shown in the Office of the Lieutenant Governor is offset by a decrease of a like amount in the Special Purpose subdivision.

LINE ITEM DETAIL – (2) OFFICE OF THE LIEUTENANT GOVERNOR

Administration

The Administration appropriation provides funding for personal services and operating expenses in the Lieutenant Governor’s office.

Request: The Office requests an appropriation of \$232,491 General Fund and 2.7 FTE for FY 2014-15.

Recommendation: Staff recommends that the Committee appropriate \$232,491 General Fund and 2.7 FTE for the line item in FY 2014-15. The following table summarizes the calculations for staff’s recommendation.

Office of the Lieutenant Governor, Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$221,233</u>	<u>\$221,233</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>2.7</u>
TOTAL	\$221,233	\$221,233	\$0	\$0	\$0	2.7
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$221,233	\$221,233	\$0	\$0	\$0	2.7
Annualize prior year salary survey and merit pay	<u>11,258</u>	<u>11,258</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$232,491	\$232,491	\$0	\$0	\$0	2.7
Increase/(Decrease)	\$11,258	\$11,258	\$0	\$0	\$0	0.0
Percentage Change	5.1%	5.1%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$232,491	\$232,491	\$0	\$0	\$0	2.7
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Discretionary Fund

The line item funds discretionary funding for the Lieutenant Governor’s Office. Pursuant to Section 24-9-105, C.R.S., elected officials may be provided specified amounts to expend as each elected official sees fit. The specified maximum amount for the Lieutenant Governor is \$5,000, and is subject to appropriation by the General Assembly. Traditionally the fund has been used to purchase items like flowers for funerals of dignitaries, cards, official photos and other items not covered in the Administration line item of the Lieutenant Governor’s Office.

Request: The Office requests a continuation level of funding of \$2,875 General Fund for FY 2014-15.

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Recommendation: Staff recommends a continuation level of funding of \$2,875 General Fund for FY 2014-15. The following table summarizes the calculations for staff's recommendation.

Office of the Lieutenant Governor, Discretionary Fund						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$2,875	\$2,875	\$0	\$0	\$0	0.0
TOTAL	\$2,875	\$2,875	\$0	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$2,875	\$2,875	\$0	\$0	\$0	0.0
TOTAL	\$2,875	\$2,875	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$2,875	\$2,875	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Commission of Indian Affairs

The Commission acts as a liaison between Native Americans and the State government, with the goal of providing easy access to government. It focuses on Indian health, child welfare, water rights, economic development, and other issues identified by Colorado's Native American population.

Request: The Office requests an appropriation of \$82,041 (including \$80,857 General Fund) and 2.3 FTE for FY 2014-15.

Recommendation: Staff recommends that the Committee appropriate \$82,041 total funds total funds and 2.3 FTE for the line item in FY 2014-15. The recommendation consists of \$80,857 General Fund and \$1,184 cash funds from private donations. The following table summarizes the calculations for staff's recommendation.

Office of the Lieutenant Governor, Commission of Indian Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$78,086	\$76,902	\$1,184	\$0	\$0	2.3
TOTAL	\$78,086	\$76,902	\$1,184	\$0	\$0	2.3

JBC Staff Figure Setting – FY 2014-15
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Office of the Lieutenant Governor, Commission of Indian Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$78,086	\$76,902	\$1,184	\$0	\$0	2.3
Annualize prior year salary survey and merit pay	<u>3,955</u>	<u>3,955</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$82,041	\$80,857	\$1,184	\$0	\$0	2.3
Increase/(Decrease)	\$3,955	\$3,955	\$0	\$0	\$0	0.0
Percentage Change	5.1%	5.1%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$82,041	\$80,857	\$1,184	\$0	\$0	2.3
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(3) Office of State Planning and Budgeting

The Office of State Planning and Budgeting (OSPB) is responsible for the development of executive budget requests, the review and analysis of departmental expenditures, and preparation of revenue and economic forecasts for the state.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Office of State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$2,746,931</u>	<u>\$1,275,650</u>	<u>\$0</u>	<u>\$1,471,281</u>	<u>\$0</u>	<u>19.5</u>
TOTAL	\$2,746,931	\$1,275,650	\$0	\$1,471,281	\$0	19.5
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$2,746,931	\$1,275,650	\$0	\$1,471,281	\$0	19.5
R1 Continuous improvement and planning program	225,000	225,000	0	0	0	0.0
Annualize prior year salary survey and merit pay	48,440	0	0	48,440	0	0.0
Annualize prior year funding	<u>(1,256,318)</u>	<u>(1,256,318)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,764,053	\$244,332	\$0	\$1,519,721	\$0	19.5
Increase/(Decrease)	(\$982,878)	(\$1,031,318)	\$0	\$48,440	\$0	0.0
Percentage Change	(35.8%)	(80.8%)	0.0%	3.3%	0.0%	0.0%
FY 2014-15 Executive Request						
Request Above/(Below) Recommendation	\$172,965	\$172,965	\$0	\$0	\$0	0.0

Issue Descriptions

R1 Continuous improvement and planning program: The recommendation includes an increase of \$225,000 General Fund for FY 2014-15 to continue the implementation of Lean operational process improvements in executive branch agencies.

➔ Analysis: R1 Continuous improvement and planning program

Background

The Office of State Planning and Budgeting began implementing a program to enhance the efficiency of Colorado's State government operations using Lean operational process improvements in 2011 using federal

*JBC Staff Figure Setting – FY 2014-15
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moneys from the American Recovery and Reinvestment Act of 2009’s (ARRA) State Fiscal Stabilization Fund. The program, administered and coordinated by a small team in the Office, works with most State departments to design projects, deploy contracted resources, develop and administer training, and implement performance measures using the Lean operational process improvement methodology. The General Assembly provided General Fund appropriations in FY 2012-13 and FY 2013-14 to continue this program.

Request

The Office requests an increase of \$397,965 General Fund for FY 2014-15 to continue implementing Lean operational process improvements in executive branch agencies. The resources will provide funding for dedicated staff and contractual support to further the core values of a continuous improvement program focused on customer service.

FY 2014-15 Lean Request	
Item	General Fund
Program Manager	\$103,067
Business Administrator	59,228
Operating Expenses	10,670
Contract Projects	110,000
Contract Training	115,000
TOTAL	\$397,965

Recommendation

Staff recommends that the Office receive an appropriation of \$225,000 General Fund for FY 2014-15 to continue implementing Lean operational process improvements in executive branch agencies. Based on evidence provided by the Office, the program has been successful in saving time for employees and customers and increasing output of agencies. Staff’s recommendation differs from the request in that it does not include funding for ongoing staff positions in the Office. It is staff’s opinion that the Lean program can be managed by the Office within existing resources.

FY 2014-15 Lean Recommendation	
Item	General Fund
Program Manager	\$0
Business Administrator	0
Operating Expenses	0
Contract Projects	110,000
Contract Training	115,000
TOTAL	\$225,000

Additionally, the Committee should be aware that the Office quantifies the benefits from improved processes in the following categories: cash savings, costs avoided, time saved by employees or customers, and increased output. Staff’s recommendation is based on the Office’s ability to prove that that projects result in costs avoided, time saved by employees or customers, and increased output, not its ability to yield budgetary savings. Based on prior evidence, it is unlikely that the General Assembly will be provided with decision items, budget amendments, or supplemental requests to reduce appropriations due to the implementation of Lean processes. Since FY 2012-13, the Committee has received only one budget reduction request (tax pipeline processing)

based on process improvement, and that project was funded with federal funds prior to the General Assembly authorizing General Fund moneys for this purpose.

Annualize prior year salary survey and merit pay: The request, and staff's recommendation, includes an increase of \$48,440 reappropriated funds in the Office of State Planning and Budgeting as part of the distribution of moneys centrally appropriated each year in the Special Purpose subdivision in the Office of the Governor for salary survey and merit pay based on prior fiscal year allocations. Note, the increase shown in the Office of State Planning and Budgeting is offset by a decrease of a like amount in the Special Purpose subdivision.

Annualize prior year funding: The Office's request, and staff's recommendation, includes adjustments related to prior year budget actions. For this division, the annualization of prior year funding reduction is primarily driven by the Lean program.

LINE ITEM DETAIL – (3) OFFICE OF STATE PLANNING AND BUDGETING

Personal Services

The line item provides an appropriation for the personal services costs for the FTE allocated to the Office.

Request: The Office of the Governor requests an appropriation of \$1,859,042 total funds (including \$406,627 General Fund) and 19.5 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$1,696,747 total funds and 19.5 FTE for FY 2014-15. The recommendation consists of \$244,332 General Fund and \$1,452,415 from Statewide indirect costs collected by the Colorado Department of Transportation and transferred to the Office of State Planning and Budgeting.

Staff’s recommendation is \$162,295 General Fund less than the Office’s request due to staff not recommending funding for the personal services and operating expenses associated with “R1 Continuous Improvement and Planning Program.” The following table summarizes the calculations for staff’s recommendation.

Office of State Planning and Budgeting, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$2,679,625</u>	<u>\$1,275,650</u>	<u>\$0</u>	<u>\$1,403,975</u>	<u>\$0</u>	<u>19.5</u>
TOTAL	\$2,679,625	\$1,275,650	\$0	\$1,403,975	\$0	19.5
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$2,679,625	\$1,275,650	\$0	\$1,403,975	\$0	19.5
R1 Continuous improvement and planning program	225,000	225,000	0	0	0	0.0
Annualize prior year salary survey and merit pay	48,440	0	0	48,440	0	0.0
Annualize prior year funding	<u>(1,256,318)</u>	<u>(1,256,318)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,696,747	\$244,332	\$0	\$1,452,415	\$0	19.5
Increase/(Decrease)	(\$982,878)	(\$1,031,318)	\$0	\$48,440	\$0	0.0
Percentage Change	(36.7%)	(80.8%)	0.0%	3.5%	0.0%	0.0%
FY 2014-15 Executive Request:	\$1,859,042	\$406,627	\$0	\$1,452,415	\$0	19.5
Request Above/(Below) Recommendation	\$162,295	\$162,295	\$0	\$0	\$0	0.0

JBC Staff Figure Setting – FY 2014-15
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Operating Expenses

The line item appropriation provides funding for all operating costs for the Office.

Request: The Office requests an appropriation of \$61,614 total funds (including \$10,670 General Fund) for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$50,944 reappropriated funds for FY 2014-15. The recommendation consists of funds from Statewide indirect costs collected by the Colorado Department of Transportation and transferred to the Office.

Staff’s recommendation is \$10,670 General Fund less than the Office’s request due to staff not recommending funding for the personal services and operating expenses associated with “R1 Continuous Improvement and Planning Program.” The following table summarizes the calculations for staff’s recommendation.

Office of State Planning and Budgeting, Operating Expenses						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$50,944</u>	<u>\$0</u>	<u>\$0</u>	<u>\$50,944</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$50,944	\$0	\$0	\$50,944	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$50,944	\$0	\$0	\$50,944	\$0	0.0
R1 Continuous improvement and planning program	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$50,944	\$0	\$0	\$50,944	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$61,614	\$10,670	\$0	\$50,944	\$0	0.0
Request Above/(Below) Recommendation	\$10,670	\$10,670	\$0	\$0	\$0	0.0

Economic Forecasting Subscriptions

The line item is intended to fund the purchase of economic models, subscriptions, and software used for revenue and economic forecasting. When possible, the Office shares expenses for subscriptions and software with the Legislative Council staff.

Request: The Office requests a continuation level of funding of \$16,362 reappropriated funds for FY 2014-15.

Recommendation: Staff recommends a continuation level of funding of \$16,362 reappropriated funds for FY 2014-15. The recommendation consists of funds from Statewide indirect costs collected by the Colorado

JBC Staff Figure Setting – FY 2014-15
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Department of Transportation and transferred to the Office. The following table summarizes the calculations for staff's recommendation.

Office of State Planning and Budgeting, Economic Forecasting Subscriptions						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$16,362</u>	<u>\$0</u>	<u>\$0</u>	<u>\$16,362</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$16,362	\$0	\$0	\$16,362	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$16,362</u>	<u>\$0</u>	<u>\$0</u>	<u>\$16,362</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$16,362	\$0	0	\$16,362	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$16,362	\$0	\$0	\$16,362	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	0	\$0	\$0	0.0

(4) Economic Development Programs

The Colorado Office of Economic Development and International Trade (OEDIT) is tasked with assisting in creating a positive business climate, encouraging economic development, and building sustainable job growth across the state.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Economic Development Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$41,802,878	\$13,490,485	\$25,889,298	\$87,765	\$2,335,330	51.3
Other legislation	<u>(29,266)</u>	<u>2,115,000</u>	<u>(2,144,266)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$41,773,612	\$15,605,485	\$23,745,032	\$87,765	\$2,335,330	51.3
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$41,773,612	\$15,605,485	\$23,745,032	\$87,765	\$2,335,330	51.3
R2 Economic Development Commission - General Economic Incentives and Marketing	2,986,236	2,986,236	0	0	0	0.0
R3 Advanced industries accelerator	0	0	0	0	0	0.0
R4 Colorado Tourism Office	2,000,000	2,000,000	0	0	0	0.0
R5 Minority/Women Owned Business Office	15,000	15,000	0	0	0	0.0
R6 Procurement Technical Assistance Center	0	0	0	0	0	0.0
R7 Aerospace strategic plan implementation and champion	175,000	175,000	0	0	0	0.0
R8 Colorado Office of Film, Television, and Media	800,000	800,000	0	0	0	0.0
R9 Economic gardening pilot project	100,000	100,000	0	0	0	0.0
NP Annual fleet vehicle request	1,165	1,165	0	0	0	0.0
Annualize prior year legislation	3,066,250	(1,915,000)	4,981,250	0	0	0.0
Annualize prior year salary survey and merit pay	92,727	35,655	0	2,384	54,688	0.0
Indirect cost assessment	21,983	0	(29,900)	(813)	52,696	0.0
Annualize prior year funding	<u>(5,890,515)</u>	<u>(5,890,515)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$45,141,458	\$13,913,026	\$28,696,382	\$89,336	\$2,442,714	51.3
Increase/(Decrease)	\$3,367,846	(\$1,692,459)	\$4,951,350	\$1,571	\$107,384	0.0
Percentage Change	8.1%	(10.8%)	20.9%	1.8%	4.6%	0.0%

	Economic Development Programs					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
FY 2014-15 Executive Request	\$49,994,593	\$23,718,026	\$23,744,517	\$89,336	\$2,442,714	54.4
Request Above/(Below) Recommendation	\$4,853,135	\$9,805,000	(\$4,951,865)	\$0	\$0	3.1

Issue Descriptions

R2 Economic Development Commission - General Economic Incentives and Marketing: The recommendation includes an increase of \$2,986,236 General Fund for FY 2014-15 to maintain a level of funding for economic development incentives that is consistent with the FY 2014-15 appropriation for the same purpose.

➔ Analysis: R2 Economic Development Commission - General Economic Incentives and Marketing

Background

The Colorado Economic Development Commission (EDC) was created in 1987 by the legislature to promote economic development in Colorado. The Commission includes four members appointed by the governor (at least one person from west of the continental divide and one person from the eastern slope predominately from the rural area), two members appointed by the Speaker of the House of Representatives, and two members appointed by the President of the Senate. The EDC is responsible for developing incentive packages (in the form of financial assistance such as loans, grants, and local match requirements) and package operating guidelines to assist with existing business expansions and new company relocations in order to promote job creation and retention in all regions of the state.

The legislature appropriates moneys each year to the EDC for its strategic fund. Moneys in the strategic fund provide financial incentives to businesses that create and maintain net new jobs. The incentive amount is based on a cost per job calculation that considers annual average wage rate (county level), as well as whether the business is located in an enterprise zone.

Request

The following table summarizes the General Fund appropriations provided to the EDC for the strategic fund. Note, OEDIT indicates that over 75 percent of the General Fund appropriated to the EDC for the strategic fund has historically been used directly for job incentives, with the remaining amount used for various strategic initiatives and to subsidize the operations of the Colorado Procurement Technical Assistance Center (PTAC). For FY 2014-15 and beyond, the Office is requesting funding to provide a total of \$5,000,000 General Fund for the strategic fund for use by the EDC. For FY 2014-15, this represents an increase of \$2,986,236 General Fund to meet the \$5,000,000 appropriation.

JBC Staff Figure Setting – FY 2014-15
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EDC Strategic Fund Incentives - General Fund Appropriations by Fiscal Year					
FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13*	FY 2013-14	FY 2014-15**
\$1,015,767	\$1,012,106	\$1,013,764	\$6,013,764	\$4,929,279	\$5,000,000

*Includes \$4.0 million transferred from the General Fund to the Colorado Economic Development Fund on the last day of FY 2011-12 pursuant to H.B. 12-1360 (Gerou & Levy/Steadman & Lambert).

**Requested appropriation.

The request indicates that 1,049 new jobs in Colorado will be created if the \$3.0 million General Fund appropriation request is approved. This job creation figure is based on return on investment data for prior years. The following table summarizes the incentives provided to companies from FY 2010-11 through FY 2012-13.

Economic Development Commission Funding Incentives FY 2010-11 through FY 2012-13				
Company	Incentive	Jobs	Weighted Avg Wage	% of County Avg Wage
Level 3	\$1,866,886	577	\$89,931	141%
Project Whisper	1,250,000	250	51,000	143%
TerumoBCT	1,250,000	250	69,056	140%
SMA	1,000,000	500	30,749	55%
Vestas	1,000,000	1,750	37,131	101%
JBS USA Holdings, Inc.	1,000,000	200	70,682	183%
Sisters of Charity Health	937,500	750	65,000	111%
On Deck Capital	500,000	200	63,228	106%
The Coleman Company	370,000	74	118,000	244%
Cooper Lighting	321,000	320	41,272	99%
SW Windpower	260,000	52	97,946	158%
Siemens Energy	250,000	60	98,553	188%
WHPacific	241,349	26	92,500	207%
Avago	230,000	92	49,783	124%
PrimeStar Solar	168,000	84	72,012	149%
Bach Composite	164,000	100	31,700	82%
Parelli	125,000	25	37,180	130%
DaVita	119,209	58	58,257	121%
Entegris	109,266	63	36,098	86%
Project 5323	78,000	26	53,326	110%
Via West	50,000	25	60,000	98%
Niagara	38,000	38	44,559	106%

Analysis

Using the data from the incentives provided between FY 2010-11 and FY 2012-13, staff calculates slightly different assumptions than OEDIT in terms of job creation numbers. The data show that 83.0 percent of moneys expended by the EDC for this purpose have been used for job incentives (OEDIT assumes 74 percent), with the remaining amount used for various strategic initiatives. Assuming that a similar percentage of the requested funds will be used for job incentives, \$2,479,292 of the requested \$2,986,236 will be expended for this purpose. Each dollar expended by EDC for job incentives yielded 0.0004873 jobs from FY 2010-11 to FY 2012-13. Thus, an investment of \$2,479,292 projects a yield of 1,208 jobs, which is slightly higher than the figures projected by OEDIT. This equals an investment of \$2,052 General Fund per job.

Colorado is not known as a state that provides rich incentives to businesses located in the state or businesses contemplating a move to the state. Colorado is known as a state that uses its funding to target industries that are attracted to Colorado based on a number of factors including transportation networks, educational institutions, climate, customers, supply chain fulfillment, and skilled labor. Other states, like Texas and Arizona, rely on large financial incentives to attract business. OEDIT does not request moneys for the strategic fund in hopes of being able to compete with other states solely on a dollar-for-dollar basis. It requests funding to showcase to prospective companies looking to relocate to or expand in Colorado that the State is committed to, and invested in, creating a positive business environment.

It is staff's opinion that the use of State tax revenue to provide incentives to private companies falls outside of the core functions of state government. As Donald J. Hall, Jr., President and CEO of Hallmarks Cards, once said: "If you're looking at the competitiveness of a region, the most important thing a region can do is to focus on education. And this use of incentives is really transferring money from education to businesses." Funding education has historically been a core function of State government in Colorado, thus it is staff's opinion that funding incentives for private companies moves moneys from a core function to a non-core function at a time of great discussion regarding appropriate funding levels of both K-12 and higher education. In terms of education and private business, ideally government would focus its limited fiscal resources on preparing Colorado students with the tools needed to cultivate a skilled work force. By providing financial incentives to private businesses, resources are taken away from achieving that goal. Proponents of job creating financial incentives frequently tout return on investment figures, but fail to discuss and compare the return of investment had the funds been used for other functions, such as education. Staff understands, though, that state governments in the United States do not conduct business according to his ideals. Financial incentives to motivate private sector entities to locate operations in one geography over another are now commonplace across the country. Thus, staff focuses this analysis on program performance rather than philosophical discussion.

The funding the EDC has received in prior fiscal years for showcasing the State's commitment has been shown by the data to be effective in creating jobs. The \$2,052 per job figure noted above, for example, is significantly lower than the most current research on the topic coming from Ball State University last month. The research indicates that Indiana spends \$6,000 to \$8,000 in incentives for each job created, while some local government entities have incentive programs that return only one job for each \$30,000 invested.¹

It is staff's opinion that the EDC has done well in the areas of targeting its incentives (e.g. using existing key industries and talent pool to attract businesses), incenting firms that pay higher wages (e.g. at or above the county average wage), relying more on providing incentives based on rules rather than discretion (e.g. basing incentive amount on average wage), and requiring companies to create and maintain permanent new jobs for one year before receiving an incentive rather than attempting to clawback incentives to companies that do not fulfill their commitment.

Recommendation

Staff recommends funding the request of \$2,986,236 General Fund for FY 2014-15 and beyond. Staff also recommends that the Committee continue to monitor the use of the funding to ensure that the EDC continues to use 75 percent or more of its appropriation for job incentives rather than other strategic initiatives which are based more on discretion of EDC members and less on rules.

¹ Faluk, D. & Hicks, M.J. (2013) An Analysis of State & Local Tax Incentives in Indiana.

R3 Advanced industries accelerator: The Office requests an appropriation of \$5,000,000 General Fund and 1.4 FTE for FY 2014-15 to increase funding available for the Advanced Industries Acceleration program. Staff recommends rejecting this request as legislation has been introduced to clarify the parameters of the AIA program and fund the program for FY 2014-15 and subsequent years.

➔ Analysis: R3 Advanced industries accelerator

House Bill 13-1001 (Young & Gerou/Heath & Steadman) created the Advanced Industries Acceleration (AIA) program within OEDIT to distribute grants to seven specified industries: advanced manufacturing, aerospace, bioscience, electronics, energy and natural resources, infrastructure engineering, and information technology. The goal of the program is to improve and expand the development of these industries, facilitate the collaboration of the industries’ stakeholders, and further develop new products and services within the industries. To accomplish these goals, OEDIT’s AIA program awards grants for technology transfer proof-of-concept, early stage capital and retention, and infrastructure funding.

Funding for the AIA program comes from several sources pursuant to H.B. 13-1001, S.B. 11-047 (Heath/Gerou & Riesberg), and S.B. 13-133 (Steadman/Gerou), and is intertwined with the funding for the Bioscience Discovery Evaluation program. The following table summarizes funding for the AIA program.

Funding for Advanced Industries Acceleration (AIA) and Bioscience Discovery			
	FY 2013-14	FY 2014-15	FY 2015-16
AIA - S.B. 13-133 Gaming (CF)*	\$0	\$0	\$5,500,000
AIA - S.B. 11-047 Income Tax Withholding (CF)	4,926,032	5,000,000	5,000,000
AIA - H.B. 13-1001 GF --> CF Transfer	5,000,000	0	0
AIA - FY 2014-15 Decision Item (GF)	0	5,000,000	5,000,000
Bioscience Discovery- S.B. 13-133 Gaming (CF)*^	5,500,000	5,500,000	0
Bioscience Discovery - S.B. 11-047 Income Tax Withholding (CF)#	0	0	0
Total	\$15,426,032	\$15,500,000	\$15,500,000

*Moneys shown are transferred on the last day of the prior fiscal year for use in the fiscal year indicated.
 ^Any moneys in the Bioscience cash fund on January 1, 2015 not expended or encumbered shall be transferred to the AIA cash fund.
 #Prior to H.B. 13-1001, 50 percent of the income tax withholding growth outlined in S.B. 11-047 was transferred to the Bioscience Discovery Evaluation program. House Bill 13-1001 deposits 100 percent of the income tax withholding growth outlined in S.B. 11-047 in the AIA program.

For FY 2014-15 and beyond, OEDIT requests \$5,000,000 General Fund and 1.4 FTE to fund the AIA program. Legislation (H.B. 14-1011) has been introduced to clarify the parameters of the AIA program and fund the program for FY 2014-15 and subsequent years. It is staff’s recommendation that the \$5.0 million General Fund decision item be removed from the Joint Budget Committee’s consideration for FY 2014-15 funding to allow the legislation to be vetted on its merits by the committees of reference and the General Assembly as a whole.

R4 Colorado Tourism Office: The recommendation includes an increase of \$2,000,000 General Fund for FY 2014-15 to maintain a level of funding to promote tourism in the state that is consistent with the FY 2013-14 appropriation for the same purpose.

➔ Analysis: R4 Colorado Tourism Office

Background

The Colorado Tourism Office (CTO) promotes Colorado as a tourism destination to potential tourists through domestic and international advertising, a marketing and public relations campaign, the Official State Vacation Guide and Official State Map, www.Colorado.com and by providing traveler services at state Welcome Centers. The agency is steered by a 15-member board of directors from hotel, restaurant, attraction, and other tourism related businesses, as well as several members of the General Assembly.

Request

State funding appropriated to the agency is derived from General Fund and cash funds from limited gaming tax revenue. The FY 2013-14 appropriation to CTO equaled \$17.0 million total funds (\$15.0 million cash funds and \$2.0 million General Fund). The cash funds level of \$15.0 million is set in statute (most recently amended via S.B. 13-133), while the level of General Fund appropriated to the agency fluctuates year-to-year based on the discretion of the General Assembly. For FY 2014-15, CTO is requesting a continuation of the \$2.0 million General Fund appropriated for tourism promotion in FY 2013-14. The funds would be used to continue initiatives begun in FY 2013-14, including investments made in support of international flights and to increase advertising campaigns via traditional television ads and interactive cable/satellite television applications to generate additional visitors guide requests.

It is important to note that \$0.3 million of the Office’s General Fund appropriation for FY 2013-14 was used for the State’s branding initiative. Funding for this initiative is not being requested for FY 2014-15. Instead, CTO is requesting these funds be used to increase the marketing reach and frequency of current advertising campaigns to invest in areas that research has shown to be effective in generating trips to Colorado.

Recommendation

CTO contracted with Strategic Marketing & Research, Inc., (SMARI) to conduct research that quantifies the impact of its advertising. SMARI indicates that the winter 2013 campaign (a continuation of the “Come to Life” campaign) generated more than 360,000 trips to the state, for an economic impact more than \$500 million. Given the level of spending on the campaign, this equals a return on investment of \$302 for every dollar invested in paid media. Spending for this campaign was focused primarily in the tier 1 markets (Chicago, Minneapolis, and Dallas) using television, print, online and out-of-home advertising, with online advertising as the only medium used in tier 2 (Houston, Albuquerque, Austin, and Kansas City). SMARI further indicates that for the year, the spring and winter campaigns combined to bring more than 1.3 million trips to the state for an economic impact of \$1.4 billion. Combined, the return on investment was \$228 for every dollar spent. SMARI cites \$50 to \$100 as the typical return on investment for state destination marketing campaigns, indicating that CTO has been successful in its efforts. Due to this success, staff recommends funding the Office’s request to continue investing \$2.0 million General Fund in FY 2014-15 for advertising campaigns.

R5 Minority/Women Owned Business Office: The recommendation includes an increase of \$15,000 General Fund for FY 2014-15 to assist the Office in creating a strategic plan to guide future actions.

➔ Analysis: R5 Minority/Women Owned Business Office

Background

The Colorado Minority Business Office (MBO) provides information and services to help members of minority groups start their own businesses. Specifically, statute (Section 24-49.5-103, C.R.S.) indicates that the Office must:

- Promote the business development of new and existing minority business enterprises in coordination with state economic development activities;
- Establish networks among governmental entities, the private sector, and minority business in an effort to promote joint business activities;
- Promote minority business participation in federal, state, and local procurement, purchasing, financing, and contracting, in accordance with existing federal and state statutes;
- Promote self-sufficiency and survival of minority businesses with the intent of aiding such minority businesses in their attempts to enter the mainstream of Colorado's economy;
- Enhance the access of information on international trade opportunities to minority businesses in conjunction with Colorado's international trade activities; and
- Provide economic research and information on minority businesses for the use of federal and local governmental agencies, private industry, labor, and professional and other groups.

To fulfill these tasks, MBO received its own stand-alone appropriation of approximately \$150,000 General Fund and 2.5 FTE until FY 2010-11 when the MBO line item was consolidated into the Global Business Development line item. For FY 2013-14, the Office received an additional appropriation of \$25,000 from fees paid by users of and participants in MBO's activities.

Request

The Office is seeking an appropriation of \$400,000 General Fund and 1.8 FTE for FY 2014-15, which annualizes to \$750,000 General Fund and 2.0 FTE in future fiscal years. The moneys would be used for the following:

Minority Business Office Funding Request			
Cost Item	FY 2014-15	FY 2015-16	Notes
Salaries and Benefits	\$179,271	\$185,651	2.0 FTE
Temporary Admin Support	15,000	0	Needed to scrub data and enter it into customer relationship management tool
Training/Forums	45,000	45,000	9-12 training seminars and forums
Expos/Summits	22,500	22,500	2-3 one day events with procurement and diversity suppliers
Website Revamp/Webinars	30,000	5,000	Develop website with relevant and timely information and provide webinars
Key Industry Connections	30,000	10,000	Create a platform for connecting minority businesses to 14 key industries
Mentor-Protegee Program	0	250,000	Assist businesses in key industry integration
Mentor-Protegee Program Execution	0	99,949	Contract services to implement the mentor-protégée program

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Minority Business Office Funding Request			
Cost Item	FY 2014-15	FY 2015-16	Notes
MBO White Paper Analysis	0	60,000	Statewide analysis and survey of minority businesses
Innovation Integration	18,000	18,000	Connect innovation network with minority businesses
Advertising/Marketing Materials	14,229	14,500	Marketing materials to advertise MBO offerings
Stakeholder Outreach	2,000	2,000	Meetings with stakeholders across the state
Travel	15,000	15,000	Regional travel to maintain key partnerships
Association Memberships	7,000	7,000	Membership in chambers of commerce and merchant associations
Professional Development	7,000	7,000	Staff training
Professional Services	15,000	8,400	Develop 3-5 year strategic plan
TOTAL	\$400,000	\$750,000	

Recommendation

Staff recommends rejecting the majority of this request. It is staff’s opinion that the activities that the Office requests funding for in FY 2014-15 are tasks that MBO should have been performing since the inception of the program in 1990. The funding request highlights to staff that the Office has either fulfilled its duties within existing resources since 1990 or has not fulfilled its duties since 1990 and is now trying to spend money to catch up in its activities within one fiscal year by taking on more events and projects (regional and statewide travel, seminars, strategic plan development, relationship development, and building information technology tools) than seems feasible with a two person staff. As an alternative, it is possible that funds once used to support MBO activities were reprioritized for use by other programs in OEDIT when the line item was consolidated into Global Business Development. Under any of these plausible scenarios, however, staff is highly reluctant to recommend to the Committee that MBO receive any funding in addition to its current appropriation as it is unclear why new moneys are needed.

Instead, staff recommends an appropriation of \$15,000 General Fund for FY 2014-15 to contract with a vendor to assist the Office in developing an up-to-date strategic plan to guide the activities in future years. The results contained in the strategic plan can be used to lay out a funding plan designed to meet specific goals.

R6 Procurement Technical Assistance Center: The Office requests an appropriation of \$220,000 General Fund for FY 2014-15 to provide assistance to the Procurement Technical Assistance Program. Staff recommends rejecting this request, as legislation has been introduced to designate the State’s role in the Program.

➔ Analysis: R6 Procurement Technical Assistance Center

Background

The Procurement Technical Assistance Program (PTAP) was authorized by Congress in 1985 in an effort to expand the number of businesses capable of participating in the government marketplace. Administered by the Department of Defense, Defense Logistics Agency, the program provides matching funds through cooperative agreements with state and local governments and non-profit organizations for the establishment of Procurement Technical Assistance Centers (PTACs) to provide procurement assistance.

The Colorado Procurement Technical Assistance Center (PTAC), born out of PTAP, is a non-profit organization designed to generate employment and improve the general economic condition of the state by assisting Colorado companies in obtaining and performing under local, state and federal government contracts. Through the EDC, OEDIT provided approximately \$250,000 to PTAC for four years through FY 2012-13. In FY 2013-14, the EDC opted not to fund PTAC and, as a result, the legislature took action to provide PTAC with funding via H.B. 13-1301 (Ryden & Gardner/Todd & Grantham). The bill created the Procurement Technical Assistance Task Force to discuss management practices and create a management strategy for the future of procurement technical assistance centers and develop a plan for the long-term funding and sustainability of procurement technical assistance centers. Additionally, the bill appropriated \$220,000 General Fund for FY 2013-14 to fund the operations of PTAC and provide administrative support to the task force.

Request

The Office submitted a decision item to increase appropriations by \$220,000 General Fund for FY 2014-15 to continue supporting the operations of PTAC.

Recommendation

The Procurement Technical Assistance Task Force voted to sponsor legislation during the 2014 session that includes its findings, as well as an appropriation to support PTAC. Legislation (H.B. 14-1016) has been introduced to designate the State’s role in the Program. It is staff’s recommendation, and the Office concurs, that this decision item be removed from the Joint Budget Committee’s consideration for FY 2014-15 funding to allow the Task Force’s legislation to be vetted on its merits by the committees of reference and the General Assembly.

R7 Aerospace strategic plan implementation and champion: The recommendation includes an appropriation of \$175,000 General Fund for FY 2014-15 to employ an aerospace champion.

➔ Analysis: R7 Aerospace strategic plan implementation and champion

Background

The Colorado Blueprint identifies aerospace as one of the state’s 14 key industries for the purposes of creating an industry strategic growth plan. The Brookings Institution and OEDIT partnered together to create a foundation-level strategic plan to support the aerospace industry in Colorado. This, coupled with OEDIT’s traditional strategic planning processes, highlights a need for a single industry voice to champion the Colorado aerospace industry and build networks to unite the various industry network groups. Additionally, a need exists for an individual to work with the state’s military bases, including efforts involving Base Realignment and Closure (BRAC) activities.

To support the effort to hire an aerospace champion at OEDIT, the FY 2013-14 Long Bill appropriation included \$175,000 General Fund. In late November 2013, OEDIT announced that it has hired Major General Jay H. Lindell as Colorado’s Aerospace and Defense Industry Champion.

Request

For FY 2014-15, the Office is requesting a \$175,000 to continue funding this position.

Recommendation

Staff recommends funding this position for FY 2014-15. There are not enough data at this point in time to determine the effectiveness of the champion position, however, data from the strategic planning process are clear that the position is needed. Thus, staff recommends that funding be provided for FY 2014-15 and reexamined for FY 2015-16 after performance data are available.

R8 Colorado Office of Film, Television, and Media: The recommendation rejects the Office’s request and instead provides the agency with a continuation level appropriation (\$800,000 General Fund and \$500,000 cash funds) for FY 2014-15 for the film incentives program.

➔ Analysis: R8 Colorado Office of Film, Television, and Media

Background

The Colorado Office of Film, Television, and Media is legislatively tasked with promoting Colorado as a location for making feature films, television shows, television commercials, still photography, music videos, and emerging mass media projects. To accomplish this, the Office provides performance-based financial incentives to companies for a percentage of their local expenditures for approved productions if they meet the 50.0 percent local hire requirement and offers a gap loan program to provide up to 20 percent of a production’s costs in the form of a low-interest bank loan that is guaranteed by the State.

For FY 2013-14, the Office of Film, Television, and Media received a Long Bill appropriation of \$500,000 cash funds from limited gaming tax revenue and \$800,000 General Fund. The cash funds level of \$500,00 is set in statute (most recently amended via S.B. 13-133), while the level of General Fund appropriated to the agency fluctuates year-to-year based on the discretion of the General Assembly. The appropriations the Office has received over the past two fiscal years have been used to provide incentives to the following eligible projects.

Projects Eligible for Incentive Rebates in FY 2012-13 and FY 2013-14		
Project	Incentive	CO Crew Hires
Fast and Furious 7	\$700,000	58
Dear Eleanor	321,359	89
Beg the Devil	600,000	55
Universal Sports	497,821	111
Prospectors	345,119	118
Discovery Communications	452,215	59
Clean Guys Entertainment	49,600	30
Gartner	67,501	44
Park Pictures	120,174	45
Colorado Experience	122,753	26
The Frame	76,000	13
Dinonauts	64,000	10
TOTAL	\$3,416,542	658

Request

The Office’s FY 2014-15 request seeks \$5,000,000 General Fund, in addition to the \$500,000 cash funds from limited gaming tax revenue. The agency indicates that, based on the University of Colorado Leeds School of Business’ “Economic and Fiscal Impact Analysis of Actual Film Budget Scenario on Colorado,” as well as past project performance, an investment of \$5,000,000 General Fund will incentivize at least \$25 million of Colorado production expenditures. The agency extrapolates that this money could potentially produce \$49 million in economic activity. As an example of this potential economic activity, the City of Creede indicates that the filming of *The Lone Ranger* for three weeks in June 2012 produced an increase of 24.7 percent over the prior year, including the period immediately following the production’s completion.

Recommendation

Staff recommends that the Committee reject the Office’s request and instead provide the agency with a continuation level appropriation (\$800,000 General Fund and \$500,000 cash funds) for FY 2014-15. It is staff’s opinion that the agency has been successful in implementing a program that provides financial incentives to companies for performing portions (or all) of production activities in Colorado. However, it is staff’s opinion that this FY 2014-15 request exemplifies the concept of the “race to the bottom” that occurs when government entities compete with each other to provide state revenue-supported incentives to private businesses at the expense of core governmental functions.

The request to increase General Fund by 625 percent in FY 2014-15 over the FY 2013-14 appropriation represents the State’s effort to keep pace with states like New Mexico and Michigan, that offer up to \$50 million of incentives, or states like Georgia and North Carolina, that do not have a cap on the amount of incentives offered each year. It is staff’s opinion that the comparatively meager investment made by Colorado, in comparison to other states, coupled with the crowded field of states providing incentives for film production, indicates that Colorado should not compete in this industry by expending more moneys. If an expansion of this program is funded, the appetite for financial incentives will not subside (nor will other states’ appetites for providing them), forcing the State to continually invest more and more State revenue to keep the program viable. Each dollar spent on providing financial incentives results in less funding available for education, public safety, public welfare safety nets for vulnerable citizens, and infrastructure, eventually resulting in deficiencies in these core programs.

R9 Economic Gardening Pilot Project: The recommendation includes \$100,000 General Fund for FY 2014-15 to continue the economic gardening pilot project started in FY 2013-14.

➔ Analysis: R9 Economic Gardening Pilot Project

Background

Economic gardening mines sophisticated databases and uses high-end tools related to search engine optimization, geographic information systems, and social media marketing to identify and prioritize sales leads and business opportunities, refine companies’ core strategies and business models, and use social media to connect with customers and create buzz about products or services. House Bill 13-1003 (Lee & Garcia/Heath) created an economic gardening pilot initiative within OEDIT and appropriated \$218,750 total funds (including \$200,000 General Fund) for FY 2013-14 for program implementation. The implementation includes OEDIT paying the National Center for Economic Gardening to certify staff at Small Business Development Centers

(SBDC) in economic gardening concepts. The SBDCs will then select companies to participate in the pilot program, and manage the program throughout its implementation.

Request

The Office requests \$100,000 General Fund for FY 2014-15 and FY 2015-16 to continue the program begun in FY 2013-14 via H.B. 13-1003.

Recommendation

Staff recommends funding the request for FY 2014-15. There are not enough data at this point in time to determine the effectiveness of the program. Thus, staff recommends that funding be provided for FY 2014-15 and reexamined for FY 2015-16 after performance data are available.

During the briefing process, staff recommended rejecting this request. In Colorado, there are many private sector companies that have economic gardening expertise and offer these services to businesses of all sizes across the state. Rather than using General Fund moneys to create new programs within the SBDC network that overlap with private sector offerings, staff recommended funds instead be invested in expanding the programs currently administered by the SBDCs so that more businesses can be positively impacted. This opinion remains true today, but staff is concerned that rejecting the request before the original investment has been evaluated is premature.

NP Annual fleet vehicle request: The Office's request includes the annual fleet vehicle change from the Department of Personnel. Common policy recommendations will be presented to the Committee on Friday, March 14th by Alfredo Kemm during figure setting for the Department of Personnel's common policies. Staff will incorporate the Committee's action into the Long Bill.

Annualize prior year legislation: The Office's request, and staff's recommendation, includes adjustments related to prior year legislation. For this division, the annualization of prior year funding is primarily driven by S.B. 11-047 (bioscience and clean tech reinvestment).

Annualize prior year salary survey and merit pay: The request, and staff's recommendation, includes an increase of \$92,727 total funds (including \$35,655 General Fund) in the Office of Economic Development and International Trade as part of the distribution of moneys centrally appropriated each year in the Special Purpose subdivision in the Office of the Governor for salary survey and merit pay based on prior fiscal year allocations. Note, the increase shown in the Office of Economic Development and International Trade is offset by a decrease of a like amount in the Special Purpose subdivision.

Indirect cost assessment: The recommendation includes an increase of \$21,983 total funds in the Office of Economic Development and International Trade for FY 2014-15 for Statewide indirect cost collections. Staff's recommendation is consistent with prior Committee action.

Annualize prior year funding: The Office's request, and staff's recommendation, includes adjustments related to prior year budget actions. For this division, the annualization of prior year funding is primarily driven by one-time decision items for tourism promotion and economic development incentives.

LINE ITEM DETAIL – (4) ECONOMIC DEVELOPMENT PROGRAMS

Administration

The line item provides funding for the centralized administration for the Office of Economic Development and International Trade (OEDIT). The appropriation includes funds for the Director of OEDIT, accounting, budget, procurement, personnel, and other administrative functions.

Request: The Office requests an appropriation of \$611,535 total funds (including \$599,466 General Fund) and 6.0 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$611,535 total funds and 6.0 FTE for FY 2014-15. The recommendation consists of \$599,466 General Fund, \$2,435 cash funds from various sources, \$7,484 reappropriated funds from Statewide indirect costs collected within the Division, and \$2,150 federal funds. The following table summarizes the calculations for staff's recommendation.

Economic Development Programs, Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$597,994	\$585,925	\$2,435	\$7,484	\$2,150	6.0
TOTAL	\$597,994	\$585,925	\$2,435	\$7,484	\$2,150	6.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$597,994	\$585,925	\$2,435	\$7,484	\$2,150	6.0
Annualize prior year salary survey and merit pay	<u>13,541</u>	<u>13,541</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$611,535	\$599,466	\$2,435	\$7,484	\$2,150	6.0
Increase/(Decrease)	\$13,541	\$13,541	\$0	\$0	\$0	0.0
Percentage Change	2.3%	2.3%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$611,535	\$599,466	\$2,435	\$7,484	\$2,150	6.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Vehicle Lease Payments

This line item is used to pay for motor vehicles that are acquired through the Department of Personnel and Administration pursuant to Section 24-30-1117, C.R.S.

Request: The Office requests a continuation appropriation of \$13,331 General Fund for FY 2014-15.

Recommendation: Staff's recommendation is pending. Common policy recommendations will be presented to the Committee on Friday, March 14th by Alfredo Kemm during figure setting for the Department of

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Personnel’s common policies. Staff will incorporate the Committee’s action into the Long Bill. The following table summarizes the calculations for the request.

Economic Development Programs, Vehicle Lease Payments						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$12,166</u>	<u>\$12,166</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$12,166	\$12,166	\$0	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$12,166	\$12,166	\$0	\$0	\$0	0.0
NP Annual fleet vehicle request*	<u>1,165</u>	<u>1,165</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$13,331	\$13,331	\$0	\$0	\$0	0.0
Increase/(Decrease)	\$1,165	\$1,165	\$0	\$0	\$0	0.0
Percentage Change	9.6%	9.6%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$13,331	\$13,331	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

*This recommended change represents the funding level requested by the Office. This request will be addressed in a separate staff figure setting presentation by Alfredo Kemm on Friday, March 14th. Staff will incorporate the Committee’s action into the Long Bill.

Leased Space

The Office currently has 14,337 square feet of leased space in the World Trade Center at 1625 Broadway in Denver. This line item provides the appropriation for the lease.

Request: The Office requests a continuation level of funding of \$346,525 General Fund for FY 2014-15.

Recommendation: Staff recommends a continuation level of funding of \$346,525 General Fund for FY 2014-15. The following table summarizes the calculations for staff’s recommendation.

Economic Development Programs, Leased Space						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$346,525</u>	<u>\$346,525</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$346,525	\$346,525	\$0	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						

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Economic Development Programs, Leased Space						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation	<u>\$346,525</u>	<u>\$346,525</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$346,525	\$346,525	\$0	\$0	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$346,525	\$346,525	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Global Business Development

The line item provides for the expenses of the former Business Development, Grand Junction Satellite Office, International Trade, and Minority Business Office line items.

Request: The Office requests an appropriation of \$3,286,988 total funds (including \$2,376,309 General Fund) and 21.2 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$2,901,988 total funds and 19.4 FTE for FY 2014-15. The recommendation consists of \$1,991,309 General Fund, \$540,000 cash funds from the Advanced Industries Export Acceleration Cash Fund (moneys originate as General Fund) and fees collected by participants in activities conducted by the Office and the Minority Business Fund, and \$370,679 federal funds.

Staff's recommendation differs from the request in that it does not include \$385,000 General Fund and 1.8 FTE sought by the Office via "R5 Minority/Women Owned Business Office."

The following table summarizes the calculations for staff's recommendation.

Economic Development Programs, Global Business Development						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$2,554,207	\$1,956,070	\$240,000	\$0	\$358,137	19.4
Other legislation	<u>300,000</u>	<u>0</u>	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,854,207	\$1,956,070	\$540,000	\$0	\$358,137	19.4
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$2,854,207	\$1,956,070	\$540,000	\$0	\$358,137	19.4
R5 Minority/Women Owned Business Office	15,000	15,000	0	0	0	0.0

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Economic Development Programs, Global Business Development						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
R7 Aerospace Strategic Plan Implementation and Champion	175,000	175,000	0	0	0	0.0
Annualize prior year salary survey and merit pay	32,781	20,239	0	0	12,542	0.0
Annualize prior year funding	<u>(175,000)</u>	<u>(175,000)</u>	<u>0</u>		<u>0</u>	<u>0.0</u>
TOTAL	\$2,901,988	\$1,991,309	\$540,000	\$0	\$370,679	19.4
Increase/(Decrease)	\$47,781	\$35,239	\$0	\$0	\$12,542	0.0
Percentage Change	1.7%	1.8%	0.0%	0.0%	3.5%	0.0%
FY 2014-15 Executive Request:	\$3,286,988	\$2,376,309	\$540,000	\$0	\$370,679	21.2
Request Above/(Below) Recommendation	\$385,000	\$385,000	\$0	\$0	\$0	1.8

Leading Edge Program Grants

The Leading Edge Program provides entrepreneurial training at Small Business Development Centers. Trainees receive 35-45 hours of business planning assistance for their planned, new, or existing businesses. All of the funds in this appropriation support the direct cost of training. Administrative costs are absorbed within the Small Business Development Centers appropriation.

Request: The Office requests a continuation level of funding of \$126,407 total funds (including \$50,976 General Fund) for FY 2014-15.

Recommendation: Staff recommends a continuation level of funding of \$126,407 total funds for FY 2014-15. The recommended appropriation is comprised of \$50,976 of General Fund moneys and \$75,431 cash funds from various fees collected from participants in activities conducted by the Office. The following table summarizes the calculations for staff's recommendation.

Economic Development Programs, Leading Edge Program Grants						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$126,407</u>	<u>\$50,976</u>	<u>\$75,431</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$126,407	\$50,976	\$75,431	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$126,407</u>	<u>\$50,976</u>	<u>\$75,431</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$126,407	\$50,976	\$75,431	\$0	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0

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Economic Development Programs, Leading Edge Program Grants						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$126,407	\$50,976	\$75,431	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Small Business Development Centers

The line item funds a program that oversees a network of ten college and university-based centers, five community-based centers, and three satellite offices that provide training and counseling to new business ventures in conjunction with the federal Small Business Administration.

Request: The Office of the Governor requests a continuation level of funding of \$1,639,189 (including \$386,397 General Fund) and 4.0 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$1,639,189 total funds and 4.0 FTE for FY 2013-14. The recommendation consists of \$84,522 General Fund and \$1,210,646 federal funds. The following table summarizes the calculations for staff's recommendation.

Economic Development Programs, Small Business Development Centers						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$1,295,168	\$84,522	\$0	\$0	\$1,210,646	4.0
Other legislation	<u>418,750</u>	<u>400,000</u>	<u>18,750</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,713,918	\$484,522	\$18,750	\$0	\$1,210,646	4.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$1,713,918	\$484,522	\$18,750	\$0	\$1,210,646	4.0
R9 Economic gardening pilot project	100,000	100,000	0	0	0	0.0
Annualize prior year salary survey and merit pay	44,021	1,875	0	0	42,146	0.0
Annualize H.B. 13-1003 (Economic gardening)	<u>(218,750)</u>	<u>(200,000)</u>	<u>(18,750)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,639,189	\$386,397	\$0	\$0	\$1,252,792	4.0
Increase/(Decrease)	(\$74,729)	(\$98,125)	(\$18,750)	\$0	\$42,146	0.0
Percentage Change	(4.4%)	(20.3%)	(100.0%)	0.0%	3.5%	0.0%
FY 2014-15 Executive Request:	\$1,639,189	\$386,397	\$0	\$0	\$1,252,792	4.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

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Economic Development Programs, Small Business Development Centers						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE

Colorado Office of Film, Television, and Media

The Colorado Office of Film, Television, and Media is legislatively tasked with promoting Colorado as a location for making feature films, television shows, television commercials, still photography, music videos, and emerging mass media projects and providing financial incentives to accomplish the promotion activities.

Request: The Office requests an appropriation of \$5,507,701 total funds (including \$5,000,000 General Fund) and 4.5 FTE for FY 2014-15. Additionally, the Office seeks roll-forward authority to expend moneys in FY 2015-16 that have not been expended during FY 2014-15.

Recommendation: Staff recommends an appropriation of \$1,300,000 total funds and 4.5 FTE for FY 2014-15. The recommendation consists of \$800,000 General Fund and \$500,000 cash funds from the Colorado Office of Film, Television, and Media Operational Account Cash Fund (moneys are transferred to this fund from the State share of limited gaming tax revenue).

Staff’s recommendation differs from the request in two areas. First, the recommendation includes an increase of \$800,000 General Fund for “R8 Colorado Office of Film, Television, and Media” rather than the \$5,000,000 General Fund increase sought by the Office. Second, staff’s recommendation does not include an increase of \$7,701 cash funds for the annualization of prior year salary survey and merit pay allocations. Staff’s recommendation takes into consideration the set amount of cash funds (\$500,000) received by the Office each year per statute governing the distribution of limited gaming tax revenue. Staff does not recommend appropriating more cash funds to the Office than are available each fiscal year.

The following table summarizes the calculations for staff’s recommendation.

Economic Development Programs, Colorado Office of Film, Television, and Media						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$1,300,000</u>	<u>\$800,000</u>	<u>\$500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>4.5</u>
TOTAL	\$1,300,000	\$800,000	\$500,000	\$0	\$0	4.5
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$1,300,000	\$800,000	\$500,000	\$0	\$0	4.5
R8 Colorado Office of Film, Television, and Media	800,000	800,000	0	0	0	0.0
Annualize prior year salary survey and merit pay	0	0	0	0	0	0.0
Annualize prior year funding	<u>(800,000)</u>	<u>(800,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

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Economic Development Programs, Colorado Office of Film, Television, and Media						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$1,300,000	\$800,000	\$500,000	\$0	\$0	4.5
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$5,507,701	\$5,000,000	\$507,701	\$0	\$0	4.5
Request Above/(Below) Recommendation	\$4,207,701	\$4,200,000	\$7,701	\$0	\$0	0.0

Colorado Promotion - Colorado Welcome Centers

The line item funds the State-operated highway-based welcome centers, which have operated for more than two decades to promote tourism and provide vacation guides, maps and other basic guidance and limited services to road travelers. Eight centers are currently in operation at the major highway entrances to the state, receiving nearly 1,000,000 visitors annually.

Request: The Office requests an appropriation of \$507,147 cash funds and 3.3 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$500,000 cash funds and 3.3 FTE for FY 2014-15. The recommendation consists of cash funds from the State share of limited gaming tax revenue deposited in the Colorado Travel and Tourism Promotion Fund.

Staff's recommendation differs from the recommendation in that the recommendation does not include an increase of \$7,147 cash funds for the annualization of prior year salary survey and merit pay allocations. Staff's recommendation takes into consideration the set amount of cash funds (\$500,000) received by the Office each year per statute governing the distribution of limited gaming tax revenue. Staff does not recommend appropriating more cash funds to the Office than are available each fiscal year.

The following table summarizes the calculations for staff's recommendation.

Economic Development Programs, Colorado Promotion - Colorado Welcome Centers						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$500,000</u>	<u>\$0</u>	<u>\$500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>3.3</u>
TOTAL	\$500,000	\$0	\$500,000	\$0	\$0	3.3
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$500,000	\$0	\$500,000	\$0	\$0	3.3
Annualize prior year salary survey and merit pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

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Economic Development Programs, Colorado Promotion - Colorado Welcome Centers						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$500,000	\$0	\$500,000	\$0	\$0	3.3
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$507,147	\$0	\$507,147	\$0	\$0	3.3
Request Above/(Below) Recommendation	\$7,147	\$0	\$7,147	\$0	\$0	0.0

Colorado Promotion - Other Program Costs

The line item funds the Colorado Tourism Office and staff support for its board. The Office promotes Colorado as a vacation destination by developing and implementing marketing and promotional strategies, materials and programs that, in concert with private sector promotional activities, portray a consistent, unified brand image of Colorado in the tourism marketplace. The major expenses are a contract with an ad agency to develop campaigns, and a fulfillment center to handle day-to-day inquiries, the 800-number, and vacation guide distribution.

Request: The Office requests an appropriation of \$16,517,107 total funds (including \$2,000,000 General Fund) and 4.0 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$16,500,000 total funds and 4.0 FTE for FY 2014-15. The recommendation consists of \$2,000,000 General Fund and \$14,500,000 cash funds from the State share of limited gaming tax revenue deposited in the Colorado Travel and Tourism Promotion Fund.

Staff's recommendation differs from the request in that it does not include an increase of \$17,107 cash funds for the annualization of prior year salary survey and merit pay allocations. Staff's recommendation takes into consideration the set amount of cash funds (\$14,500,000) received by the Office each year per statute governing the distribution of limited gaming tax revenue. Staff does not recommend appropriating more cash funds to the Office than are available each fiscal year.

The following table summarizes the calculations for staff's recommendation.

Economic Development Programs, Colorado Promotion - Other Program Costs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$16,500,000</u>	<u>\$2,000,000</u>	<u>\$14,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>4.0</u>
TOTAL	\$16,500,000	\$2,000,000	\$14,500,000	\$0	\$0	4.0
FY 2014-15 Recommended Appropriation						

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Economic Development Programs, Colorado Promotion - Other Program Costs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation	\$16,500,000	\$2,000,000	\$14,500,000	\$0	\$0	4.0
R4 Colorado Tourism Office	2,000,000	2,000,000	0	0	0	0.0
Annualize prior year salary survey and merit pay	0	0	0	0	0	0.0
Annualize prior year funding	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$16,500,000	\$2,000,000	\$14,500,000	\$0	\$0	4.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$16,517,107	\$2,000,000	\$14,517,107	\$0	\$0	4.0
Request Above/(Below) Recommendation	\$17,107	\$0	\$17,107	\$0	\$0	0.0

Economic Development Commission - General Economic Incentives and Marketing

The legislature created the Colorado Economic Development Commission (EDC) to promote economic development in Colorado. The Governor, President of the Senate, and Speaker of the House appoint the members of the Commission. The EDC approves loans and grants from the Economic Development Fund to public and private entities in Colorado to help existing businesses expand and new companies locate to the state. It also supports marketing programs and special activities to promote Colorado nationally and internationally. The EDC shares responsibility for oversight of the state’s Enterprise Zone program. The nine Commission members make all policy and funding decisions.

Request: The Office requests an appropriation of \$5,298,516 total funds (including \$5,220,000 General Fund) and 4.0 FTE for FY 2014-15. \$5,298,516

Recommendation: Staff recommends an appropriation of \$5,078,516 totals funds and 4.0 FTE for FY 2014-15. The recommended appropriation is comprised of \$5,000,000 General Fund moneys and \$78,516 cash funds from the Colorado Innovation Investment Tax Credit Cash Fund.

Staff’s recommendation differs from the request in that it does not include an increase of \$220,000 General Fund to assist the Procurement Technical Assistance Program. The Procurement Technical Assistance Task Force is sponsoring legislation (H.B. 14-1016) to designate the State’s role in the Program. It is staff’s recommendation, and the Office concurs, that this decision item be removed from the Joint Budget Committee’s consideration for FY 2014-15 funding to allow the Task Force’s legislation to be vetted on its merit by the committees of reference and the General Assembly.

The following table summarizes the calculations for staff’s recommendation.

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Economic Development Programs, Economic Development Commission - General Economic Incentives and Marketing						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$5,007,795	\$4,929,279	\$78,516	\$0	\$0	4.0
H.B. 13-1301 (PTAC assistance)	<u>215,000</u>	<u>215,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,222,795	\$5,144,279	\$78,516	\$0	\$0	4.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$5,222,795	\$5,144,279	\$78,516	\$0	\$0	4.0
R2 Economic Development Commission - General Economic Incentives and Marketing	2,986,236	2,986,236	0	0	0	0.0
R6 Procurement Technical Assistance Center	0	0	0	0	0	0.0
Annualize prior year funding	(2,915,515)	(2,915,515)	0	0	0	0.0
Annualize prior year legislation	<u>(215,000)</u>	<u>(215,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,078,516	\$5,000,000	\$78,516	\$0	\$0	4.0
Increase/(Decrease)	(\$144,279)	(\$144,279)	\$0	\$0	\$0	0.0
Percentage Change	(2.8%)	(2.8%)	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$5,298,516	\$5,220,000	\$78,516	\$0	\$0	4.0
Request Above/(Below) Recommendation	\$220,000	\$220,000	\$0	\$0	\$0	0.0

Colorado First Customized Job Training

The line item funds grants to companies that are relocating to Colorado or existing companies that are undertaking a major expansion. The grants are used to provide job training assistance. Companies receiving assistance must provide a partial funding match. The Office determines which companies will receive this assistance and then transfers funding to the Community Colleges of Colorado to develop and provide the training programs. The grant may be used to provide:

- Instructor's wages;
- Curriculum development; and/or
- The purchase of consumable training supplies.

According to the Office, grant applications must meet the following criteria:

- Maximum grant award of \$800 per employee;
- Training must be for permanent, full-time, non-seasonal, non-retail positions in the state of Colorado, which have significant career opportunities and require substantive instruction;

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- Meet a sustainable wage threshold: in urban areas, employers must pay an average wage of at least \$10.46/hour; average wages in rural areas must be at least \$8.21/hour;
- Training must be customized to meet the company's specific needs;
- Applicant companies must pay for a minimum of 40% of the total training costs; and
- An on-site visit of the applicant company is required.

All of the funds in this appropriation support the direct cost of training. Administrative costs are absorbed by the Business Development appropriation within OEDIT. The funds appropriated to this line item are transferred to the Division of Occupational Education in the Department of Higher Education where they appear as reappropriated funds.

Request: The Office requests an appropriation of \$2,725,022 General Fund for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$2,725,022 General Fund for FY 2014-15. The following table summarizes the calculations for staff's recommendation.

Economic Development Programs, Colorado First Customized Job Training						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$2,725,022	\$2,725,022	\$0	\$0	\$0	0.0
H.B. 13-1004 (Colorado Careers Act)	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,225,022	\$4,225,022	\$0	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$4,225,022	\$4,225,022	\$0	\$0	\$0	0.0
Annualize prior year legislation	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,725,022	\$2,725,022	\$0	\$0	\$0	0.0
Increase/(Decrease)	(\$1,500,000)	(\$1,500,000)	\$0	\$0	\$0	0.0
Percentage Change	(35.5%)	(35.5%)	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$2,725,022	\$2,725,022	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

CAPCO Administration

The Certified Capital Companies Program (CAPCO) was legislatively created with the goal of making venture capital funds available to new or expanding small businesses throughout Colorado. The State of Colorado provided \$100 million for this program in the form of premium tax credits. The \$100 million in premium tax credits were given to insurance companies in exchange for the insurance companies giving \$100 million in cash to the CAPCOs. The CAPCOs then use these funds to invest in qualifying Colorado businesses.

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Request: The Office requests an appropriation of \$81,852 reappropriated funds and 2.0 FTE for FY 2014-15. The source of the moneys is the Division of Insurance Cash Fund in the Department of Regulatory Agencies.

Recommendation: Staff recommends an appropriation of \$81,852 reappropriated funds and 2.0 FTE for FY 2014-15 from moneys in the Division of Insurance Cash Fund managed by the Department of Regulatory Agencies. The following table summarizes the calculations for staff's recommendation.

Economic Development Programs, CAPCO Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$79,468</u>	<u>\$0</u>	<u>\$0</u>	<u>\$79,468</u>	<u>\$0</u>	<u>2.0</u>
TOTAL	\$79,468	\$0	\$0	\$79,468	\$0	2.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$79,468	\$0	\$0	\$79,468	\$0	2.0
Annualize prior year salary survey and merit pay	<u>2,384</u>	<u>0</u>	<u>0</u>	<u>2,384</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$81,852	\$0	\$0	\$81,852	\$0	2.0
Increase/(Decrease)	\$2,384	\$0	\$0	\$2,384	\$0	0.0
Percentage Change	3.0%	0.0%	0.0%	3.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$81,852	\$0	\$0	\$81,852	\$0	2.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Council on Creative Industries

The Creative Industries Council promotes the cultural, educational, and economic growth of Colorado through development of its arts and cultural heritage. The Council administers grants and provides services that make the arts more accessible to all Colorado citizens, expand arts education opportunities for youth, support tourism and other economic development strategies, preserve and promote our cultural heritage, and stimulate and encourage the development of artists and arts organizations.

Request: The Office requests an appropriation of \$2,774,385 total funds and 3.0 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$2,764,397 total funds and 3.0 FTE for FY 2014-15. The recommendation consists of \$2,000,000 cash funds from the State share of limited gaming tax revenue deposited in the Creative Industries Cash Fund (limited gaming tax revenue) and \$764,397 federal funds from the National Endowment for the Arts.

Staff's recommendation differs from the request in that it does not include an increase of \$9,988 cash funds for the annualization of prior year salary survey and merit pay allocations. Staff's recommendation takes into

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consideration the set amount of cash funds (\$2,000,000) received by the Office each year per statute governing the distribution of limited gaming tax revenue. Staff does not recommend appropriating more cash funds to the Office than are available each fiscal year.

The following table summarizes the calculations for staff's recommendation.

Economic Development Programs, Council on Creative Industries						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$2,764,397</u>	<u>\$0</u>	<u>\$2,000,000</u>	<u>\$0</u>	<u>\$764,397</u>	<u>3.0</u>
TOTAL	\$2,764,397	\$0	\$2,000,000	\$0	\$764,397	3.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$2,764,397	\$0	\$2,000,000	\$0	\$764,397	3.0
Annualize prior year salary survey and merit pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,764,397	\$0	\$2,000,000	\$0	\$764,397	3.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$2,774,385	\$0	\$2,009,988	\$0	\$764,397	3.0
Request Above/(Below) Recommendation	\$9,988	\$0	\$9,988	\$0	\$0	0.0

Bioscience Discovery Evaluation

The Bioscience Discovery Evaluation Grant Program is a legislatively-created (24-48.5-108, C.R.S.) initiative designed to provide funding support for new business development in the bioscience industry in Colorado. Specifically, the Program, administered by the Office of Economic Development and International Trade, advances new technologies from the labs at the state's non-profit research institutions toward commercial products and services. Three types of grants are offered to the institutions to achieve this goal:

- Proof of Concept – Funds are used to enhance the commercial potential of research projects that focus on life sciences, engineering, material sciences, computer sciences, photonics, or nanotechnology;
- Early Stage Company – Funds are used to support the commercialization of therapeutic or diagnostic products, devices, or instruments that improve human health, bioscience technologies that improve agriculture, or biofuels; and
- Commercialization Infrastructure – Funds are used to support partnerships between the bioscience industry and research institutions to build infrastructure that supports the commercialization of bioscience technologies.

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According to the Bioscience Discovery Evaluation Grant Program Update report, issued in April 2012 to the House and Senate Finance Committees, 130 grants have been awarded to researchers at Colorado research institutions to bring their cutting-edge technologies closer to market, 44 grants have been awarded to help companies further these technologies as they complete studies, secure intellectual property, and develop their approach to bring their products to market, and four new bioscience technology organizations that identify and manage technologies, and support collaboration to bring necessary expertise together to advance novel Colorado biotechnologies to commercialization, have received funding.

Request: The Office requests an appropriation of \$5,506,192 cash funds and 1.1 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$5,500,000 cash funds and 1.1 FTE for FY 2014-15. The recommendation consists of moneys from the Bioscience Discovery Evaluation Cash Fund (limited gaming tax revenue). Fiscal year 2014-15 is the final year that the program will be funded within its own line item. Beginning in FY 2015-16, statute indicates that bioscience discovery programming (and associated funding) is combined with advanced industries programming (and funding).

Funding for Bioscience Discovery			
	FY 2013-14	FY 2014-15	FY 2015-16
Bioscience Discovery- S.B. 13-133 Gaming (CF)**^	5,500,000	5,500,000	0
Bioscience Discovery - S.B. 11-047 Income Tax Withholding (CF)#	0	0	0
Total	\$5,500,000	\$5,500,000	\$0

*Moneys shown are transferred on the last day of the prior fiscal year for use in the fiscal year indicated.

^Any moneys in the Bioscience cash fund on January 1, 2015 not expended or encumbered shall be transferred to the AIA cash fund.

#Prior to H.B. 13-1001, 50 percent of the income tax withholding growth outlined in S.B. 11-047 was transferred to the Bioscience Discovery Evaluation program. House Bill 13-1001 deposits 100 percent of the income tax withholding growth outlined in S.B. 11-047 in the AIA program.

Staff's recommendation differs from the request in that it does not include an increase of \$6,192 cash funds for the annualization of prior year salary survey and merit pay allocations. Staff's recommendation takes into consideration the set amount of cash funds (\$5,500,000) received by the Office each year per statute governing the distribution of limited gaming tax revenue. Staff does not recommend appropriating more cash funds to the Office than are available each fiscal year.

The following table summarizes the calculations for staff's recommendation.

Economic Development Programs, Bioscience Discovery Evaluation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$7,963,016	\$0	\$7,963,016	\$0	\$0	1.1
Other legislation	<u>(2,463,016)</u>	<u>0</u>	<u>(2,463,016)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,500,000	\$0	\$5,500,000	\$0	\$0	1.1

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Economic Development Programs, Bioscience Discovery Evaluation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$5,500,000	\$0	\$5,500,000	\$0	\$0	1.1
Annualize prior year salary survey and merit pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,500,000	\$0	\$5,500,000	\$0	\$0	1.1
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$5,506,192	\$0	\$5,506,192	\$0	\$0	1.1
Request Above/(Below) Recommendation	\$6,192	\$0	\$6,192	\$0	\$0	0.0

Advanced Industries (new line item)

House Bill 13-1001 (Young & Gerou/Heath & Steadman) created the Advanced Industries Acceleration (AIA) grant program, to be administered by the Office of Economic Development and International Trade. The program distributes grants to seven specified industries: advanced manufacturing, aerospace, bioscience, electronics, energy and natural resources, infrastructure engineering, and information technology. This program is funded using limited gaming funds that are currently credited to the Bioscience Discovery Evaluation Fund and the income tax withholding fund created under Senate Bill 11-047 (Heath/Gerou).

Request: The Office requests an appropriation of \$5,000,000 General Fund and 1.3 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$5,000,000 cash funds from the Advanced Industries Acceleration Fund for FY 2014-15. The recommendation consists of moneys estimated to be transferred into the Advanced Industries Acceleration Fund from income tax withholdings, pursuant to S.B. 11-047 (and amended by H.B. 13-1001). These funds are shown for informational purposes only, as moneys in the Advanced Industries Acceleration Fund are continuously appropriated to the Office.

Funding for Advanced Industries Acceleration (AIA) and Bioscience Discovery			
	FY 2013-14	FY 2014-15	FY 2015-16
AIA - S.B. 13-133 Gaming (CF)*	\$0	\$0	\$5,500,000
AIA - S.B. 11-047 Income Tax Withholding (CF)	4,926,032	5,000,000	5,000,000
AIA - H.B. 13-1001 GF --> CF Transfer	5,000,000	0	0
AIA - FY 2014-15 Decision Item (GF)	0	0	0
Bioscience Discovery- S.B. 13-133 Gaming (CF)*^	5,500,000	5,500,000	0
Bioscience Discovery - S.B. 11-047 Income Tax Withholding (CF)#	0	0	0
Total	\$15,426,032	\$10,500,000	\$10,500,000

*Moneys shown are transferred on the last day of the prior fiscal year for use in the fiscal year indicated.

^Any moneys in the Bioscience cash fund on January 1, 2015 not expended or encumbered shall be transferred to the AIA cash fund.

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#Prior to H.B. 13-1001, 50 percent of the income tax withholding growth outlined in S.B. 11-047 was transferred to the Bioscience Discovery Evaluation program. House Bill 13-1001 deposits 100 percent of the income tax withholding growth outlined in S.B. 11-047 in the AIA program.

Staff's recommendation differs from the request in that it does not include an increase of \$5,000,000 General Fund and 1.3 FTE for FY 2014-15. Legislation (H.B. 14-1011) has been introduced to clarify the parameters of the AIA program and fund the program for FY 2014-15 and subsequent years. It is staff's recommendation that the \$5.0 million General Fund decision item be removed from the Joint Budget Committee's consideration for FY 2014-15 funding to allow the legislation to be vetted on its merit by the committees of reference and the General Assembly as a whole.

The following table summarizes the calculations for staff's recommendation.

Economic Development Programs, Advanced Industries						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
R3 Advanced Industries accelerator	0	0	0	0	0	0.0
Annualize S.B. 11-047 (Income tax withholding)	<u>5,000,000</u>	<u>0</u>	<u>5,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,000,000	\$0	\$5,000,000	\$0	\$0	0.0
Increase/(Decrease)	\$5,000,000	\$0	\$5,000,000	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$5,000,000	\$5,000,000	\$0	\$0	\$0	1.3
Request Above/(Below) Recommendation	\$0	\$5,000,000	(\$5,000,000)	\$0	\$0	1.3

Indirect Cost Assessment

The appropriation provides funds for the Office's share of assessed Statewide indirect cost recoveries.

Request: The Office requests an appropriation of \$52,696 federal funds for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$52,696 federal funds for FY 2014-15. The following table summarizes the calculations for staff's recommendation.

*JBC Staff Figure Setting – FY 2014-15
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Economic Development Programs, Indirect Cost Assessment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$30,713</u>	<u>\$0</u>	<u>\$29,900</u>	<u>\$813</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$30,713	\$0	\$29,900	\$813	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$30,713	\$0	\$29,900	\$813	\$0	0.0
Indirect cost assessment*	<u>21,983</u>	<u>0</u>	<u>(29,900)</u>	<u>(813)</u>	<u>52,696</u>	<u>0.0</u>
TOTAL	\$52,696	\$0	\$0	\$0	\$52,696	0.0
Increase/(Decrease)	\$21,983	\$0	(\$29,900)	(\$813)	\$52,696	0.0
Percentage Change	71.6%	0.0%	(100.0%)	(100.0%)	0.0%	0.0%
FY 2014-15 Executive Request:	\$52,696	\$0	\$0	\$0	\$52,696	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

*This request item was addressed in a separate staff figure setting presentation by Alfredo Kemm for Statewide indirect cost assessment policies on Monday, December 16th. Staff has included the Committee's action in this recommendation.

(5) Office of Information Technology

The Governor's Office of Information Technology (OIT) oversees executive department technology initiatives and recommends strategies to maximize service delivery efficiency in a cost-effective manner through the application of enterprise technology solutions. The Office provides services to State agencies on a cost reimbursement basis with OIT acting as a vendor to State agencies. Services offered by OIT to State agencies have a mixture of costs (e.g. personal services, benefits, operating expenses, and contract expenses) associated with the service delivery. The costs are allocated to agencies based on level of service consumed.

GENERAL NOTES ABOUT THIS DIVISION

This section is organized as follows:

- New funding requests for FY 2014-15;
- Line item detail;
- Long Bill reorganization request and recommendation; and
- Statewide information technology common policy request and recommendation.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Office of Information Technology						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$139,851,886	\$345,335	\$1,550,928	\$137,834,623	\$121,000	917.0
Other legislation	1,607,168	99,673	0	1,507,495	0	3.0
HB 14-1235 (Supplemental Bill)	<u>2,761,076</u>	<u>110,000</u>	<u>382,000</u>	<u>2,269,076</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$144,220,130	\$555,008	\$1,932,928	\$141,611,194	\$121,000	920.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$144,220,130	\$555,008	\$1,932,928	\$141,611,194	\$121,000	920.0
R11 Secure Colorado Phase II	4,100,000	0	0	4,100,000	0	0.0
R12 Eliminate redundant applications	2,960,000	0	0	2,960,000	0	0.0
R13 Capitol Complex network resiliency	660,000	0	0	660,000	0	0.0
R14 Broadband mapping strategy	155,200	0	0	155,200	0	0.0
R15 Service management ecosystem	3,455,000	0	0	3,455,000	0	0.0
R16 Digital Trunked Radio System (DTRS) operations increase	1,116,397	0	0	1,116,397	0	0.0

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Office of Information Technology						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
R17 IT technical development	256,620	0	0	256,620	0	0.0
BA CBMS technology improvement workplan	4,041,531	0	0	4,041,531	0	0.0
NP BA Customer service technology true-up	715,468	0	0	715,468	0	0.0
NP BA Youth corrections educational opportunities	377,539	0	0	377,539	0	3.6
NP BA CDPS cyber-crime initiative	209,675	0	0	209,675	0	1.8
NP BA Benefits utilization services application	60,122	0	0	60,122	0	0.0
NP BA Mail, postage, and envelope request	0	0	0	0	0	0.0
Annualize prior year salary survey and merit pay	2,461,068	0	0	2,461,068	0	0.0
Indirect cost assessment	18,557	0	0	18,557	0	0.0
Staff-initiated refinance	0	(100,908)	0	100,908	0	0.0
Annualize prior year legislation	(18,095,987)	(108,765)	(382,000)	(17,605,222)	0	0.5
Annualize prior year funding	<u>(5,557,988)</u>	<u>(345,335)</u>	<u>(300,000)</u>	<u>(4,912,653)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$141,153,332	\$0	\$1,250,928	\$139,781,404	\$121,000	925.9
Increase/(Decrease)	(\$3,066,798)	(\$555,008)	(\$682,000)	(\$1,829,790)	\$0	5.9
Percentage Change	(2.1%)	(100.0%)	(35.3%)	(1.3%)	0.0%	0.6%
FY 2014-15 Executive Request	\$177,749,631	\$529,774	\$1,250,928	\$175,847,929	\$121,000	925.9
Request Above/(Below) Recommendation	\$36,596,299	\$529,774	\$0	\$36,066,525	\$0	0.0

Issue Descriptions

R11 Secure Colorado Phase II: The recommendation includes an increase of \$4,100,000 reappropriated funds for FY 2014-15 to fund the second of the State’s three-year information security and risk management strategic plan. This program supports the State’s enterprise cyber security program, and protects the State’s collection of data.

Analysis: R11 Secure Colorado Phase II

Background

The Colorado Information Security Program is the State’s source for cyber security awareness, monitoring, and defense. The Program is responsible for protecting all executive branch agencies, the judicial branch, and the office of State elected officials. Prior to FY 2007-08, information security activities had a revenue stream of federal moneys from Flexible Funds and a Department of Homeland Security grant. Once these moneys were expended prior to the beginning of FY 2007-08, OIT did not have a dedicated revenue source, and all services

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provided by the Office were absorbed within existing moneys collected from State agencies. With limited financial resources, various policies and partnerships to keep pace with cyber security threats were implemented. The limited resources dedicated to information security were shown to be ineffective in dealing with the scope of today’s cyber security issues, however.

The Office of the State Auditor commissioned a comprehensive penetration test of State systems in 2010 and found that Colorado State government agencies are at a high risk of a system compromise and/or data breach by individuals both internal and external to the State. Specifically, the testers were able to compromise thousands of citizen records housed in State databases. The intrusion detection system used by OIT to monitor network gateways for unauthorized traffic and attacks simply could not keep up with the volume of State transactions it was required to track. Additionally, during FY 2012-13, the State was hit with an average of over 600,000 cyber security attacks per day. Of these attacks, 25 percent were malware, Trojans and worms, 50 percent were web attacks (including SQL injection), scamming/phishing attacks, and denial of service attacks, and 25 percent were composed of advanced persistent threats that combine multiple and sophisticated attack methods. Of this total, approximately 33 percent of the attacks were considered high or medium severity. Given this data, the State’s role as a service provider and repository of sensitive citizen information requires improvements to be made in the area of cyber security to prevent a real-life, costly attack on the State’s sensitive data.

In FY 2013-14, OIT began the implementation of a multi-phased initiative, known as Secure Colorado, to mitigate current information security risks. The three year plan focuses on implementing security controls that have been proven to prevent the majority of cyber security threats by industry experts and the federal government. Additionally, a key component of Secure Colorado is the formation of the Colorado Information Security Advisory Board (CISAB) to bring together experts in the cyber security field from all sectors to provide guidance to OIS as it progresses through its three year plan. For FY 2013-14, OIT received an appropriation of \$1.1 million reappropriated funds collected from State agencies to begin implementing the three year plan. The moneys are being used for the following functions:

FY 2013-14 OIT Enterprise Security Services Projects		
Service	Reapprop. Funds	Goal
Intrusion Detection	\$467,500	Quickly identify and contain cyber attacks
Threat and Vulnerability Management	228,000	Identify and remediate vulnerabilities in State systems
Network Segmentation Equipment	187,500	Segment and protect networks containing most sensitive data
Centralized Firewall Management	137,000	Centrally manage the hundreds of State firewalls
Sensitive Network Authentication	55,700	Implement more than user authentication to access sensitive data and applications
Total	\$1,075,700	

Request

For FY 2014-15, OIT requests \$4,100,000 reappropriated funds collected from State agencies for Secure Colorado Phase II, the second part of the three-year phased implementation plan focusing on those critical security controls that have been proven by industry experts and federal agencies to prevent and/or detect and contain 90 to 95 percent of known cyber security threats. The ongoing costs are identified as \$4,100,000 reappropriated funds. The components of Phase II include:

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FY 2014-15 Secure Colorado Phase II Request	
Item	Reapprop. Funds
Core Security Infrastructure Upgrade	\$1,100,000
Application Firewalls / Monitoring	750,000
Identity and Automated Access Control	1,500,000
Managed Security Services	750,000
TOTAL	\$4,100,000

- Core Security Infrastructure Upgrade – Funds will be used to upgrade existing, core security infrastructure that has reached end of life or is no longer sufficient to handle existing bandwidth and/or cyber threats, including firewalls, domain name servers, IP address and firewall rule sets management/audit tools, network forensics (deep packet inspection) appliances and licenses, secure password management vaults, and enterprise incident identification, response, and reporting toolsets;
- Application Firewalls / Monitoring – Funds will be used in deploying application firewalls to protect OIT’s list of internet-facing critical and essential web applications. In addition, these funds will be used to implement a continuous application monitoring system so that OIT’s critical and essential applications can be monitored in real-time, attacks can be automatically stopped, and incident response teams, if necessary, know where and how to quickly respond to stop/contain successful attacks;
- Identity and Automated Access Control – Funds will be used to procure and implement the necessary software and hardware to identify all systems connecting to state networks as trusted or un-trusted and then to automatically apply network, application, and host-based rules to control what types of data and network resources these systems can access and what the systems can do with this data. This is one of the most critical components of Secure Colorado and is essential for ensuring both state-owned and “bring your own device” and/or mobile devices of any kind are properly identified and controlled; and
- Managed Security Services – Funds will be used to procure the necessary professional services to architect, deploy, and operationalize the items listed above. In addition, these funds will support a managed service to provide 24x7x365 monitoring of state systems, including threat and vulnerability identification, attack identification, and incident response.

Recommendation

Staff recommends funding Secure Colorado Phase II for FY 2014-15. The August 2013 report on information technology from the Office of the State Auditor indicates that information security remains a primary risk area for the State.² Specifically the State Auditor has identified the following areas of risk:

- Inactive user login accounts have not been disabled, giving attackers and employees looking to commit fraud the opportunity to impersonate legitimate users;
- Computer hardware, software, and network devices that are installed with default security settings that are geared to ease of deployment and ease of use are vulnerable to exploitation. In addition, updates to software

² Ray, D.E., Devlin, M., Collins, S., & Chickillo, J. Information Technology in Colorado State Government, August 2013.

are not always applied in a timely manner and can introduce unknown weaknesses, leaving a computing device vulnerable to attack;

- Continuous vulnerability assessment, remediation, and incident response management must be increased to find and address computer software vulnerabilities reduce the opportunity for persistent attackers to gain access to sensitive data;
- To help ensure that systems can be brought up after a data loss or system failure, a backup copy of the operating system, application software, and data on a computer should be included in the overall backup procedures, and the backup procedures should be performed regularly;
- There is a need to address information security training, adequate information security policy creation and oversight, and assessment of information security knowledge and skills of information technology and business staff;
- The State Auditor found that found that many of the systems in the State are not programmed or configured to generate or retain audit logs. Further, for many systems that do generate and retain audit logs, there is no regular log review to identify and respond to abnormal system events. In this way, many system attackers rely on the likelihood that many organizations do not consistently review audit logs and therefore do not know whether their systems have been compromised;
- The State Auditor cites the need to control and limit the use of administrative privileges. This is to protect against a common technique used by attackers, including employees committing fraud, is the elevation of privileges to an application by guessing, cracking, or otherwise obtaining an administrative password, which then allows access to sensitive information or financial systems that could ultimately result in financial loss; and
- Inventorying authorized and unauthorized devices is one of the top critical security controls that when performed can help to reduce security risk. Without an accurate inventory of what is deployed, OIT security services cannot guarantee that all computing hardware and software are secured, thus leaving the network open to attacks and a potential loss of data.

OIT has taken the appropriate steps via the Secure Colorado initiative to address the concerns raised by the State Auditor. The agency's plan, detailed in the document entitled Colorado's Strategy for Information Security and Risk Management, outlines its strategic priorities, goals that must be achieved to meet its strategic priorities, and the measures put in place to determine the success of the agency in meeting those goals. It is staff's opinion that funding Phase II of this project addresses the needs identified by the State Auditor and other risks to the State identified by OIT in a manner that is clearly articulated to the legislature and able to be easily monitored for performance based on the agency's strategic plan documents.

Staff's recommendation includes \$2,264,198 General Fund as part of the reappropriated funds transferred to OIT.

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FY 2014-15 Secure Colorado Phase II Recommended Agency Allocations		
Agency	Total Funds	GF
Agriculture	\$40,664	\$40,664
Corrections	863,408	863,408
Education	79,892	79,892
Governor's Office	150,137	7,613
Health Care Policy and Financing	48,982	24,491
Higher Education	18,296	0
Human Services	687,493	377,068
Judicial	597,218	597,218
Labor and Employment	157,454	0
Law	59,217	0
Local Affairs	20,298	20,298
Military and Veterans Affairs	20,290	20,290
Natural Resources	202,848	28,848
Personnel and Administration	51,408	13,367
Public Health and Environment	181,176	0
Public Safety	220,594	69,083
Regulatory Agencies	78,627	3,305
Revenue	170,410	114,582
State	16,090	0
Transportation	431,427	0
Treasurer	4,071	4,071
TOTAL	\$4,100,000	\$2,264,198

R12 Eliminate redundant applications: The recommendation includes an increase of \$2,960,000 reappropriated funds for FY 2014-15 to consolidate or eliminate redundant information technology tools across all State agencies.

➔ Analysis: R12 Eliminate redundant applications

Background

OIT has completed an inventory of all information technology applications used by State agencies. It indicates that it supports over 1,200 different applications statewide. Many of these tools overlap in terms of function and present opportunities to be consolidated or eliminated through the use of standardized, enterprise-level applications that perform the same tasks and are currently supported by OIT. These tools include:

- Google Applications for Government – workflow, collaboration, and business intelligence;
- Salesforce.com – collaboration, licensing, regulatory functions, business intelligence, personnel management, grants management, and customer relationship management;
- Perceptive Software – document management and workflow; and
- Colorado Operations Resource Engine (CORE) – asset and financial management and grants management.

Request

OIT requests an appropriation of \$2,960,000 reappropriated funds collected from State agencies to begin the transition of agency “one-off” applications to enterprise-level tools licensed and supported by OIT. The Office indicates that this solution allows for “steady state” operation while transitioning to the enterprise solutions, which limits State agency program- and Colorado resident-impact during the process. In other words, agencies will continue to use existing tools while transitioning to the other tools. The ongoing costs are identified as \$1,985,000 reappropriated funds.

Recommendation

State agencies control the funding within their operating budgets for the applications that OIT seeks to replace. Thus, any savings associated with replacing non-standard applications with standard applications must include a mechanism for realizing the savings within agency operating budgets. During the briefing process, staff recommended rejecting this request on the grounds that it represents spending that may generate savings without ever contemplating the necessary steps required for producing savings in future years in agency operating budgets. The concept of standardizing, consolidating, and/or retiring similar applications residing in multiple departments is beneficial, though. In an effort to address the concerns cited above, and leverage the value of implementing standard solutions, staff has worked with the Office and Committee staff to develop a plan to gain a better understanding of agency operating expenses appropriations used for expenditures for outside of the Office’s budget. The plan is as follows:

- Staff recommends that the Office work with the State Controller to provide the Joint Budget Committee with a report on September 1, 2014 that specifies the amount of moneys expended by State agencies on information technology assets and resources outside of the Office’s budget during FY 2013-14. The following request for information is recommended:

Governor - Lieutenant Governor - State Planning and Budgeting, Office of Information Technology -- The Governor’s Office of Information Technology is requested to submit a report to the Joint Budget Committee on November 1, 2014. At a minimum, the report shall specify information technology expenditures made by executive branch State agencies in FY 2013-14 from appropriations outside of the Governor’s Office of Information Technology budget. The report shall be organized by agency and by expenditure purpose (e.g. computers, network equipment, etc.).

- Staff recommends that Committee staff engage with State agencies to determine the feasibility of transferring funds expended by State agencies on information technology assets and resources outside of the Office of Information Technology’s budget into a single line item within each agency. It is staff’s opinion such transfers into a new line item will provide the Committee with more transparency on information technology expenditures and requests for appropriations.
- Staff recommends that the Committee approve the Office’s request for \$2,960,000 reappropriated funds transferred from State agencies to the Office to begin migrating agencies to standardized applications that can be centrally managed and maintained by the Office. The recommendation includes \$1,157,292 General Fund as part of the reappropriated funds transferred to OIT.

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FY 2014-15 Eliminate Redundant Application Recommended Agency Allocations		
Agency	Total Funds	General Fund
Agriculture	\$23,888	\$23,888
Corrections	217,304	217,304
Governor's Office	45,043	14,189
Health Care Policy and Financing	36,250	7,306
Higher Education	11,698	0
Human Services	977,420	490,749
Labor and Employment	211,948	0
Local Affairs	17,301	17,301
Military and Veterans Affairs	8,021	8,021
Natural Resources	191,134	27,182
Personnel and Administration	53,092	13,807
Public Health and Environment	157,733	0
Public Safety	241,884	75,751
Regulatory Agencies	58,146	2,444
Revenue	385,714	259,350
Transportation	323,425	0
TOTAL	\$2,960,000	\$1,157,292

R13 Capitol Complex network resiliency: The recommendation includes an increase of \$660,000 reappropriated funds for FY 2014-15 to upgrade and/or replace network infrastructure that is past its standard lifespan.

➔ Analysis: R13 Capitol Complex network resiliency

Background

The State's network infrastructure has evolved from a department-managed, mainframe environment to a distributed enterprise infrastructure. Leveraging a new contract with CenturyLink to upgrade the State's network to the new Colorado State Network (CSN), OIT has implemented technologies to satisfy the needs of State agencies during this evolution, including implementing technologies for speeding up network traffic flow and making it easier to manage. This has allowed OIT to develop both private and public cloud services for all State agencies. These cloud services rely on constant availability to remain viable in supporting agency programs. To ensure availability, OIT has deployed its cloud environment tools in data centers that provide virtual redundancy in case of outages occurring in one area.

Implementing this network effectively for a multitude of purpose requires up-to-date switches and routers. A network switch is a device that connects devices together on a computer network. While switches create a network between computers, routers link computers to the Internet.

Request

OIT states that there are numerous switches and routers at key points of the network that are operating with switches and routers that are 11 years old, on average. The lifecycle on assets of this nature is four to five

*JBC Staff Figure Setting – FY 2014-15
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years. The Office requests an appropriation of \$660,000 reappropriated funds collected from State agencies to begin upgrading the equipment.

FY 2014-15 Network Resiliency Request	
Switches	Cost
Lakewood Data Center	\$130,469
Pueblo	19,432
4201 East Arkansas	19,432
North Campus	48,581
Grand Junction	19,432
Cap Life Building	19,432
Downtown	102,199
1525 Sherman	19,432
Total Switches	\$378,411
Routers	\$281,589
TOTAL	\$660,000

Recommendation

Staff recommends that the Committee approve the Office’s request for \$660,000 reappropriated funds transferred from State agencies to the Office for switches and routers. OIT has conducted an assessment of its network assets and identified the requested items as its top priorities. These priority items provide State agencies with the foundational infrastructure that is used to build out agency specific networks. It is in the State’s best interest to maintain these assets and reduce the possibility of system outages that impact citizens.

The recommendation includes \$409,321 General Fund as part of the reappropriated funds transferred to OIT.

FY 2014-15 Capitol Complex Network Resiliency Recommended Agency Allocations		
Agency	Total Funds	General Fund
Agriculture	\$6,546	\$6,546
Corrections	138,991	138,991
Education	12,861	12,861
Governor's Office	24,168	7,613
Health Care Policy and Financing	7,885	3,943
Higher Education	2,945	0
Human Services	110,672	72,790
Judicial	96,132	96,132
Labor and Employment	25,346	0
Law	9,532	0
Local Affairs	3,267	3,267
Military and Veterans Affairs	3,266	3,266
Natural Resources	32,654	7,109
Personnel and Administration	8,275	2,151
Public Health and Environment	29,165	0
Public Safety	35,510	31,604
Regulatory Agencies	12,657	532
Revenue	27,432	18,445

FY 2014-15 Capitol Complex Network Resiliency Recommended Agency Allocations		
Agency	Total Funds	General Fund
State	2,590	0
Transportation	69,449	0
Treasurer	655	4,071
TOTAL	\$660,000	\$409,321

R14 Broadband mapping strategy: The recommendation includes an increase of \$155,200 reappropriated funds for FY 2014-15 for geographic information systems (GIS) personnel.

➔ Analysis: R14 Broadband mapping strategy

Background

The National Telecommunication and Information Administration's State Broadband Data and Development grant awarded to OIT currently funds 7.5 FTE to map broadband availability throughout the state, develop statewide standards for public safety, assist local governments to develop and implement regional broadband plans, integrate broadband technologies throughout various State and local agencies, and promote and coordinate distance learning opportunities across the state. The grant currently provides about \$1.0 million in funding a year to OIT for these purposes, and is scheduled to conclude in October 2014.

Request

OIT is requesting \$428,866 General Fund for FY 2014-15 to continue the projects supported by the federal grant that align with OIT's core services. Specifically, OIT proposes the following:

- Continuation and refinement of the mapping of broadband availability and capacity throughout the state;
- Continuation of the efforts to develop a statewide address data set to increase the effectiveness of public safety response throughout the state;
- Continue to assist local governments and regions in developing broadband plans to identify specific issues and develop solutions for all regions of the state; and
- Hire a Broadband Architect to ensure that all broadband solutions within the state are developed with proper technical guidance.

Recommendation

Staff recommends rejecting OIT's request to backfill federal moneys with General Fund moneys for FY 2014-15 for the projects listed above. It is staff's opinion that federal funds previously available to OIT to map broadband availability allowed the agency to develop a program that is not a core function of state government. The only potential use of the data that staff identified as aligning with current state government operations is for economic development purposes (e.g. site selection). After consulting with the Office of Economic Development and International Trade, though, it was determined that the Office does not use the data provided by OIT because it does not meet the level of specificity needed by the business community when making site selection decisions. Instead, the Office indicates that it has established protocols with service providers across the state to share sensitive data with the businesses that it supports.

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Additionally, OIT indicates that the mission of its broadband planning effort is to promote an environment that enables a cost effective, sustainable, high-speed, scalable broadband network and encourages the adoption and use of broadband services for improved health, safety, education and economic development. Staff is skeptical that entities requiring broadband are unaware of its benefits or how to negotiate for the best price of the service. Unless the role of state government is defined to include providing broadband services to businesses, local government entities, and citizens, staff views the function of broadband planning as a task to be performed by the consumer, based on their specific needs.

Staff, however, does recommend funding the request at a lower level to ensure that OIT has adequate geographic information systems (GIS) personnel to support the creation and maintenance of statewide address data for public safety purposes, as well as coordinating the production, maintenance and dissemination of other base level data needed for multiple purposes by State agencies and the public. Staff also recommends that the function be billed out to all State agencies, as it is a shared resource.

Recommended Appropriation by Position		
Position	FY 2014-15	FY 2015-16
GIS Outreach Coordinator	\$54,400	\$81,600
GIS Analyst	35,200	52,800
GIS Analyst	35,200	52,800
GIS Analyst	30,400	45,600
TOTAL	\$155,200	\$232,800

The recommendation includes \$60,680 General Fund as part of the reappropriated funds transferred to OIT.

FY 2014-15 GIS Personnel Recommended Agency Allocations		
Agency	Total Funds	General Fund
Agriculture	\$1,253	\$1,253
Corrections	11,394	11,394
Governor's Office	2,362	744
Health Care Policy and Financing	1,901	383
Higher Education	613	0
Human Services	51,248	25,731
Labor and Employment	11,113	0
Local Affairs	907	907
Military and Veterans Affairs	421	421
Natural Resources	10,022	1,425
Personnel and Administration	2,784	724
Public Health and Environment	8,270	0
Public Safety	12,683	3,972
Regulatory Agencies	3,049	128
Revenue	20,224	13,598
Transportation	16,958	0
TOTAL	\$155,200	\$60,680

R15 Service management ecosystem: The recommendation includes an increase of \$3,455,000 reappropriated funds in FY 2014-15 to purchase and implement tools that link operational information created by the OIT through its delivery of services to State agencies and the public.

→ Analysis: R15 Service management ecosystem

Background

OIT indicates it has reached the point in its organizational maturity when it requires a set of cohesive and integrated tools to most efficiently and consistently deliver technology support and services to State agency programs and to Colorado residents. This maturity requires tools to link together the following organizational components:

- Service desk – Customer incident and problem management, customer service request management, customer program change management, and configuration management database;
- Store front – Customer-facing web portal;
- Service catalog – Customer-facing service offerings;
- Clarity – OIT project management, OIT resource allocation, and OIT service management;
- Asset management – Customer asset tracking, reporting, and change management;
- Client management – Customer asset discovery, software delivery, and remote control; and
- Network management system – Enable mission thread visibility for OIT and customer.

Request

Without new tools, OIT states that it will continue to operate with many different, disconnected systems which impede the potential for the organization to truly improve on customer service, project completion and technology innovation. The agency has taken steps to solve these issues, and has identified the following needs:

- Components have been purchased and implemented as standalone tools, and do not “speak to each other” providing a frustrating customer experience;
- No single repository for data exists, which creates an inability to quickly respond to requests and an inability for users to generate reports automatically. As a result, manual processes and inefficiencies abound within OIT and State agencies; and
- OIT, as a service provider, has established a service catalog from which agencies may request services, but the service catalog is not automated and does not link with other systems to provide a seamless deployment and tracking of services ordered (including FTE, hardware, software, operations, and maintenance).

OIT requests \$3,455,000 reappropriated funds collected from State agencies for FY 2014-15 for software, licensing, training, and professional services needed to purchase and implement a system to track all OIT activities and functions within a resource planning and service management environment. The FY 2015-16 impact is \$645,000 reappropriated funds for operating expenses and personal services, and the ongoing impact past FY 2015-16 is \$345,000 for software maintenance.

Recommendation

During the briefing process, staff recommended that the Committee tentatively approve the request, but work with the agency to determine how new tools will be used to more effectively forecast costs to OIT for

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infrastructure (hardware and software), for personal services, and costs to agencies for services delivered by OIT. Since that time, staff has focused narrowly on the asset discovery component of the resource planning and service management strategy put forth by the agency. This component represents only one portion of the strategy (other components include service workflow, service desk, project management, infrastructure management integration), but it is an essential tool needed to forecast and plan for asset costs in future years.

Specifically, asset management tools are used to automatically discover and inventory all information technology elements, including hardware and software, within an environment. In other words, the asset discovery tells an organization what assets it has, where they are located, and how they are being used. Historically, this function has been conducted on an annual basis using spreadsheets. This method captures only a snapshot of assets at a given time, and is susceptible to user error introduced through manual data entry. Implementing an asset discovery tool means that at any given time OIT can run a process that reports all assets on the network, including age, condition, refresh cycle, and costs associated with refresh. This data is invaluable in projecting future costs associated with asset maintenance.

Staff recommends the following plan of action related to asset management and this funding request:

- Staff recommends that the Committee approve the Office’s request for \$3,455,000 reappropriated funds transferred from State agencies to the Office to begin implementing resource planning and service management environment tools, including asset discovery. This, in addition to a variety of other benefits, will provide OIT with a complete inventory of all software and hardware that executive branch agencies own and maintain. The recommendation includes \$1,557,338 General Fund as part of the reappropriated funds transferred to OIT.

FY 2014-15 Service Management Ecosystem Recommended Agency Allocations		
Agency	Total Funds	General Fund
Agriculture	\$27,883	\$27,883
Corrections	253,643	253,643
Governor's Office	52,575	16,561
Health Care Policy and Financing	42,312	21,156
Higher Education	13,654	0
Human Services	1,140,874	572,818
Labor and Employment	247,392	0
Local Affairs	20,194	20,194
Military and Veterans Affairs	9,363	9,363
Natural Resources	223,097	31,695
Personnel and Administration	61,971	16,115
Public Health and Environment	184,110	0
Public Safety	282,334	282,334
Regulatory Agencies	67,870	2,853
Revenue	450,217	302,723
Transportation	377,512	0
TOTAL	\$3,455,000	\$1,557,338

- Staff recommends that the Committee sponsor legislation to do the following:
 1. Require OIT to annually submit a report to the Joint Budget Committee and the Joint Technology Committee on November 1st that shall include an information technology asset inventory and refresh cycle schedule, including cost projections for personal computers, including operating system (e.g. Windows 2000) and productivity software (e.g. Microsoft Office), network infrastructure (e.g. routers and switches), servers (e.g. Oracle relational database), and non-productivity software (e.g. GIS tools).

Given the scope of this requirement, staff recommends that the contents of the report be phased in over a four-year timeframe with the inclusion of personal computers commencing in the November 1, 2014 report, network infrastructure commencing in the November 1, 2015 report, servers commencing in the November 1, 2016 report, and non-productivity software commencing in the November 1, 2017 report.
 2. Articulate that OIT, in conjunction with the Office of State Planning and Budgeting, must create a working group to evaluate and prioritize all information technology-related budget requests prior to November 1st funding proposal submissions. Staff recommends that the Committee engage OIT and OSPB in this conversation prior to sponsoring legislation to assist in structuring the working group appropriately.
 3. Require OIT to annually submit a report to the Joint Budget Committee and the Joint Technology Committee on November 1st that shall provide a prioritized list of all information technology requests submitted by executive branch State agencies for the requested budget year. At a minimum, the report shall include the name, purpose, up-front costs, and ongoing costs associated with each project, as well as each requests' relationship to OIT standards and OIT's strategic plan.

R16 Digital Trunked Radio System (DTRS) operations increase: The recommendation includes an increase of \$1,116,397 reappropriated funds for FY 2014-15 to increase operating appropriations to address existing, ongoing infrastructure needs.



Analysis: R16 Digital Trunked Radio System (DTRS) operations increase

Background

The Colorado Statewide Digital Trunked Radio System (DTRS) provides operable and interoperable radio communications for State, local, regional, federal, and tribal agencies. For FY 2013-14 and prior fiscal years, OIT received an appropriation of \$183,231 totals funds for the operating expenses of the system.

Request

The agency indicates that this level of funding is inadequate to meet the operational needs of a system that has grown exponentially over the past decade via federal and State grant programs that are no longer available. As a result, OIT requests \$1,116,397 reappropriated funds collected from State agencies for FY 2014-15 (and future fiscal years) for the following expenses. Note, funds for this request will support State-owned components of the public safety radio system only.

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FY 2014-15 DTRS Operating Expenses Request		
Item	Cost	Comments
Microwave Transceivers	\$540,000	JBC funded an assessment of the microwave backbone. Assessment will be completed by the end of FY 2013-14. Regardless of its findings, there are several transceivers that are obsolete. Funding represents two transceivers at three sites each year.
24 Hour Technical Support	262,950	Motorola responds to outages in the system at any time during the day or night.
User Radio Repair, Parts	85,000	OIT indicates it is more expensive for agencies to send radios back to Motorola for repairs than it would be for OIT to do the repairs.
Virus Protection	83,471	Could be included in the software upgrade assurance component of H.B. 14-1203 in future years.
Leased Fiber Between Grand Junction and Craig	57,876	Fiber is currently leased from STRATA for this connection.
Asset Management System	45,000	Software maintenance for system that tracks all assets and work order tickets.
Power Supplies	32,100	Zone controller power supplies are obsolete and it is difficult to find replacement parts.
System Monitoring	10,000	Software maintenance for system that monitors all system performance measures (outages, busies, alarms, etc.)
TOTAL	\$1,116,397	

Recommendation

Staff recommends an increase of \$1,116,397 reappropriated funds for FY 2014-15 to increase operating expenses appropriations for public safety communications. The appropriation for this purpose has not kept pace with the growth of the system. As a result, OIT has leveraged grant funds, unexpended funds from other programmatic areas with OIT, and sold assets, including scrap metal, to generate revenue for operating expenses. It is staff’s opinion that these fund sources highlight the agency’s resourcefulness, but do not represent an appropriate daily operating expenditure plan for adequately maintaining core components of the network relied on by hundreds of agencies for public safety communications.

R17 IT technical development: The recommendation includes an increase of \$256,620 reappropriated funds for FY 2014-15 to provide training opportunities for OIT staff.

➔ Analysis: R17 IT technical development

Background

OIT does not have a dedicated training function or the financial resources to provide or outsource training to include technical training and required certifications.

Request

OIT requests an appropriation of \$256,620 reappropriated funds collected from State agencies for FY 2014-15 to increase technical training and certification opportunities for staff. Currently these moneys remain in the operating expenses line items of individual State agencies.

Recommendation

Staff understands the value of training in the information technology field, and is aware that information technology agencies have a higher rate of turnover than non-information technology agencies. For these reasons, staff recommends that the Committee approve OIT’s request for \$256,620 reappropriated funds for FY 2014-15 for training. The recommendation includes \$123,756 General Fund as part of the reappropriated funds transferred to OIT.

FY 2014-15 IT Technical Development Recommended Agency Allocations		
Agency	Total Funds	General Fund
Agriculture	\$2,036	\$2,036
Corrections	23,684	23,684
Health Care Policy and Financing	8,483	4,242
Higher Education	1,018	0
Human Services	66,877	50,877
Labor and Employment	22,734	0
Local Affairs	3,359	3,359
Military and Veterans Affairs	679	679
Natural Resources	21,716	3,088
Public Health and Environment	22,327	0
Public Safety	11,197	11,197
Regulatory Agencies	8,652	364
Revenue	36,035	24,230
Transportation	27,823	0
TOTAL	\$256,620	\$123,756

BA CBMS technology improvement workplan: The recommendation includes an increase of \$4,041,531 reappropriated funds for FY 2014-15 for ongoing maintenance and support costs for CBMS operating expenses and contract costs.

➔ Analysis: BA CBMS technology improvement workplan

Background

The Colorado Benefits Management System (CBMS) is the computer system used to determine a citizen's eligibility for public assistance programs like Medicaid, the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and many others. CBMS is developed and maintained by the State for use by county social service organizations and various medical assistance sites throughout the state. The majority of employees assigned directly to CBMS reside in the Governor’s Office of Information Technology.

CBMS went live on September 1, 2004 as the single integrated system for determining eligibility and calculating benefits based on paper applications and paper client notices. The system was designed and developed based on technology of the late 1990s to serve a model whereby prospective and current State-supervised assistance program benefit recipients travelled to a county office to conduct business. Since 2004, the model for serving and assisting prospective and current benefit recipients has broadened beyond what was envisioned when pre-internet, 1990s technology was implemented as the preferred solution. Today, prospective and current benefit recipients interact with State-supervised assistance programs at Presumptive Eligibility Sites, Medical Assistance sites, and on the internet in addition to travelling to a county office. The pressures of serving a variety of access points to State-supervised assistance programs, growing caseloads for State-supervised assistance programs, and policy changes impacting State-supervised assistance programs have highlighted several issues with the technology design.

In February 2012, the Governor outlined the technical issues (and their subsequent impacts) facing the system at the time, and proposed a series of technical solutions to mitigate ongoing issues. The overarching goal of the Governor’s technical proposal was to deliver timely, accurate benefits to Colorado citizens. The legislature in turn sponsored H.B. 12-1339 and appropriated \$35,801,609 total funds across three fiscal years to implement the solutions needed to improve the system.

The first phase of the CBMS modernization project begun via H.B. 12-1339 yielded many system improvements related to the underlying technology platform, application processing for county workers, and migration to the PEAK web-based portal designed to provide clients and community partners with a modern and easily accessible tool to apply for public assistance benefits.

Request

OIT, the Department Health Care Policy and Financing (HCPF), and the Department of Human Services (DHS) jointly submitted a request totaling \$40,159,304 total funds (including \$16,451,863 General Fund) for FY 2014-15 to implement the next phase of the CBMS modernization project begun with H.B. 12-1339. The request includes two distinct sections: increases in operating expenses – contract costs and new projects.

Increase in Operating Expenses and Contract Costs

The current budget for CBMS operating expenses and contract costs is \$19,549,489 total funds. Over half of these funds are used to fulfill a contract with Deloitte for basic vendor maintenance and operations costs to maintain the system. Nearly a quarter of the funds are used for client correspondence generation, including postage costs. The remainder of the funds are used to cover the costs of hardware and software maintenance. *(see the line item detail section of this document for a listing of all operating expenses and contract costs for the CBMS Operating Expenses – Contract Costs line item)*

For FY 2014-15, the agencies indicate that the base appropriation must be increased by \$4,816,531 total funds to meet a variety of requirements.

FY 2014-15 CBMS Technology Improvement Workplan Budget Amendment Operating Expenses - Contract Costs	
Item	Request (total funds)
Ongoing hardware and software maintenance	\$1,797,406
County CBMS workers' computers	1,100,000
Training program support	775,000

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FY 2014-15 CBMS Technology Improvement Workplan Budget Amendment Operating Expenses - Contract Costs	
Item	Request (total funds)
RFP development	500,000
Security compliance and remediation	250,000
Deloitte contract 3.0 percent escalator	249,600
Cloud infrastructure increase	144,525
TOTAL	\$4,816,531

- Ongoing hardware and software maintenance – The agencies seek \$1,797,406 total funds to pay for the costs associated with maintaining the equipment and infrastructure purchased and/or licensed through the first phase of the CBMS modernization project. Note, this portion of the request was funded for FY 2013-14 via the supplemental process. The moneys included in this request represent the full cost of that action for FY 2014-15, which is a decrease of \$420,223 compared to the FY 2013-14 appropriation increase. This request is ongoing.
- County CBMS workers’ computers – The agencies request \$1,100,000 total funds to increase the number of workstations available to county CBMS workers. Currently, there are 1,754 machines leased by the State for CBMS county users, and these computers have been refreshed within the last three months, and as such have a new three year life-cycle. Through the work of the CBMS Executive Steering Committee, it has been determined that an additional 2,137 county CBMS workers exist that are not covered under the current lease agreement. The agencies request funding to lease machines for these 2,137 county CBMS workers to make sure all entities are operating on the same refresh cycle. This request is ongoing.
- Training program support – The agencies seek \$775,000 total funds to meet the needs of the Staff Development Center. The Staff Development Center was created to coordinate and integrate the provision of training to counties, medical assistance and presumptive eligibility sites, and others. House Bill 12-1339 provided initial funding for the development of the training curriculum and personal services to support training initiatives. The agencies indicate that moneys are needed for leased space, network, and travel costs. This request is ongoing.
- RFP development – The current contract for maintenance and operation of CBMS expires on June 30, 2017. In preparation for re-procurement of those services, OIT intends to begin work on a comprehensive RFP in FY 2014-15. The agency seeks a one-time appropriation of \$500,000 total funds to work with a procurement consultant to craft the RFP.
- Security compliance and remediation – The agencies request an increase of \$250,000 total funds to address compliance with system security gaps, including gaps outlined by the federal government and by OIT’s State Chief Information Security Officer. The primary controls to be addressed include, but are not limited to two-factor authentication and log monitoring. This request is ongoing.
- Deloitte contract 3.0 percent escalator – The contract terms between the State and Deloitte Consulting contain an escalator provision which requires an increase the amount of moneys awarded to the vendor. The incremental increase for FY 2014-15 is \$249,600 total funds, as requested by the agencies. This request is ongoing.

- Cloud infrastructure – Similar to the previous request item, the agencies seek an increase of \$144,525 total funds to fulfill a contractual escalator obligation contained in agreements with providers of infrastructure that supports the cloud environment. This request is ongoing.

Recommendation – Increase in Operating Expenses and Contract Costs

Staff recommends the following:

FY 2014-15 CBMS Technology Improvement Workplan Budget Amendment			
Operating Expenses - Contract Costs			
Item	Request	Recommendation	Difference
Ongoing hardware and software maintenance	\$1,797,406	\$1,797,406	\$0
County CBMS workers' computers	1,100,000	1,100,000	0
Training program ongoing support	775,000	0	(775,000)
RFP development	500,000	500,000	0
Security compliance and remediation	250,000	250,000	0
Deloitte contract 3.0 percent escalator	249,600	249,600	0
Cloud infrastructure increase	144,525	144,525	0
TOTAL	\$4,816,531	\$4,041,531	(\$775,000)

- Ongoing hardware and software maintenance – Staff recommends \$1,797,406 total funds (including \$1,118,885 General Fund) to pay for the costs associated with maintaining the equipment and infrastructure purchased and/or licensed through the first phase of the CBMS modernization project. This amount represents the ongoing costs to maintain the infrastructure procured through the first phase of the CBMS modernization project.
- County CBMS workers’ computers – Staff recommends \$1,100,000 total funds (including \$684,750 General Fund) to increase the number of workstations available to county CBMS workers. Staff does not agree with the State’s assessment that it is responsible for leasing computers used by county employees. It is not advantageous to program delivery, however, to halt this agreement mid-stream. Thus, staff recommends adding moneys to lease the remaining computers for the next three years and then end this arrangement prior to the next refresh cycle. Prior to the conclusion of this three year cycle, OIT should publish computer standards and offer a contract vehicle to leverage bulk savings (if feasible), but should not fund the lease payments for these machines. County government should fund the cost of its employees’ computers.
- Training program support – Staff recommends rejecting the request. Recent audits indicate that the State must do a better job of providing training to counties. For example, the Statewide Single Audit released in mid-February indicates that the Supplemental Nutrition Assistance Program and Temporary Assistance for Needy Families (TANF) are suffering from error rates and eligibility deficiencies that are a result of training inadequacies. Rather than funding the existing training program, staff recommends that the agencies study their current practices and develop a comprehensive solution that addresses the underlying issues leading to the deficiencies.
- RFP development – Staff recommends \$500,000 total funds (including \$311,250 General Fund) to work with a procurement consultant to create the RFP for the next contract for maintenance and operation of

CBMS. Given the high profile and complexities associated with CBMS, it is essential that the procurement process be examined in depth to avoid future pitfalls associated with an improperly drafted RFP that results in a less than optimal contract.

- Security compliance and remediation – Staff recommends \$250,000 total funds (including \$155,625 General Fund) to address compliance with system security gaps, including gaps outlined by the federal government and by OIT’s State Chief Information Security Officer.
- Deloitte contract 3.0 percent escalator – Staff recommends \$249,600 total funds (including \$155,376 General Fund) to fulfill the terms of the contract with Deloitte.
- Cloud infrastructure – Staff recommends \$144,525 total funds (including 89,967 General Fund) to fulfill the terms of the contract for cloud infrastructure.

New Projects

For FY 2014-15, the agencies seek an increase of \$35,342,773 total funds (including \$13,453,572 General Fund) to begin the second phase of the CBMS modernization project.

FY 2014-15 CBMS Technology Improvement Workplan Budget Amendment New Projects	
Project	Request
HCPF projects	\$19,268,466
Human Services projects	7,986,945
OIT projects	5,448,912
County User Group projects	838,688
Project support resources	1,799,762
TOTAL	\$35,342,773

- HPCF projects – The agency requests an increase of \$19,268,466 total funds (including \$3,447,315 General Fund) to implement projects that are required to comply with federal regulations of the Affordable Care Act, are required to comply with other federal Centers for Medicare and Medicaid Systems (CMS) regulations, and improve the interaction of benefits workers and benefit participants and CBMS through the PEAK web portal. The requested funds are allocated to 31 discrete projects spanning 139,858 hours.
- Human Services projects – The Department seeks an increase of \$7,986,945 total funds (including \$4,971,873 General Fund) to implement technical fixes for the Supplemental Nutrition Assistance Program, TANF, Child Care Assistance Program, Aid to the Needy Disabled, and others. The requested funds are allocated to 58 discrete projects spanning 62,889 hours.
- OIT projects – The Office requests an increase of \$5,448,912 total funds (including \$3,391,948 General Fund) to improve client correspondence, support the transition of the system to the cloud, and contract with the vendor for additional hours of technical system changes to modernize the platform and improve performance. The requested funds are allocated to 9 discrete projects spanning 33,456 hours.

- County User Group projects – The agencies request an increase of \$838,688 total funds (including \$522,084 General Fund) to address specific end-user issues with the system. These issues were identified and prioritized by the County Users Group. The requested funds are allocated to 3 discrete projects spanning 5,344 hours.
- Project support resources – The agencies request an increase of \$1,799,762 total funds (including \$1,120,352 General Fund) to contract with a vendor to provide additional subject matter experts in the areas of project management, testers, business analysts, and technical analysts. These resources are necessary to support the projects outlined in the workplan for the second phase of the CBMS modernization project.

Recommendation – New Projects

Staff recommends the following:

FY 2014-15 CBMS Technology Improvement Workplan Budget Amendment New Projects			
Project	Request	Recommendation	Difference
HCPF projects	\$19,268,466	\$0	(\$19,268,466)
Human Services projects	7,986,945	0	(7,986,945)
OIT projects	5,448,912	0	(5,448,912)
County User Group projects	838,688	0	(838,688)
Project support resources	1,799,762	0	(1,799,762)
TOTAL	\$35,342,773	\$0	(\$35,342,773)

Staff’s recommendation not to fund any of the new projects associated with the second phase of the CBMS modernization project is based on the following:

- The system improvements implemented during phase one of the CBMS modernization project have only recently been completed. Staff recommends that the agencies allow the effectiveness of system changes to be evaluated over a longer period of time before embarking on new projects. This includes an evaluation of the tools the agencies successfully built and deployed to transmit PEAK/CBMS data to Connect for Health Colorado to facilitate the implementation of the federal Affordable Care Act.
- There are issues with various public assistance programs that must be addressed before spending State and federal moneys to continue improving the technology that supports the programs. For example, as indicated in the Statewide Single Audit, as it applies to the Supplemental Nutrition Assistance Program (SNAP):

“Based on our review of the Department’s SNAP QA Federal Fiscal Years 2010 through 2012 annual reports, we found that the Department’s SNAP error rate for eligible cases was above the national average in two of the three fiscal years and that, while the national error rate improved over the three-year period, the Department’s error rate worsened over the same time period. Further, when the QA sample results were applied to the full amount of benefits issues, the Department estimated that it inappropriately issued about \$26 million in SNAP benefits and failed to issue almost \$11 million in benefits during Federal Fiscal Year 2012.”

This issue indicates to staff that there are systematic inadequacies in the administration of public assistance programs that need to be studied, understood, and corrected by the State and counties. If these issues are not identified and addressed, no technology solution will make improvements in programmatic measures of efficiency and effectiveness.

- The legislature invested \$35,801,609 in State and federal funds to implement the first phase of the CBMS modernization project. Early indicators suggest that these funds have made noted improvements in various measures associated with the effectiveness of administering public assistance programs. CBMS, however, is just one information technology system that the legislature must consider for funding to improve performance. Before providing additional State funding for CBMS, the Committee should ensure that the other 213 critical and essential applications supported by OIT have funding plans in place to mitigate known risks associated with system technology.

NP BA Customer service technology true-up: The request includes an increase of \$715,468 reappropriated funds for FY 2014-15 transferred from the Department of Health Care Policy and Financing to improve technology available to the Customer Contact Center for responding to client inquiries. This request was approved by the Committee during figure setting for the Department of Health Care Policy and Financing on Monday, March 10th. Staff will incorporate the Committee’s action into the Long Bill.

NP Youth corrections educational opportunities: The request includes an increase of \$377,539 reappropriated funds and 3.6 FTE transferred from the Department of Human Services to upgrade and/or replace network infrastructure at the agency’s Division of Youth Corrections’ facilities. This request was approved by the Committee during figure setting for the Department of Human Services on Wednesday, February 12th. Staff will incorporate the Committee’s action into the Long Bill.

NP CDPS cyber-crime initiative: The request includes an increase of \$209,675 reappropriated funds and 1.8 FTE for FY 2014-15 transferred from the Department of Public Safety to create a Cyber Crime Task Force between the Colorado Bureau of Investigation (CBI), the Office of Prevention and Security, and OIT. This request was approved by the Committee during figure setting for the Department of Health Care Policy and Financing on Thursday, February 20th. Staff will incorporate the Committee’s action into the Long Bill.

NP Benefits utilization services application: The request includes an increase of \$60,122 reappropriated funds for FY 2014-15 transferred from the Department of Health Care Policy and Financing to support the Benefits Utilization Services application (BUS) used to assess eligibility for long-term services and supports by documenting a Medicaid client’s activity level and ongoing medical needs. This request was approved by the Committee during figure setting for the Department of Health Care Policy and Financing on Monday, March 10th. Staff will incorporate the Committee’s action into the Long Bill.

NP BA Mail, postage, and envelope request: The request includes an increase of \$223,417 reappropriated funds to address the increasing costs of mail, postage, and envelopes. Staff recommends that the request not be funded for FY 2014-15 consistent with the Committee’s action on the companion supplemental request for FY 2013-14 for the same purpose.

Annualize prior year salary survey and merit pay: The Office’s request, and staff’s recommendation, includes adjustments as part of the distribution of funds from central appropriations of moneys for salary survey and merit pay based on prior fiscal year allocations.

Indirect cost assessment: The recommendation includes an increase of \$18,557 reappropriated funds in the Office for FY 2014-15 for Statewide indirect cost collections. Staff’s recommendation is consistent with prior Committee action.

Staff-initiated refinance: The recommendation refinances an appropriation of \$100,908 General Fund with \$100,908 reappropriated funds from fees charged to State agencies for information technology services provided by OIT for costs associated with the Office’s workload increase related to the creation of the Joint Technology Committee.

Annualize prior year legislation: The Office’s request, and staff’s recommendation, includes adjustments related to prior year budget actions. For this division, the annualization of prior year funding reduction is primarily driven by the conclusion of the first phase of the CBMS modernization project begun via H.B. 12-1339.

Annualize prior year funding: The Office’s request, and staff’s recommendation, includes adjustments related to prior year budget actions. For this division, the annualization of prior year funding reduction is primarily driven by the conclusion of one-time FY 2013-14 decision items including projects related to network implementation, enterprise asset management, and microwave infrastructure.

LINE ITEM DETAIL – (5) OFFICE OF INFORMATION TECHNOLOGY

(A) MANAGEMENT AND ADMINISTRATION OF OIT

The Management and Administration of OIT sub-division provides the agency with the policy and management functions of an executive director's office. In the original appropriation for FY 2008-09, this sub-division was funded primarily with General Fund. The Committee approved a FY 2008-09 supplemental request to refinance the sub-division using reappropriated funds, with the expenses allocated to various departments in proportion to the level of services purchased from OIT.

Personal Services

This line item, and the associated appropriations of FTE and personal services funding, supports the OIT administration staff and management functions.

Request: The Office requests an appropriation of \$1,251,894 total funds (including \$100,908 General Fund) and 14.5 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$1,251,894 total funds and 14.5 FTE for FY 2014-15. Staff's recommendation funds the entire line item with reappropriated funds from fees charged to State agencies for information technology services provided by OIT.

Staff's recommendation is \$100,908 General Fund less than the Office's request due to a refinancing of the 1.5 FTE added through H.B. 13-1079 (Tyler/Newell). House Bill 13-1079 created the Joint Technology Committee to oversee State agencies, projects, and issues related to information technology. OIT received the additional staff to respond to requests from the Joint Technology Committee for data, reports, or information pertaining to the purchase or implementation of information technology from a State agency managed by the OIT. It is staff's opinion that these positions are of benefit to all State agencies, and thus should be subject to the standard billing process that funds all other OIT activities and services.

The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Management and Administration of OIT, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$1,127,581	\$0	\$0	\$1,127,581	\$0	13.0
H.B. 13-1079 (JTC staff)	<u>99,673</u>	<u>99,673</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.5</u>
TOTAL	\$1,227,254	\$99,673	\$0	\$1,127,581	\$0	14.5
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$1,227,254	\$99,673	\$0	\$1,127,581	\$0	14.5
Annualize prior year salary survey and merit pay	23,405	0	0	23,405	0	0.0

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Office of Information Technology, Management and Administration of OIT, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year legislation	1,235	1,235	0	0	0	0.0
Staff-initiated refinance	<u>0</u>	<u>(100,908)</u>	<u>0</u>	<u>100,908</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,251,894	\$0	\$0	\$1,251,894	\$0	14.5
Increase/(Decrease)	\$24,640	(\$99,673)	\$0	\$124,313	\$0	0.0
Percentage Change	2.0%	(100.0%)	0.0%	11.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$1,251,894	\$100,908	\$0	\$1,150,986	\$0	14.5
Request Above/(Below) Recommendation	\$0	\$100,908	\$0	(\$100,908)	\$0	0.0

Operating Expenses

The line item supports the programmatic operating expenses associated with OIT Administration.

Request: The Office requests a continuation level of funding of \$558,817 reappropriated funds for FY 2014-15.

Recommendation: Staff recommends a continuation level of funding of \$558,817 reappropriated funds for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Management and Administration of OIT, Operating Expenses						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$558,817</u>	<u>\$0</u>	<u>\$0</u>	<u>\$558,817</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$558,817	\$0	\$0	\$558,817	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$558,817</u>	<u>\$0</u>	<u>\$0</u>	<u>\$558,817</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$558,817	\$0	\$0	\$558,817	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$558,817	\$0	\$0	\$558,817	\$0	0.0
Request Above/(Below) Recommendation	\$0	0	0	\$0	\$0	0.0

Statewide IT Management

As a result of the information technology consolidation implemented pursuant to S.B. 08–155, OIT required an adequate support staff to facilitate effective implementation of the legislation and central management of the enterprise including oversight, control and management associated with procurement, accounting, budgeting, project management, human resources and other necessary oversight and back-office functions. This Statewide IT management function directly supports the State CIO and State agencies, and is supported through allocated billings to State agencies. The appropriation for this line item includes both personal services and operating expenses.

Request: The Office requests an appropriation of \$9,590,541 total funds (including \$428,866 General Fund) and 68.9 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$9,315,860 total funds and 68.9 FTE for FY 2014-15. Staff’s recommendation funds the entire line item with reappropriated funds from fees charged to State agencies for information technology services provided by OIT.

Staff’s recommendation is \$274,681 total funds (including \$428,866 General Fund) less than the Office’s request due to financing the “R14 Broadband mapping strategy” decision item with reappropriated funds rather than General Fund and reducing the total funding by \$273,666 for the same decision item. Additionally, the recommendation does not include \$1,015 reappropriated funds due to staff’s recommendation that the mail, postage, and envelope request not be funded for FY 2014-15. This recommendation is consistent with the Committee’s action on the companion supplemental request for FY 2013-14 for the same purpose.

The following table summarizes the calculations for staff’s recommendation.

Office of Information Technology, Management and Administration of OIT, Statewide IT Management						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$5,319,745	\$57,499	\$0	\$5,262,246	\$0	68.9
HB 14-1235 (Supplemental Bill)	<u>110,000</u>	<u>110,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,429,745	\$167,499	\$0	\$5,262,246	\$0	68.9
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$5,429,745	\$167,499	\$0	\$5,262,246	\$0	68.9
R14 Broadband mapping strategy	155,200	0	0	155,200	0	0.0
R15 Service management ecosystem	3,455,000	0	0	3,455,000	0	0.0
R17 IT technical development	256,620	0	0	256,620	0	0.0
NP BA Mail, postage, and envelope request	0	0	0	0	0	0.0
Annualize prior year salary survey and merit pay	129,295	0	0	129,295	0	0.0
Annualize prior year funding	0	(57,499)	0	57,499	0	0.0

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Office of Information Technology, Management and Administration of OIT, Statewide IT Management						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year legislation	(110,000)	(110,000)	0	0	0	0.0
TOTAL	\$9,315,860	\$0	\$0	\$9,315,860	\$0	68.9
Increase/(Decrease)	\$3,886,115	(\$167,499)	\$0	\$4,053,614	\$0	0.0
Percentage Change	71.6%	(100.0%)	0.0%	77.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$9,590,541	\$428,866	\$0	\$9,161,675	\$0	68.9
Request Above/(Below) Recommendation	\$274,681	\$428,866	\$0	(\$154,185)	\$0	0.0

Office of Information Security Program

The Colorado Office of Information Security is a unit within OIT, and is the single State source for cyber security readiness and awareness. This line item, added in FY 2013-14, contains appropriations for the expenses associated with this Office.

Request: The Office requests an appropriation of \$5,385,375 reappropriated funds and 1.8 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$5,385,375 reappropriated funds and 1.8 FTE for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Management and Administration of OIT, Office of Information Security Program						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$1,075,700</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,075,700</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$1,075,700	\$0	\$0	\$1,075,700	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$1,075,700	\$0	\$0	\$1,075,700	\$0	0.0
R11 Secure Colorado Phase II	4,100,000	0	0	4,100,000	0	0.0
NP CDPS cyber-crime initiative*	<u>209,675</u>	<u>0</u>	<u>0</u>	<u>209,675</u>	<u>0</u>	<u>1.8</u>
TOTAL	\$5,385,375	\$0	\$0	\$5,385,375	\$0	1.8
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	1.8
Percentage Change	400.6%	0.0%	0.0%	400.6%	0.0%	0.0%
FY 2014-15 Executive Request:	\$5,385,375	\$0	\$0	\$5,385,375	\$0	1.8

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Office of Information Technology, Management and Administration of OIT, Office of Information Security Program						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

*This request item was addressed in a separate staff figure setting presentation by Viktor Bojilov for the Department of Public Safety on Thursday, February 20th. Staff has included the Committee’s action in this recommendation.

Legal Services

Legal representation for OIT is provided by the Department of Law. This line item pays for those services. The appropriation is based on the blended hourly rate, as set by the Committee every year, and the number of hours a department requires.

Request: The Office requests a continuation level of funding of \$44,538 reappropriated funds for FY 2014-15 to purchase 489 hours of legal services from the Department of Law.

Recommendation: Staff recommends funding for 489 hours of legal services, but the dollar amount recommendation is pending. Final Department of Law rate recommendations will be presented to the Committee by Craig Harper via a memo near the end of the figure setting process. Staff will incorporate the Committee’s action into the Long Bill. The following table summarizes calculations for the request.

Office of Information Technology, Management and Administration of OIT, Legal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$44,538</u>	<u>\$0</u>	<u>\$0</u>	<u>\$44,538</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$44,538	\$0	\$0	\$44,538	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$44,538</u>	<u>\$0</u>	<u>\$0</u>	<u>\$44,538</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$44,538	\$0	\$0	\$44,538	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$44,538	\$0	\$0	\$44,538	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Indirect Cost Assessment

The appropriation provides funds for the unit’s portion of Statewide indirect cost collections.

Request: The Office requests an appropriation of \$72,650 reappropriated funds for FY 2014-15.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Recommendation: Staff recommends an appropriation of \$78,358 reappropriated funds for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Management and Administration of OIT, Indirect Cost Assessment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$72,650</u>	<u>\$0</u>	<u>\$0</u>	<u>\$72,650</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$72,650	\$0	\$0	\$72,650	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$72,650	\$0	\$0	\$72,650	\$0	0.0
Indirect cost assessment*	<u>5,708</u>	<u>0</u>	<u>0</u>	<u>5,708</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$78,358	\$0	\$0	\$78,358	\$0	0.0
Increase/(Decrease)	\$5,708	\$0	\$0	\$5,708	\$0	0.0
Percentage Change	7.9%	0.0%	0.0%	7.9%	0.0%	0.0%
FY 2014-15 Executive Request:	\$72,650	\$0	\$0	\$72,650	\$0	0.0
Request Above/(Below) Recommendation	(\$5,708)	\$0	\$0	(\$5,708)	\$0	0.0

*This request item was addressed in a separate staff figure setting presentation by Alfredo Kemm for Statewide indirect cost assessment policies on Monday, December 16th. Staff has included the Committee's action in this recommendation.

(B) COMPUTER CENTER SERVICES

(1) Computer Services

Personal Services

The line item, and the associated appropriations of FTE and personal services funding, support staff and management functions.

Request: The Office requests an appropriation of \$51,432,226 reappropriated funds and 588.1 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$51,432,226 reappropriated funds and 588.1 FTE for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Computer Center Services, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$48,931,773	\$0	\$0	\$48,931,773	\$0	582.5
Other legislation	1,507,495	0	0	1,507,495	0	1.5
HB 14-1235 (Supplemental Bill)	<u>75,000</u>	<u>0</u>	<u>0</u>	<u>75,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$50,514,268	\$0	\$0	\$50,514,268	\$0	584.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$50,514,268	\$0	\$0	\$50,514,268	\$0	584.0
R12 Eliminate redundant applications	2,470,000	0	0	2,470,000	0	0.0
NP BA Customer service technology true-up*	712,000	0	0	712,000	0	0.0
NP BA Youth corrections educational opportunities**	347,327	0	0	347,327	0	3.6
Annualize prior year salary survey and merit pay	1,633,810	0	0	1,633,810	0	0.0
Annualize prior year funding	(3,455,620)	0	0	(3,455,620)	0	0.0
Annualize prior year legislation	<u>(789,559)</u>	<u>0</u>	<u>0</u>	<u>(789,559)</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$51,432,226	\$0	\$0	\$51,432,226	\$0	588.1
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	4.1
Percentage Change	1.8%	0.0%	0.0%	1.8%	0.0%	0.7%
FY 2014-15 Executive Request:	\$51,432,226	\$0	\$0	\$51,432,226	\$0	588.1
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

*This request item was addressed in a separate staff figure setting presentation by Eric Kurtz for the Department of Health Care Policy and Financing on Monday, March 10th. Staff has included the Committee’s action in this recommendation.

**This request item was addressed in a separate staff figure setting presentation by Kevin Neimond for the Department of Human Services on Wednesday, February 12th. Staff has included the Committee’s action in this recommendation.

Operating Expenses

The appropriation supports the operating expenses associated with the Computer Services unit.

Request: The Office requests an appropriation of \$8,403,198 reappropriated funds for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$8,402,270 reappropriated funds for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The difference between the request and the recommendation (\$928 reappropriated funds) is due to staff’s recommendation that the mail, postage, and envelope request not be funded for FY 2014-15. This recommendation is consistent with the Committee’s action on the companion supplemental request for FY 2013-14 for the same purpose. The following table summarizes the calculations for staff’s recommendation.

Office of Information Technology, Computer Center Services, Operating Expenses						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$8,276,468	\$230,337	\$2,328	\$8,043,803	\$0	0.0
HB 14-1235 (Supplemental Bill)	<u>(23,553)</u>	<u>0</u>	<u>0</u>	<u>(23,553)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$8,252,915	\$230,337	\$2,328	\$8,020,250	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$8,252,915	\$230,337	\$2,328	\$8,020,250	\$0	0.0
R12 Eliminate redundant applications	490,000	0	0	490,000	0	0.0
NP Benefits utilization services application*	60,122	0	0	60,122	0	0.0
NP Youth corrections educational opportunities**	30,212	0	0	30,212	0	0.0
NP BA Customer service technology true-up*	3,468	0	0	3,468	0	0.0
NP BA Mail, postage, and envelope request	0	0	0	0	0	0.0
Annualize prior year funding	(408,000)	(230,337)	0	(177,663)	0	0.0
Annualize prior year legislation	<u>(26,447)</u>	<u>0</u>	<u>0</u>	<u>(26,447)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$8,402,270	\$0	\$2,328	\$8,399,942	\$0	0.0
Increase/(Decrease)	\$149,355	(\$230,337)	\$0	\$379,692	\$0	0.0
Percentage Change	1.8%	(100.0%)	0.0%	4.7%	0.0%	0.0%
FY 2014-15 Executive Request:	\$8,403,198	\$0	\$2,328	\$8,400,870	\$0	0.0

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Office of Information Technology, Computer Center Services, Operating Expenses						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Request Above/(Below) Recommendation	\$928	\$0	\$0	\$928	\$0	0.0

*This request item was addressed in a separate staff figure setting presentation by Eric Kurtz for the Department of Health Care Policy and Financing on Monday, March 10th. Staff has included the Committee's action in this recommendation.

**This request item was addressed in a separate staff figure setting presentation by Kevin Neimond for the Department of Human Services on Wednesday, February 12th. Staff has included the Committee's action in this recommendation.

Rental, Lease, or Lease/Purchase of Central Processing Unit

This line item funds the mainframe computer located at 690 Kipling Street in Lakewood.

Request: The Office requests a continuation level of funding of \$336,034 reappropriated funds for FY 2014-15.

Recommendation: Staff recommends a continuation level of funding of \$336,034 reappropriated funds for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Computer Center Services, Computer Services, Rental, Lease, or Lease/Purchase of Central Processing Unit						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$336,034	\$0	\$0	\$336,034	\$0	0.0
TOTAL	\$336,034	\$0	\$0	\$336,034	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$336,034	\$0	\$0	\$336,034	\$0	0.0
TOTAL	\$336,034	\$0	\$0	\$336,034	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$336,034	\$0	\$0	\$336,034	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Indirect Cost Assessment

The appropriation provides funds for the unit's portion of Statewide indirect cost collections.

Request: The Office requests a continuation level of funding of \$151,894 reappropriated funds for FY 2014-15.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Recommendation: Staff recommends an appropriation of \$233,530 reappropriated funds for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Computer Center Services, Computer Services, Indirect Cost Assessment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$151,894</u>	<u>\$0</u>	<u>\$0</u>	<u>\$151,894</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$151,894	\$0	\$0	\$151,894	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$151,894	\$0	\$0	\$151,894	\$0	0.0
Indirect cost assessment*	<u>81,636</u>	<u>0</u>	<u>0</u>	<u>81,636</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$233,530	\$0	\$0	\$233,530	\$0	0.0
Increase/(Decrease)	\$81,636	\$0	\$0	\$81,636	\$0	0.0
Percentage Change	53.7%	0.0%	0.0%	53.7%	0.0%	0.0%
FY 2014-15 Executive Request:	\$151,894	\$0	\$0	\$151,894	\$0	0.0
Request Above/(Below) Recommendation	(\$81,636)	\$0	\$0	(\$81,636)	\$0	0.0

*This request item was addressed in a separate staff figure setting presentation by Alfredo Kemm for Statewide indirect cost assessment policies on Monday, December 16th. Staff has included the Committee's action in this recommendation.

(2) Statewide Information Technology Services Administration

This program coordinates the administrative functions associated with supporting the delivery of services to State agencies, including business analysis, rate setting, and operational strategy.

Personal Services

This line item, and the associated appropriations of FTE and personal services funding, supports staff and management functions for this sub-sub division.

Request: The Office requests an appropriation of \$466,492 reappropriated funds and 5.0 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$466,492 reappropriated funds and 5.0 FTE for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Computer Center Services, Statewide Information Technology Services Administration, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$444,303	\$0	\$0	\$444,303	\$0	5.0
TOTAL	\$444,303	\$0	\$0	\$444,303	\$0	5.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	444,303	0	0	444,303	0	5.0
Annualize prior year salary survey and merit pay	<u>22,189</u>	<u>0</u>	<u>0</u>	<u>22,189</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$466,492	\$0	\$0	\$466,492	\$0	5.0
Increase/(Decrease)	\$22,189	\$0	\$0	\$22,189	\$0	0.0
Percentage Change	5.0%	0.0%	0.0%	5.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$466,492	\$0	\$0	\$466,492	\$0	5.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Operating Expenses

This line item supports the operating expenses associated with this sub-sub division.

Request: The Office requests a continuation level of funding of \$6,450 reappropriated funds for FY 2014-15.

Recommendation: Staff recommends a continuation level of funding of \$6,450 reappropriated funds for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Office of Information Technology, Computer Center Services, Statewide Information Technology Services Administration, Operating Expenses						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$6,450</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,450</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$6,450	\$0	\$0	\$6,450	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$6,450</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,450</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$6,450	\$0	\$0	\$6,450	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$6,450	\$0	\$0	\$6,450	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(3) Customer Service

This section functions as an advocate for OIT’s network and computing services customers, and its purpose is to ensure the smooth delivery of information services to the customer in a timely manner. A service center function allows this unit to interface directly with the customer to resolve issues with the State’s network, mainframe operations, application servers at the data center, and other services offered by OIT.

Personal Services

This line item, and the associated appropriations of FTE and personal services funding, support staff and management functions for this sub-sub division.

Request: The Office requests an appropriation of \$882,574 reappropriated funds and 11.0 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$882,574 reappropriated funds and 11.0 FTE for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff’s recommendation.

Office of Information Technology, Computer Center Services, Customer Service, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$840,574</u>	<u>\$0</u>	<u>\$0</u>	<u>\$840,574</u>	<u>\$0</u>	<u>11.0</u>
TOTAL	\$840,574	\$0	\$0	\$840,574	\$0	11.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$840,574	\$0	\$0	\$840,574	\$0	11.0
Annualize prior year salary survey and merit pay	<u>42,000</u>	<u>0</u>	<u>0</u>	<u>42,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$882,574	\$0	\$0	\$882,574	\$0	11.0
Increase/(Decrease)	\$42,000	\$0	\$0	\$42,000	\$0	0.0
Percentage Change	5.0%	0.0%	0.0%	5.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$882,574	\$0	\$0	\$882,574	\$0	11.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Operating Expenses

This line item supports the operating expenses associated with this sub-sub division.

Request: The Office requests a continuation level of funding of \$14,625 reappropriated funds for FY 2014-15.

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Recommendation: Staff recommends a continuation level of funding of \$14,625 reappropriated funds for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Computer Center Services, Customer Service, Operating Expenses						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$14,625</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,625</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$14,625	\$0	\$0	\$14,625	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$14,625</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,625</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$14,625	\$0	\$0	\$14,625	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$14,625	\$0	\$0	\$14,625	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(4) Technology Management Unit

The mission of the Technology Management Unit (TMU) is to provide application development and ongoing software support for the State’s cross-departmental administrative systems. These applications include the Colorado Financial Reporting System (COFRS), the statewide Financial Data Warehouse (FDW), the statewide timekeeping system (Kronos), and human resource systems including the Applicant Data System (ADS), and the Colorado Payroll and Personnel System (CPPS).

Personal Services

This line item, and the associated appropriations of FTE and personal services funding, support staff and management functions for this sub-sub division.

Request: The Office requests an appropriation of \$2,951,607 reappropriated funds and 32.5 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$2,951,607 reappropriated funds and 32.5 FTE for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff’s recommendation.

Office of Information Technology, Computer Center Services, Technology Management Unit, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$2,859,102</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,859,102</u>	<u>\$0</u>	<u>32.5</u>
TOTAL	\$2,859,102	\$0	\$0	\$2,859,102	\$0	32.5
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$2,859,102	\$0	\$0	\$2,859,102	\$0	32.5
Annualize prior year salary survey and merit pay	<u>92,505</u>	<u>0</u>	<u>0</u>	<u>92,505</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,951,607	\$0	\$0	\$2,951,607	\$0	32.5
Increase/(Decrease)	\$92,505	\$0	\$0	\$92,505	\$0	0.0
Percentage Change	3.2%	0.0%	0.0%	3.2%	0.0%	0.0%
FY 2014-15 Executive Request:	\$2,951,607	\$0	\$0	\$2,951,607	\$0	32.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Operating Expenses

This line item supports the operating expenses associated with this sub-sub division.

Request: The Office requests a continuation level of funding of \$364,371 reappropriated funds for FY 2013-14.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Recommendation: Staff recommends a continuation level of funding of \$364,371 reappropriated funds for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Computer Center Services, Technology Management Unit, Operating Expenses						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$364,371</u>	<u>\$0</u>	<u>\$0</u>	<u>\$364,371</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$364,371	\$0	\$0	\$364,371	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$364,371</u>	<u>\$0</u>	<u>\$0</u>	<u>\$364,371</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$364,371	\$0	\$0	\$364,371	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$364,371	\$0	\$0	\$364,371	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(C) NETWORK SERVICES

(1) Network Services

Network Services plans, coordinates, integrates and provides cost effective and efficient telecommunication capabilities to meet the business needs of its customers. Network Services provides a voice and data communication infrastructure, including the Colorado State Network (CSN) and frame relay services. In addition, this work unit provides much of the voice communication needs for State agencies and a long distance contract that is utilized by all departments. The program is funded by user fees from State agencies and non-State agencies associated with billings for CSN and other telecommunications services.

Personal Services

This line item, and the associated appropriations of FTE and personal services funding, supports staff and management functions for this sub-sub division.

Request: The Office requests an appropriation of \$7,757,866 reappropriated funds and 90.6 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$7,757,866 reappropriated funds and 90.6 FTE for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Network Services, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$7,518,106</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,518,106</u>	<u>\$0</u>	<u>90.6</u>
TOTAL	\$7,518,106	\$0	\$0	\$7,518,106	\$0	90.6
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$7,518,106	\$0	\$0	\$7,518,106	\$0	90.6
Annualize prior year salary survey and merit pay	<u>239,760</u>	<u>0</u>	<u>0</u>	<u>239,760</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$7,757,866	\$0	\$0	\$7,757,866	\$0	90.6
Increase/(Decrease)	\$239,760	\$0	\$0	\$239,760	\$0	0.0
Percentage Change	3.2%	0.0%	0.0%	3.2%	0.0%	0.0%
FY 2014-15 Executive Request:	\$7,757,866	\$0	\$0	\$7,757,866	\$0	90.6
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Operating Expenses

The appropriation supports the operating expenses associated with the provision of network and telecommunications services, including the Colorado State Network.

Request: The Office requests an appropriation of \$16,884,120 total funds for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$16,884,120 total funds for FY 2014-15. The recommendation consists of \$1,200,000 cash funds from non-State agency users of the Colorado State Network and \$15,684,120 reappropriated funds from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Network Services, Operating Expenses						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$17,618,488</u>	<u>\$57,499</u>	<u>\$1,200,000</u>	<u>\$16,360,989</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$17,618,488	\$57,499	\$1,200,000	\$16,360,989	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$17,618,488	\$57,499	\$1,200,000	\$16,360,989	\$0	0.0
R13 Capitol Complex network resiliency	660,000	0	0	660,000	0	0.0
Annualize prior year funding	<u>(1,394,368)</u>	<u>(57,499)</u>	<u>0</u>	<u>(1,336,869)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$16,884,120	\$0	\$1,200,000	\$15,684,120	\$0	0.0
Increase/(Decrease)	(\$734,368)	(\$57,499)	\$0	(\$676,869)	\$0	0.0
Percentage Change	(4.2%)	(100.0%)	0.0%	(4.1%)	0.0%	0.0%
FY 2014-15 Executive Request:	\$16,884,120	\$0	\$1,200,000	\$15,684,120	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Toll-free Telephone Access to Members of the General Assembly

This line item funds toll-free access by citizens outside of the Denver metropolitan area to the General Assembly. The line is funded by General Fund moneys transferred from the legislative branch.

Request: The Office requests a continuation level of funding of \$25,000 reappropriated funds for FY 2014-15.

Recommendation: Staff recommends a continuation level of funding of \$25,000 reappropriated funds for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Office of Information Technology, Network Services, Toll-free Telephone Access to Members of the General Assembly						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$25,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$25,000</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$25,000	\$0	\$0	\$25,000	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$25,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$25,000</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$25,000	\$0	\$0	\$25,000	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$25,000	\$0	\$0	\$25,000	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Indirect Cost Assessment

The appropriation provides funds for the unit's portion of Statewide indirect cost collections.

Request: The Office requests a continuation level of funding of \$39,295 reappropriated funds for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$36,440 reappropriated funds for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Network Services, Indirect Cost Assessment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$39,295</u>	<u>\$0</u>	<u>\$0</u>	<u>\$39,295</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$39,295	\$0	\$0	\$39,295	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$39,295	\$0	\$0	\$39,295	\$0	0.0
Indirect cost assessment*	<u>(2,855)</u>	<u>0</u>	<u>0</u>	<u>(2,855)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$36,440	\$0	0	\$36,440	\$0	0.0
Increase/(Decrease)	(\$2,855)	\$0	\$0	(\$2,855)	\$0	0.0
Percentage Change	(7.3%)	0.0%	0.0%	(7.3%)	0.0%	0.0%

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Office of Information Technology, Network Services, Indirect Cost Assessment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Executive Request:	\$39,295	\$0	\$0	\$39,295	\$0	0.0
Request Above/(Below) Recommendation	\$2,855	\$0	\$0	\$2,855	\$0	0.0

*This request item was addressed in a separate staff figure setting presentation by Alfredo Kemm for Statewide indirect cost assessment policies on Monday, December 16th. Staff has included the Committee's action in this recommendation.

(2) Order Billing

Order Billing staff process requests for voice, video, and data services for State and local government entities including, but not limited to providing business functions for service requests ranging from the purchase of State cell phones to the purchase of circuits and routers for State operations and are responsible for the collection of user charges for telecommunication services provided by OIT. In addition, staff provides the accounts payable and receivable functions for all activities associated with the management of the Telecommunications Revolving Fund.

Personal Services

This line item, and the associated appropriations of FTE and personal services funding, support staff and management functions for this sub-sub division.

Request: The Office requests an appropriation of \$634,053 reappropriated funds and 9.0 FTE for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$634,053 reappropriated funds and 9.0 FTE for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Network Services, Order Billing, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$620,946</u>	<u>\$0</u>	<u>\$0</u>	<u>\$620,946</u>	<u>\$0</u>	<u>9.0</u>
TOTAL	\$620,946	\$0	\$0	\$620,946	\$0	9.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$620,946	\$0	\$0	\$620,946	\$0	9.0
Annualize prior year salary survey and merit pay	<u>13,107</u>	<u>0</u>	<u>0</u>	<u>13,107</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$634,053	\$0	\$0	\$634,053	\$0	9.0
Increase/(Decrease)	\$13,107	\$0	\$0	\$13,107	\$0	0.0
Percentage Change	2.1%	0.0%	0.0%	2.1%	0.0%	0.0%
FY 2014-15 Executive Request:	\$634,053	\$0	\$0	\$634,053	\$0	9.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Operating Expenses

This line item supports the operating expenses associated with this sub-sub division.

Request: The Office requests a continuation level of funding of \$10,750 reappropriated funds for FY 2014-15.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Recommendation: Staff recommends a continuation level of funding of \$10,750 reappropriated funds for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Network Services, Order Billing, Operating Expenses						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$10,750</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,750</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$10,750	\$0	\$0	\$10,750	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$10,750</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,750</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$10,750	\$0	\$0	\$10,750	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$10,750	\$0	\$0	\$10,750	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(D) COMMUNICATION SERVICES

Communications Services plans, coordinates, integrates and provides effective and efficient Statewide Public Safety networks for the Departments of Public Safety, Transportation, Corrections, Natural Resources and many other State and local government agencies. The unit also provides engineering and design services to State and local governments using land based, mobile and microwave technologies.

Personal Services

This line item, and the associated appropriations of FTE and personal services funding, supports staff and management functions for the state's Digital Trunked Radio System (DTRS).

Request: The Office requests an appropriation of \$3,727,491 reappropriated funds and 46.0 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$3,727,491 reappropriated funds and 46.0 FTE for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Communication Services, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$3,904,176</u>	<u>\$0</u>	<u>\$300,000</u>	<u>\$3,604,176</u>	<u>\$0</u>	<u>46.0</u>
TOTAL	\$3,904,176	\$0	\$300,000	\$3,604,176	\$0	46.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$3,904,176	\$0	\$300,000	\$3,604,176	\$0	46.0
Annualize prior year salary survey and merit pay	123,315	0	0	123,315	0	0.0
Annualize prior year funding	<u>(300,000)</u>	<u>0</u>	<u>(300,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,727,491	\$0	\$0	\$3,727,491	\$0	46.0
Increase/(Decrease)	(\$176,685)	\$0	(\$300,000)	\$123,315	\$0	0.0
Percentage Change	(4.5%)	0.0%	(100.0%)	3.4%	0.0%	0.0%
FY 2014-15 Executive Request:	\$3,727,491	\$0	\$0	\$3,727,491	\$0	46.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Operating Expenses

This line item supports the operating expenses associated with this sub-sub division.

Request: The Office requests an appropriation of \$1,299,628 total funds for FY 2014-15.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Recommendation: Staff recommends an appropriation of \$1,299,628 total funds for FY 2014-15. The recommendation consists of \$48,600 cash funds from non-State agency users of the DTRS and \$1,251,028 reappropriated funds from fees charged to State agencies for use of the DTRS. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Communication Services, Operating Expenses						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$183,231	\$0	\$48,600	\$134,631	\$0	0.0
HB 14-1235 (Supplemental Bill)	<u>382,000</u>	<u>0</u>	<u>382,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$565,231	\$0	\$430,600	\$134,631	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$565,231	\$0	\$430,600	\$134,631	\$0	0.0
R16 Digital Trunked Radio System (DTRS) operations increase	1,116,397	0	0	1,116,397	0	0.0
Annualize prior year legislation	<u>(382,000)</u>	<u>0</u>	<u>(382,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,299,628	\$0	\$48,600	\$1,251,028	\$0	0.0
Increase/(Decrease)	\$734,397	\$0	(\$382,000)	\$1,116,397	\$0	0.0
Percentage Change	129.9%	0.0%	(88.7%)	829.2%	0.0%	0.0%
FY 2014-15 Executive Request:	\$1,299,628	\$0	\$48,600	\$1,251,028	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Training

The appropriation is for the on-going training of telecommunications staff and to comply with federal safety and occupational hazard regulations.

Request: The Office requests a continuation level of funding of \$22,000 reappropriated funds for FY 2014-15.

Recommendation: Staff recommends a continuation level of funding of \$22,000 reappropriated funds for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Office of Information Technology, Communication Services, Training						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$22,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$22,000</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$22,000	\$0	\$0	\$22,000	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$22,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$22,000</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$22,000	\$0	\$0	\$22,000	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$22,000	\$0	\$0	\$22,000	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Utilities

The appropriation supports utilities costs associated with the provision of communications services to state agencies.

Request: The Office requests a continuation level of funding of \$183,768 reappropriated funds for FY 2014-15.

Recommendation: Staff recommends a continuation level of funding of \$183,768 reappropriated funds for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Communication Services, Utilities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$183,768</u>	<u>\$0</u>	<u>\$0</u>	<u>\$183,768</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$183,768	\$0	\$0	\$183,768	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	<u>\$183,768</u>	<u>\$0</u>	<u>\$0</u>	<u>\$183,768</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$183,768	\$0	\$0	\$183,768	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Office of Information Technology, Communication Services, Utilities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Executive Request:	\$183,768	\$0	\$0	\$183,768	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Local Systems Development

The appropriation supports preventative maintenance needs for local governments, State agencies, and the federal government associated with legacy radio systems, digital trunked radio, and microwave communication towers. The appropriation has been at a continuation level of \$121,000 in recent fiscal years with the federal funds received from the National Oceanic and Atmospheric Administration (NOAA).

Request: The Office requests a continuation level of funding of \$121,000 federal funds for FY 2014-15.

Recommendation: Staff recommends a continuation level of funding of \$121,000 federal funds for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Communication Services, Local Systems Development						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$121,000	\$0	\$0	\$0	\$121,000	0.0
TOTAL	\$121,000	\$0	\$0	\$0	\$121,000	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$121,000	\$0	\$0	\$0	\$121,000	0.0
TOTAL	\$121,000	\$0	\$0	\$0	\$121,000	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$121,000	\$0	\$0	\$0	\$121,000	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Indirect Cost Assessment

The appropriation provides funds for the unit's portion of Statewide indirect cost collections.

Request: The Office requests a continuation level of funding of \$67,827 reappropriated funds for FY 2013-14.

JBC Staff Figure Setting – FY 2014-15
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Recommendation: Staff recommends an appropriation of \$1,895 reappropriated funds for FY 2014-15 from fees charged to State agencies for information technology services provided by OIT. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Communication Services, Indirect Cost Assessment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$67,827</u>	<u>\$0</u>	<u>\$0</u>	<u>\$67,827</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$67,827	\$0	\$0	\$67,827	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$67,827	\$0	\$0	\$67,827	\$0	0.0
Indirect cost assessment*	<u>(65,932)</u>	<u>0</u>	<u>0</u>	<u>(65,932)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,895	\$0	\$0	\$1,895	\$0	0.0
Increase/(Decrease)	(\$65,932)	\$0	\$0	(\$65,932)	\$0	0.0
Percentage Change	(97.2%)	0.0%	0.0%	(97.2%)	0.0%	0.0%
FY 2014-15 Executive Request:	\$67,827	\$0	\$0	\$67,827	\$0	0.0
Request Above/(Below) Recommendation	\$65,932	\$0	\$0	\$65,932	\$0	0.0

*This request item was addressed in a separate staff figure setting presentation by Alfredo Kemm for Statewide indirect cost assessment policies on Monday, December 16th. Staff has included the Committee's action in this recommendation.

(E) COLORADO BENEFITS MANAGEMENT SYSTEM

The Colorado Benefits Management System (CBMS) line item was added to OIT in FY 2010-11 to provide funding for the personal services, operating, and contract expenses associated with the technical operation of CBMS that is transferred from the Department of Health Care Policy and Financing and the Department of Human Services to OIT as part of the consolidation of Statewide information technology personnel in OIT.

CBMS is a collaborative effort between the Department of Health Care Policy and Financing, Department of Human Services, and OIT to provide a tool to users to perform eligibility determination and benefits calculation across multiple public assistance and welfare programs. CBMS provides services to the following publically funded initiatives:

- Aid To The Blind (AB);
- Aid To The Needy Disabled (AND);
- Adult Protective Services (APS);
- Colorado Works (CO Works);
- Food Assistance (SNAP);
- Old Age Pension (OAP);
- Child Health Plan Plus (CHP+);
- Colorado Indigent Care Program (CICP); and
- Medicaid.

Personal Services

The line item and associated appropriations of funding and FTE support staff and management functions for CBMS. Prior to FY 2011-12, the appropriation for personal services for CBMS was combined into one line item with CBMS operating expenses and contract costs. Beginning in FY 2011-12, the line item was separated from the CBMS operating expenses and contract costs to provide the legislature with greater oversight of the cost components of CBMS.

Request: The Office requests an appropriation of \$5,133,280 reappropriated funds and 58.5 FTE for FY 2014-15.

Recommendation: Staff recommends an appropriation of \$5,133,280 reappropriated funds and 58.5 FTE for FY 2014-15 from moneys transferred to OIT from the Department of Human Services and the Department of Health Care Policy and Financing. The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Colorado Benefits Management System, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$4,991,598	\$0	\$0	\$4,991,598	\$0	58.5
TOTAL	\$4,991,598	\$0	\$0	\$4,991,598	\$0	58.5

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Office of Information Technology, Colorado Benefits Management System, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$4,991,598	\$0	\$0	\$4,991,598	\$0	58.5
Annualize prior year salary survey and merit pay	<u>141,682</u>	<u>0</u>	<u>0</u>	<u>141,682</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,133,280	\$0	\$0	\$5,133,280	\$0	58.5
Increase/(Decrease)	\$141,682	\$0	\$0	\$141,682	\$0	0.0
Percentage Change	2.8%	0.0%	0.0%	2.8%	0.0%	0.0%
FY 2014-15 Executive Request:	\$5,133,280	\$0	\$0	\$5,133,280	\$0	58.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Operating Expenses – Contract Costs

The line item provides funding for the operating expenses and contract costs associated with the operation of CBMS. Prior to FY 2011-12, the appropriation for operating expenses and contract costs for CBMS was combined into one line item with CBMS personal services costs. Beginning in FY 2011-12, the line item was separated from the CBMS personal services costs to provide the legislature with greater oversight of the cost components of CBMS.

The base appropriation of \$19,549,489 reappropriated funds for the line item covers the following costs:

CBMS Operating Expenses - Contract Costs Base Expenses		
Operating Expenses - Contract Costs Base	Cost	Notes
Operations and maintenance base contract costs	\$10,402,172	Basic vendor maintenance and operations costs to maintain the system
Client correspondence	4,200,000	Actual costs for client correspondence generation, including postage costs
County Infrastructure Management Costs	1,739,664	State paid vendor support costs for county equipment used by CBMS workers
Equipment leases (Hewlett Packard)	1,308,041	State and county leased equipment (PCs and servers)
Hardware and software maintenance	1,291,817	Coding software, business intelligence tools, and performance management tools
SAS 70 audit	149,000	Annual software audit
OIT/CBMS general operating	148,000	
Building lease costs	135,795	
Miscellaneous expenses	91,000	
Maximus contract	84,000	Random moment sampling
TOTAL	\$19,549,489	

Request: The Office requests an appropriation of \$24,587,494 reappropriated funds for FY 2014-15. This represents an increase of \$5,038,005 over the current base appropriation.

Recommendation: Staff recommends an appropriation of \$23,591,020 reappropriated funds for FY 2014-15. The recommendation consists of moneys transferred to OIT from the Department of Human Services and

*JBC Staff Figure Setting – FY 2014-15
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the Department of Health Care Policy and Financing. The difference between staff's recommendation and the request is found in the following table:

FY 2014-15 CBMS - Operating Expenses - Contract Costs			
Operating Expenses - Contract Costs	Request	Recommendation	Difference
Base	\$19,549,489	\$19,549,489	\$0
Ongoing hardware and software maintenance	1,797,406	1,797,406	0
County CBMS workers' computers	1,100,000	1,100,000	0
Training program ongoing support	775,000	0	(775,000)
RFP development	500,000	500,000	0
Security compliance and remediation	250,000	250,000	0
Deloitte contract 3.0 percent escalator	249,600	249,600	0
Mail, postage, and envelope request	221,474	0	(221,474)
Cloud infrastructure increase	144,525	144,525	0
TOTAL	\$24,587,494	\$23,591,020	(\$996,474)

The following table summarizes the calculations for staff's recommendation.

Office of Information Technology, Colorado Benefits Management System, Operating Expenses - Contract Costs						
	Total Funds	General Fund	Reappropriated Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$19,549,489	\$0	\$0	\$19,549,489	\$0	0.0
HB 14-1235 (Supplemental Bill)	<u>2,217,629</u>	<u>0</u>	<u>0</u>	<u>2,217,629</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$21,767,118	\$0	\$0	\$21,767,118	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$21,767,118	\$0	\$0	\$21,767,118	\$0	0.0
BA CBMS technology improvement workplan	4,041,531	0	0	4,041,531	0	0.0
NP BA Mail, postage, and envelope request	0	0	0	0	0	0.0
Annualize prior year legislation	<u>(2,217,629)</u>	<u>0</u>	<u>0</u>	<u>(2,217,629)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$23,591,020	\$0	\$0	\$23,591,020	\$0	0.0
Increase/(Decrease)	\$1,823,902	\$0	\$0	\$1,823,902	\$0	0.0
Percentage Change	8.4%	0.0%	0.0%	8.4%	0.0%	0.0%
FY 2014-15 Executive Request:	\$24,587,494	\$0	\$0	\$24,587,494	\$0	0.0
Request Above/(Below) Recommendation	\$996,474	\$0	\$0	\$996,474	\$0	0.0

H.B. 12-1339 CBMS Modernization Project

House Bill 12-1339 (Becker/Lambert) appropriated funds for FY 2011-12 and FY 2012-13 to begin a project to modernize CBMS, and implemented a system of oversight for the project. Under statute, OIT is required to monitor the CBMS modernization project and report quarterly to the Committee.

Request: The Office is not requesting an appropriation for FY 2014-15 for the H.B. 12-1339 CBMS modernization project. The project plan funded by H.B. 12-1339 will be completed during FY 2013-14.

Recommendation: Per the completion of the project plan funded by H.B. 12-1339, staff does not recommend funding this line item for FY 2014-15.

Office of Information Technology, Colorado Benefits Management System, H.B. 12-1339 CBMS Modernization Project						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$14,571,587</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,571,587</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$14,571,587	\$0	\$0	\$14,571,587	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$14,571,587	\$0	\$0	\$14,571,587	\$0	0.0
Annualize prior year legislation	<u>(14,571,587)</u>	<u>0</u>	<u>0</u>	<u>(14,571,587)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
Increase/(Decrease)	(\$14,571,587)	\$0	\$0	(\$14,571,587)	\$0	0.0
Percentage Change	(100.0%)	0.0%	0.0%	(100.0%)	0.0%	0.0%
FY 2014-15 Executive Request:	\$0	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

CBMS Technology Improvement Work Plan (new line item)

In conjunction with the Department of Health Care Policy and Financing and the Governor’s Office of Information Technology, the Department has put forth a plan to implement the next phase of the CBMS modernization project begun with H.B. 12-1339.

Request: The Office requests an appropriation of \$35,342,773 reappropriated funds for FY 2014-15.

Recommendation: Staff’s recommends not funding the second phase of the CBMS modernization project begun with H.B. 12-1339. The following table summarizes the calculations for staff’s recommendation.

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

Office of Information Technology, Colorado Benefits Management System, CBMS Technology Improvement Work Plan						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
BA CBMS technology improvement workplan	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$35,342,773	\$0	\$0	\$35,342,773	\$0	0.0
Request Above/(Below) Recommendation	\$35,342,773	\$0	\$0	\$35,342,773	\$0	0.0

Office of Information Technology Long Bill Restructure

Background

In the years following the initial consolidation, at the recommendation of staff, the Long Bill line item structure for OIT was built in a manner that accentuated the relationship between the five common policy billing line items (Purchase of Services from the Computer Center, Management and Administration of OIT, Communication Services Payments, Colorado State Network, and Information Technology Security) and the corresponding appropriations to OIT.

Request

In an effort to increase transparency in identifying services with appropriations, and to align its current organizational structure, service delivery structure, and service rate structure with its appropriations, OIT is requesting a reorganization of the Long Bill according to service categories.

Requested OIT LB Structure
(A) OIT Central Administration
Administrative Services
Legal Services
Indirect Cost Assessment
(B) IT Infrastructure and Business Services
IT Infrastructure and Business Services Administration
Infrastructure Services
Business Services
(C) Network
Network Services Administration
Network and Telephony Services
Toll-free Telephone Access to Members of the General Assembly
Public Safety Communications
(D) Information Security
Information Security Services Administration
Information Security Services
(E) Applications
Applications Services Administration
CBMS
CORE

Recommendation

In hindsight, it is apparent that staff successfully portrayed the relationship between information technology billing line items and corresponding divisions within the OIT budget, but in the process of doing so, neglected to provide transparency into the actual services being delivered by OIT. For example, the Long Bill currently contains a subdivision in OIT for Computer Center Services that is meant to mirror the agency appropriations in the Purchase of Services from Computer Center common policy line item. However, the Computer Center Services subdivision in OIT fails to identify which services (or categories of services) are provided within these appropriations (e.g. mainframe, server management, email services, etc). Additionally, the line items and subdivisions fail to consider OIT’s organizational structure.

JBC Staff Figure Setting – FY 2014-15
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Staff recommends reorganizing the Long Bill by individual service offerings to address issues with the existing structure. This differs from the agency’s request in that funds will be appropriated at the service level rather than at the broader service category level. This provides the Committee with greater flexibility in monitoring and controlling appropriations made to OIT. The following table illustrates staff’s recommended structure.

Recommended OIT LB Structure
(A) OIT Central Administration
Central Administration
Project Management
Legal Services
Indirect Cost Assessment
(B) IT Infrastructure
Infrastructure Administration
Data Center Services
Mainframe Services
Server Management
(C) Network
Network Administration
Colorado State Network Core
Colorado State Network Circuits
Data Services
Voice Services
Public Safety Network
(D) Information Security
Security Administration
Security Governance
Security Operations
(E) Applications
Applications Administration
Enterprise Services
Health Services
Colorado Benefits Management System
Revenue and Regulatory Services
Financial Management Services
Personnel Management Services
Safety and Transportation Services
Labor and Employer Services
(F) End User Services
End User Administration
Service Desk Services
Deskside Support Services
Email Services

Staff indicates that the moneys recommended during the figure setting process for OIT’s existing Long Bill structure be applied to the recommended structure in the following manner:

JBC Staff Figure Setting – FY 2014-15
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Recommended OIT Appropriations for FY 2014-15						
(A) OIT Central Administration	GF	CF	RF	FF	Total	FTE
Central Administration	\$0	\$0	\$11,185,433	\$0	\$11,185,433	82.0
Project Management	0	0	3,147,229	0	3,147,229	30.0
Legal Services	0	0	44,538	0	44,538	0.0
Indirect Cost Assessment	0	0	350,223	0	350,223	0.0
(B) IT Infrastructure						
Infrastructure Administration	0	0	558,085	0	558,085	7.0
Data Center Services	0	0	709,403	0	709,403	8.0
Mainframe Services	0	2,328	8,071,117	0	8,073,445	52.0
Server Management	0	0	4,658,545	0	4,658,545	44.0
(C) Network						
Network Administration	0	0	3,098,558	0	3,098,558	9.6
Colorado State Network Core	0	0	6,088,942	0	6,088,942	36.0
Colorado State Network Circuits	0	0	6,016,138	0	6,016,138	0.0
Data Services	0	0	219,000	0	219,000	0.0
Voice Services	0	1,200,000	6,013,782	0	7,213,782	15.0
Public Safety Network	0	48,600	5,019,565	121,000	5,189,165	45.0
(D) Information Security						
Security Administration	0	0	282,083	0	282,083	1.0
Security Governance	0	0	6,159,666	0	6,159,666	9.8
Security Operations	0	0	1,107,631	0	1,107,631	13.0
(E) Applications						
Applications Administration	0	0	5,972,473	0	5,972,473	27.0
Enterprise Services	0	0	3,319,712	0	3,319,712	36.0
Health Services	0	0	9,110,484	0	9,110,484	99.0
Colorado Benefits Management System	0	0	28,724,300	0	28,724,300	58.5
Revenue and Regulatory Services	0	0	7,806,856	0	7,806,856	96.0
Financial Management Services	0	0	835,027	0	835,027	9.0
Personnel Management Services	0	0	1,169,458	0	1,169,458	7.0
Safety and Transportation Services	0	0	4,351,668	0	4,351,668	50.0
Labor and Employer Services	0	0	1,772,186	0	1,772,186	19.0
(F) End User Services						
End User Administration	0	0	331,745	0	331,745	2.0
Service Desk Services	0	0	4,086,290	0	4,086,290	61.0
Deskside Support Services	0	0	7,644,398	0	7,644,398	106.0
Email Services	0	0	1,926,869	0	1,926,869	3.0
TOTAL	\$0	\$1,250,928	\$139,781,404	\$121,000	\$141,153,332	925.9

Statewide Information Technology Common Policies

Background

The Governor's Office of Information Technology provides services to State agencies on a cost reimbursement basis with OIT acting as a vendor to State agencies. Each service offered by OIT to agencies has a mixture of costs (e.g. operating expenses, depreciation of assets, personal services, and overhead) associated with its delivery. These expenses are billed to State agencies through five common policy line items: Management and Administration of OIT, Purchase of Services from Computer Center, Colorado State Network (formerly Multiuse Network), Communication Services Payments, and Information Technology Security. There are a variety of functional categories within each of the five common policies used to capture the aggregate costs to provide services on a year-to-year basis.

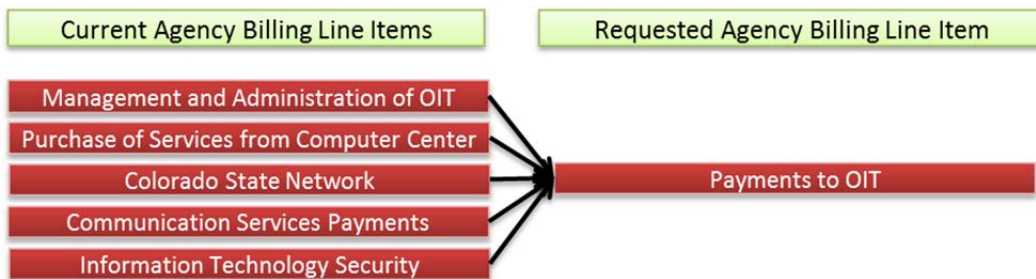
Requested Recoverable Costs for OIT's Base Budget

OIT's base budget recoverable costs request across all five information technology common policy billings (Management and Administration of OIT, Purchase of Services from Computer Center, Colorado State Network, Communication Services Payments, and Information Technology Security) totals \$110,302,657 reappropriated funds transferred from State agencies. The request includes \$48,293,180 General Fund as part of the reappropriated funds transferred to OIT. The entire increase from the FY 2013-14 appropriation to the FY 2014-15 request (\$1,898,659) is due to changes in centrally appropriated line items, including increases in health, life, and dental, salary survey, merit pay, and the State's contribution of moneys to PERA on behalf of the agency's employees. The Office did not request any base adjustments for personal services or operating expenses line items for FY 2014-15.

Information Technology Common Policy Totals						
	FY 2013-14 Appropriation		FY 2014-15 Request		Difference	
	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund
All Agencies	\$108,403,998	\$44,434,394	\$110,302,657	\$48,923,180	\$1,898,659	\$4,488,786

Requested Change to State Agency Appropriations Structure for OIT Billings

OIT requests that moneys appropriated to State agencies for OIT services be housed in one line item versus the current line item structure of five line items for each State agency. OIT indicates that appropriating funds to agencies in five line items is an administrative burden to itself and the departments due to the yearly process of adjusting each line item to true-up appropriations to actual usage. Taken in sum, each agency experiences very little change from year to year. However, it is common for agencies to experience offsetting swings in two or more line items from year to year that require cumbersome true-ups in future fiscal years that mask the actual cost of services for which moneys are appropriated in a given fiscal year.



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Staff Working Document – Does Not Represent Committee Decision

Recommended Recoverable Costs for OIT's Base Budget

Staff recommends \$111,040,041 in recoverable costs for OIT's base budget for FY 2014-15. The request includes \$47,911,820 General Fund as part of the reappropriated funds transferred to OIT. Staff also seeks permission to adjust the final amount of recoverable costs according to the decisions the Committee will make when it reviews common policy recommendations presented to the Committee on Friday, March 14th by Alfredo Kemm during figure setting for the Department of Personnel. The components that have the potential to impact recoverable costs include workers' compensation, risk management, Capitol Complex leased space, and vehicle lease payments. Staff's current projection of recoverable costs is based on the requested amounts for each of these items.

Staff's recommendation represents an increase of \$737,384 in recoverable costs over the request due to the following decisions made previously by the Committee:

Request		Recommendation		Difference
Health, Life, and Dental	\$6,828,696	Health, Life, and Dental	\$6,458,867	(\$369,829)
Short-term Disability	142,673	Short-term Disability	143,353	680
AED	2,603,983	AED	2,616,349	12,366
SAED	2,441,234	SAED	2,452,828	11,594
Shift Differential	89,289	Shift Differential	89,289	0
Salary Survey	1,033,993	Salary Survey	2,115,012	1,081,019
Merit Pay	1,027,449	Merit Pay	1,029,003	1,554
TOTAL	\$14,167,317	TOTAL	\$14,904,701	\$737,384

Staff recommends that the \$111,040,041 in recoverable costs be allocated to agencies for appropriations in the following amounts:

FY 2014-15 Information Technology Common Policy Allocations					
Agency	GF	CF	RF	FF	Total Funds
Agriculture	\$750,305	\$325,373	\$0	\$0	\$1,075,679
Corrections	16,620,241	115,340	0	0	16,735,581
Education	539,120	0	0	0	539,120
Governor's Office	1,354,370	0	1,450,371	0	2,804,740
Health Care Policy and Financing	675,172	4,805	0	687,732	1,367,710
Higher Education*	0	760,674	8,519	0	769,193
Human Services	11,318,598	250,697	669,321	8,800,717	21,039,333
Judicial	2,543,223	0	0	0	2,543,223
Labor and Employment	0	0	0	8,869,065	8,869,065
Law	4,558	2,558	255,399	2,717	265,232
Legislature	57,028	0	0	0	57,028
Local Affairs	123,705	5,378	482,619	372,275	983,977
Military Affairs	486,415	0	0	0	486,415
Natural Resources	658,066	5,696,612	950,303	110,533	7,415,515
Personnel	282,603	47,600	1,183,145	0	1,513,348
Public Health and Environment	0	0	6,523,702	0	6,523,702
Public Safety	4,512,602	1,522,436	621,512	20,632	6,677,182
Regulatory Agencies	191,294	2,675,921	0	0	2,867,214
Revenue	7,739,159	7,577,510	0	0	15,316,669

*JBC Staff Figure Setting – FY 2014-15
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FY 2014-15 Information Technology Common Policy Allocations					
Agency	GF	CF	RF	FF	Total Funds
State	0	0	0	0	0
Transportation	0	13,134,755	0	0	13,134,755
Treasurer	55,360	0	0	0	55,360
TOTAL	\$47,911,820	\$32,119,659	\$12,144,892	\$18,863,671	\$111,040,041

*Of this amount, \$454,268 cash funds shall be non-appropriated.

Staff also seeks permission to adjust the final fund sources for agency allocations for OIT recoverable costs to account for any financing structures that may be in place within State agency's that can be used to offset General Fund appropriations.

Recommended Change to State Agency Appropriations Structure for OIT Billings

Staff recommends that the Committee approve the request to consolidate agency billings from five line items into one single line item named "Payments to OIT" for three reasons.

1. OIT's recoverable costs are driven by the line item appropriations made by the Committee for OIT programs. The individual agency appropriations for information technology common policies are dependent on these decisions, and are not considered separately. Thus, whether each State agency has one, two, three, or more common policy line items for covering OIT's recoverable costs, is irrelevant to the Committee's ability to control OIT costs. The service-oriented granularity staff recommended for OIT's Long Bill structure reinforces this notion by providing the Committee with additional transparency to use to examine and control OIT's recoverable costs.
2. Staff is unaware of any negative impacts to State agency accounting or budgeting practices by migrating from five line items to one line item for capturing appropriations for OIT's recoverable costs.

If the Committee approves staff's recommendation, staff asks for the inclusion of the following request for information to provide data to State agencies and the Committee with data that assists all parties in understanding how every dollar collected by OIT in FY 2014-15 will be billed out.

Governor - Lieutenant Governor - State Planning and Budgeting, Office of Information Technology -- The Governor's Office of Information Technology is requested to submit a report to the Joint Budget Committee and all executive branch agencies on September 1, 2014. At a minimum, the report shall include recoverable costs and rates for each service and service category for the FY 2014-15 base information technology appropriation contained in the FY 2014-15 Long Bill appropriations act. Additionally, the report shall include FY 2014-15 base information technology appropriation contained in the FY 2014-15 Long Bill appropriations act by agency, service name, utilization, allocated rate, utilization criteria, and appropriation allocation.

Long Bill Footnotes and Requests for Information

LONG BILL FOOTNOTES

Staff does not recommend the inclusion of any footnotes in the FY 2014-15 Long Bill for the divisions addressed in this document.

REQUESTS FOR INFORMATION

Staff recommends the inclusion of the following requests for information:

Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Governor, Colorado Energy Office -- The Colorado Energy Office is requested to submit a report to the Joint Budget Committee on November 1, 2014. At a minimum, the report shall specify the following information with regard to the programs administered by the Office in FY 2013-14: (1) the amount of moneys expended in FY 2013-14 from the Clean and Renewable Energy Fund, Innovative Energy Fund, Colorado Low-income Energy Assistance Fund, and Public School Energy Efficiency Fund; (2) the goals and objectives that the moneys in section (1) were intended to achieve; (3) the performance measures used by the Office to monitor the status of moneys outlined in section (1) against said measures; and (4) the status of the performance measures outlined in section (3).

Governor - Lieutenant Governor - State Planning and Budgeting, Office of Information Technology -- The Governor's Office of Information Technology is requested to submit a report to the Joint Budget Committee on November 1, 2014. At a minimum, the report shall specify information technology expenditures made by executive branch State agencies in FY 2013-14 from appropriations outside of the Governor's Office of Information Technology budget. The report shall be organized by agency and by expenditure purpose (e.g. computers, network equipment, etc.).

Governor - Lieutenant Governor - State Planning and Budgeting, Office of Information Technology -- The Governor's Office of Information Technology is requested to submit a report to the Joint Budget Committee and all executive branch agencies on September 1, 2014. At a minimum, the report shall include recoverable costs and rates for each service and service category for the FY 2014-15 base information technology appropriation contained in the FY 2014-15 Long Bill appropriations act. Additionally, the report shall include FY 2014-15 base information technology appropriation contained in the FY 2014-15 Long Bill appropriations act by agency, service name, utilization, allocated rate, utilization criteria, and appropriation allocation.

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
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GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING

John Hickenlooper, Governor

(1) OFFICE OF THE GOVERNOR

As the chief executive of the State of Colorado, the Governor is responsible for the overall operation of the executive branch. This office provides for coordination, direction, and planning of agency operations, as well as maintaining a liaison with local governments and the federal government.

(A) Governor's Office

Administration of Governor's Office and Residence	<u>2,126,636</u>	<u>2,138,027</u>	<u>2,136,132</u>	<u>2,231,463</u>	<u>2,231,463</u>
FTE	32.4	31.4	31.4	31.4	31.4
General Fund	2,108,931	2,118,898	2,117,003	2,212,334	2,212,334
Reappropriated Funds	17,705	19,129	19,129	19,129	19,129
Discretionary Fund	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>
General Fund	19,500	19,500	19,500	19,500	19,500
Mansion Activity Fund	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Cash Funds	200,000	200,000	200,000	200,000	200,000
SUBTOTAL - (A) Governor's Office	2,346,136	2,357,527	2,355,632	2,450,963	2,450,963
FTE	<u>32.4</u>	<u>31.4</u>	<u>31.4</u>	<u>31.4</u>	<u>31.4</u>
General Fund	2,128,431	2,138,398	2,136,503	2,231,834	2,231,834
Cash Funds	200,000	200,000	200,000	200,000	200,000
Reappropriated Funds	17,705	19,129	19,129	19,129	19,129

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
(B) Special Purpose					
Health, Life, and Dental	<u>5,568,139</u>	<u>6,659,886</u>	<u>7,787,102</u>	<u>7,420,486</u>	<u>7,417,650</u>
General Fund	376,769	503,387	417,135	539,734	539,734
Cash Funds	0	222,374	312,056	324,562	324,562
Reappropriated Funds	5,191,370	5,702,856	6,666,891	6,467,709	6,464,873
Federal Funds	0	231,269	391,020	88,481	88,481
Short-term Disability	<u>109,643</u>	<u>117,695</u>	<u>144,968</u>	<u>163,511</u>	<u>164,289</u>
General Fund	7,816	9,987	7,694	11,068	11,121
Cash Funds	0	4,175	6,121	7,376	7,411
Reappropriated Funds	101,827	99,896	124,496	142,953	143,633
Federal Funds	0	3,637	6,657	2,114	2,124
S.B. 04-257 Amortization Equalization					
Disbursement	<u>1,041,894</u>	<u>2,368,571</u>	<u>2,771,161</u>	<u>2,985,359</u>	<u>2,999,560</u>
General Fund	123,638	250,590	145,583	201,975	202,970
Cash Funds	0	93,043	116,720	134,525	135,176
Reappropriated Funds	918,256	1,959,187	2,381,875	2,610,313	2,622,679
Federal Funds	0	65,751	126,983	38,546	38,735
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>1,421,752</u>	<u>2,034,638</u>	<u>2,501,279</u>	<u>2,798,773</u>	<u>2,812,088</u>
General Fund	99,352	397,745	130,964	189,352	190,284
Cash Funds	0	79,961	105,372	126,117	126,727
Reappropriated Funds	1,322,400	1,500,427	2,150,305	2,447,168	2,458,762
Federal Funds	0	56,505	114,638	36,136	36,315

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation	
Salary Survey	<u>0</u>	<u>0</u>	<u>1,680,659</u>	<u>1,185,409</u>	<u>2,419,767</u>	
General Fund	0	0	80,822	82,038	164,077	
Cash Funds	0	0	69,937	53,710	109,342	
Reappropriated Funds	0	0	1,453,818	1,033,993	2,115,012	
Federal Funds	0	0	76,082	15,668	31,336	
Merit Pay	<u>0</u>	<u>0</u>	<u>1,235,501</u>	<u>1,181,294</u>	<u>1,183,604</u>	
General Fund	0	0	65,376	83,829	84,243	
Cash Funds	0	0	51,594	54,795	55,061	
Reappropriated Funds	0	0	1,061,720	1,027,449	1,029,003	
Federal Funds	0	0	56,811	15,221	15,297	
Shift Differential	<u>107,879</u>	<u>75,981</u>	<u>81,671</u>	<u>89,289</u>	<u>89,289</u>	
Reappropriated Funds	107,879	75,981	81,671	89,289	89,289	
Workers' Compensation	<u>238,235</u>	<u>372,433</u>	<u>445,361</u>	<u>402,868</u>	<u>402,868</u>	P
General Fund	29,065	163,263	57,353	51,881	51,881	
Reappropriated Funds	209,170	209,170	388,008	350,987	350,987	
Legal Services	<u>611,852</u>	<u>380,411</u>	<u>1,094,184</u>	<u>500,632</u>	<u>500,632</u>	*P
General Fund	573,589	380,411	1,094,184	500,632	500,632	
Reappropriated Funds	38,263	0	0	0	0	
Lobato Litigation Expenses	<u>242,037</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	242,037	0	0	0	0	
Purchase of Services from Computer Center	<u>0</u>	<u>2,070,805</u>	<u>972,982</u>	<u>2,255,463</u>	<u>2,255,463</u>	P
General Fund	0	2,070,805	256,298	1,255,159	1,255,159	
Reappropriated Funds	0	0	716,684	1,000,304	1,000,304	

*Line item contains a decision item or budget amendment.

P = pending future Committee action.

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Colorado State Network	<u>44,999</u>	<u>162,880</u>	<u>400,791</u>	<u>570,008</u>	<u>570,008</u> P
General Fund	35,099	162,880	168,641	157,706	157,706
Reappropriated Funds	9,900	0	232,150	412,302	412,302
Management and Administration of OIT	<u>84,524</u>	<u>0</u>	<u>0</u>	<u>(6,664)</u>	<u>(6,664)</u> P
General Fund	71,195	0	0	(42,678)	(42,678)
Cash Funds	3,704	0	0	0	0
Reappropriated Funds	4,306	0	0	36,014	36,014
Federal Funds	5,319	0	0	0	0
COFRS Modernization	<u>0</u>	<u>58,372</u>	<u>45,426</u>	<u>45,426</u>	<u>45,426</u> P
General Fund	0	22,407	22,407	22,407	22,407
Cash Funds	0	23,019	23,019	23,019	23,019
Federal Funds	0	12,946	0	0	0
Information Technology Security	<u>0</u>	<u>0</u>	<u>14,036</u>	<u>189,529</u>	<u>189,529</u> P
General Fund	0	0	14,036	53,614	53,614
Reappropriated Funds	0	0	0	135,915	135,915
Payments to OIT	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,008,336</u>	<u>0</u> P
General Fund	0	0	0	1,423,785	0
Reappropriated Funds	0	0	0	1,584,551	0
Payment to Risk Management and Property Funds	<u>116,359</u>	<u>189,825</u>	<u>214,323</u>	<u>283,474</u>	<u>283,474</u> P
General Fund	34,908	91,498	66,316	87,713	87,713
Reappropriated Funds	81,451	98,327	148,007	195,761	195,761

P = pending future Committee action.

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Vehicle Lease Payments	<u>98,494</u>	<u>71,798</u>	<u>73,031</u>	<u>80,548</u>	<u>80,548</u> P
General Fund	0	0	0	0	0
Reappropriated Funds	98,494	71,798	73,031	80,548	80,548
Leased Space	<u>1,290,813</u>	<u>2,371,521</u>	<u>3,148,018</u>	<u>3,148,018</u>	<u>3,148,018</u>
Reappropriated Funds	1,290,813	2,371,521	3,148,018	3,148,018	3,148,018
Capitol Complex Leased Space	<u>462,762</u>	<u>457,377</u>	<u>591,187</u>	<u>526,927</u>	<u>526,927</u> P
General Fund	266,406	258,997	366,921	330,533	330,533
Reappropriated Funds	196,356	198,380	224,266	196,394	196,394
SUBTOTAL - (B) Special Purpose	11,439,382	17,392,193	23,201,680	26,828,686	25,082,476
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	1,859,874	4,311,970	2,893,730	4,948,748	3,609,396
Cash Funds	3,704	422,572	684,819	724,104	781,298
Reappropriated Funds	9,570,485	12,287,543	18,850,940	20,959,668	20,479,494
Federal Funds	5,319	370,108	772,191	196,166	212,288

(C) Colorado Energy Office

Program Administration	<u>1,206,811</u>	<u>8,987,870</u>	<u>6,346,624</u>	<u>6,425,019</u>	<u>6,425,019</u>
FTE	31.0	26.6	32.3	32.3	32.3
General Fund	0	0	0	0	0
Cash Funds	1,206,811	2,783,799	2,846,624	2,900,688	2,900,688
Federal Funds	0	6,204,071	3,500,000	3,524,331	3,524,331
Low-Income Energy Assistance	<u>0</u>	<u>3,644,862</u>	<u>7,100,000</u>	<u>7,100,000</u>	<u>7,100,000</u>
Cash Funds	0	3,644,862	7,100,000	7,100,000	7,100,000

P = pending future Committee action.

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Clean Energy	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	0	0	0
School Energy Efficiency	<u>42,623</u>	<u>181,571</u>	<u>207,975</u>	<u>210,318</u>	<u>210,318</u>
FTE	2.0	1.4	1.4	1.4	1.4
Cash Funds	42,623	181,571	207,975	210,318	210,318
Legal Services	<u>0</u>	<u>0</u>	<u>100,188</u>	<u>100,188</u>	<u>100,188</u>
Cash Funds	0	0	73,088	73,088	73,088
Federal Funds	0	0	27,100	27,100	27,100
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>29,890</u>	<u>80,593</u>	<u>80,593</u>
Cash Funds	0	0	29,890	0	0
Federal Funds	0	0	0	80,593	80,593
SUBTOTAL - (C) Colorado Energy Office	1,249,434	12,814,303	13,784,677	13,916,118	13,916,118
FTE	<u>33.0</u>	<u>28.0</u>	<u>33.7</u>	<u>33.7</u>	<u>33.7</u>
General Fund	0	0	0	0	0
Cash Funds	1,249,434	6,610,232	10,257,577	10,284,094	10,284,094
Federal Funds	0	6,204,071	3,527,100	3,632,024	3,632,024

(D) Other Programs and Grants

Program Administration	<u>0</u>	<u>0</u>	<u>326,900</u>	<u>1,000</u>	<u>1,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	301,000	1,000	1,000
Reappropriated Funds	0	0	25,900	0	0

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (D) Other Programs and Grants	0	0	326,900	1,000	1,000
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	301,000	1,000	1,000
Reappropriated Funds	0	0	25,900	0	0
TOTAL - (1) Office of the Governor	15,034,952	32,564,023	39,668,889	43,196,767	41,450,557
<i>FTE</i>	<u>65.4</u>	<u>59.4</u>	<u>65.1</u>	<u>65.1</u>	<u>65.1</u>
General Fund	3,988,305	6,450,368	5,030,233	7,180,582	5,841,230
Cash Funds	1,453,138	7,232,804	11,443,396	11,209,198	11,266,392
Reappropriated Funds	9,588,190	12,306,672	18,895,969	20,978,797	20,498,623
Federal Funds	5,319	6,574,179	4,299,291	3,828,190	3,844,312

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
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(2) OFFICE OF THE LIEUTENANT GOVERNOR

Colorado's Constitution provides for the Lieutenant Governor to become Governor in the case of the death, impeachment, felony conviction, incapacitation, or resignation of the Governor. The Lieutenant Governor serves as chairperson of the Colorado Commission of Indian Affairs, and handles additional responsibilities assigned by the Governor.

Administration	<u>215,119</u>	<u>221,233</u>	<u>221,233</u>	<u>232,491</u>	<u>232,491</u>
FTE	2.7	2.7	2.7	2.7	2.7
General Fund	215,119	221,233	221,233	232,491	232,491
Reappropriated Funds	0	0	0	0	0
Discretionary Fund	<u>2,875</u>	<u>2,800</u>	<u>2,875</u>	<u>2,875</u>	<u>2,875</u>
General Fund	2,875	2,800	2,875	2,875	2,875
Commission of Indian Affairs	<u>74,855</u>	<u>76,902</u>	<u>78,086</u>	<u>82,041</u>	<u>82,041</u>
FTE	2.3	1.0	2.3	2.3	2.3
General Fund	74,855	76,902	76,902	80,857	80,857
Cash Funds	0	0	1,184	1,184	1,184
TOTAL - (2) Office of the Lieutenant Governor	<u>292,849</u>	<u>300,935</u>	<u>302,194</u>	<u>317,407</u>	<u>317,407</u>
FTE	<u>5.0</u>	<u>3.7</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
General Fund	292,849	300,935	301,010	316,223	316,223
Cash Funds	0	0	1,184	1,184	1,184
Reappropriated Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2014-15
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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
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(3) OFFICE OF STATE PLANNING AND BUDGETING

The Office of State Planning and Budgeting is responsible for the development of executive budget requests, the review and analysis of departmental expenditures, and preparation of revenue and economic forecasts for the state.

Personal Services	<u>1,366,313</u>	<u>1,824,811</u>	<u>2,679,625</u>	<u>1,859,042</u>	<u>1,696,747*</u>
FTE	13.2	13.9	19.5	19.5	19.5
General Fund	0	494,847	1,275,650	406,627	244,332
Reappropriated Funds	1,366,313	1,329,964	1,403,975	1,452,415	1,452,415
Operating Expenses	<u>35,184</u>	<u>40,607</u>	<u>50,944</u>	<u>61,614</u>	<u>50,944*</u>
General Fund	0	0	0	10,670	0
Reappropriated Funds	35,184	40,607	50,944	50,944	50,944
Economic Forecasting Subscriptions	<u>9,233</u>	<u>8,689</u>	<u>16,362</u>	<u>16,362</u>	<u>16,362</u>
Reappropriated Funds	9,233	8,689	16,362	16,362	16,362

TOTAL - (3) Office of State Planning and Budgeting	1,410,730	1,874,107	2,746,931	1,937,018	1,764,053
FTE	<u>13.2</u>	<u>13.9</u>	<u>19.5</u>	<u>19.5</u>	<u>19.5</u>
General Fund	0	494,847	1,275,650	417,297	244,332
Reappropriated Funds	1,410,730	1,379,260	1,471,281	1,519,721	1,519,721

*Line item contains a decision item or budget amendment.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
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(4) ECONOMIC DEVELOPMENT PROGRAMS

The Office of Economic Development is the central coordination office for the state's business assistance, retention, expansion, and recruitment programs. The Division includes the Economic Development Commission, the Global Business Development Office, Small Business Development Centers, Colorado Welcome Centers, Colorado Tourism Office, Creative Industries Council, and the Colorado Office of Film, Television, and Media. The Division also coordinates programs related to Bioscience Discovery Evaluation.

Administration	<u>570,267</u>	<u>584,214</u>	<u>597,994</u>	<u>611,535</u>	<u>611,535</u>
FTE	5.0	6.0	6.0	6.0	6.0
General Fund	537,742	576,730	585,925	599,466	599,466
Cash Funds	0	0	2,435	2,435	2,435
Reappropriated Funds	32,525	7,484	7,484	7,484	7,484
Federal Funds	0	0	2,150	2,150	2,150
Vehicle Lease Payments	<u>14,286</u>	<u>15,161</u>	<u>12,166</u>	<u>13,331</u>	<u>13,331</u>
General Fund	14,286	15,161	12,166	13,331	13,331
Leased Space	<u>231,540</u>	<u>231,540</u>	<u>346,525</u>	<u>346,525</u>	<u>346,525</u>
General Fund	231,540	231,540	346,525	346,525	346,525
Global Business Development	<u>1,526,203</u>	<u>1,515,799</u>	<u>2,854,207</u>	<u>3,286,988</u>	<u>2,901,988</u> *
FTE	14.7	8.8	19.4	21.2	19.4
General Fund	1,443,848	1,467,716	1,956,070	2,376,309	1,991,309
Cash Funds	41,023	15,029	540,000	540,000	540,000
Federal Funds	41,332	33,054	358,137	370,679	370,679
Leading Edge Program Grants	<u>50,976</u>	<u>51,024</u>	<u>126,407</u>	<u>126,407</u>	<u>126,407</u>
General Fund	50,976	50,976	50,976	50,976	50,976
Cash Funds	0	48	75,431	75,431	75,431

*Line item contains a decision item or budget amendment.

P = pending future Committee action.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Small Business Development Centers	<u>1,807,266</u>	<u>1,593,467</u>	<u>1,713,918</u>	<u>1,639,189</u>	<u>1,639,189</u> *
FTE	3.5	4.0	4.0	4.0	4.0
General Fund	83,494	84,522	484,522	386,397	386,397
Cash Funds	0	0	18,750	0	0
Federal Funds	1,723,772	1,508,945	1,210,646	1,252,792	1,252,792
Colorado Office of Film, Television, and Media	<u>521,261</u>	<u>639,240</u>	<u>1,300,000</u>	<u>5,507,701</u>	<u>1,300,000</u> *
FTE	2.7	4.5	4.5	4.5	4.5
General Fund	0	0	800,000	5,000,000	800,000
Cash Funds	521,261	639,240	500,000	507,701	500,000
Colorado Promotion - Colorado Welcome Centers	<u>500,292</u>	<u>500,000</u>	<u>500,000</u>	<u>507,147</u>	<u>500,000</u>
FTE	3.3	3.3	3.3	3.3	3.3
Cash Funds	500,292	500,000	500,000	507,147	500,000
Colorado Promotion - Other Program Costs	<u>12,345,269</u>	<u>13,633,496</u>	<u>16,500,000</u>	<u>16,517,107</u>	<u>16,500,000</u> *
FTE	4.0	4.0	4.0	4.0	4.0
General Fund	0	3,700,000	2,000,000	2,000,000	2,000,000
Cash Funds	12,345,269	9,933,496	14,500,000	14,517,107	14,500,000
Economic Development Commission - General					
Economic Incentives and Marketing	<u>1,010,994</u>	<u>2,092,280</u>	<u>5,222,795</u>	<u>5,298,516</u>	<u>5,078,516</u> *
FTE	0.0	0.0	4.0	4.0	4.0
General Fund	967,876	2,013,764	5,144,279	5,220,000	5,000,000
Cash Funds	43,118	78,516	78,516	78,516	78,516

*Line item contains a decision item or budget amendment.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Procurement Technical Assistance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u> *
General Fund	0	0	0	0	0
Colorado First Customized Job Training	<u>2,725,022</u>	<u>2,725,022</u>	<u>4,225,022</u>	<u>2,725,022</u>	<u>2,725,022</u>
General Fund	2,725,022	2,725,022	4,225,022	2,725,022	2,725,022
CAPCO Administration	<u>72,358</u>	<u>80,000</u>	<u>79,468</u>	<u>81,852</u>	<u>81,852</u>
FTE	1.6	2.0	2.0	2.0	2.0
Reappropriated Funds	72,358	80,000	79,468	81,852	81,852
Council on Creative Industries	<u>745,100</u>	<u>1,948,350</u>	<u>2,764,397</u>	<u>2,774,385</u>	<u>2,764,397</u>
FTE	1.6	3.0	3.0	3.0	3.0
General Fund	0	300,000	0	0	0
Cash Funds	0	883,953	2,000,000	2,009,988	2,000,000
Federal Funds	745,100	764,397	764,397	764,397	764,397
New Jobs Incentives	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	0	0	0
Bioscience Discovery Evaluation	<u>4,406,476</u>	<u>3,598,173</u>	<u>5,500,000</u>	<u>5,506,192</u>	<u>5,500,000</u>
FTE	0.6	0.6	1.1	1.1	1.1
Cash Funds	4,406,476	3,598,173	5,500,000	5,506,192	5,500,000
Advanced Industries	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000,000</u>	<u>5,000,000</u> *
FTE	0.0	0.0	0.0	1.3	0.0
General Fund	0	0	0	5,000,000	0
Cash Funds	0	0	0	0	5,000,000

*Line item contains a decision item or budget amendment.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Indirect Cost Assessment	<u>38,322</u>	<u>7,484</u>	<u>30,713</u>	<u>52,696</u>	<u>52,696</u>
Cash Funds	38,322	7,484	29,900	0	0
Reappropriated Funds	0	0	813	0	0
Federal Funds	0	0	0	52,696	52,696
TOTAL - (4) Economic Development Programs	26,565,632	29,215,250	41,773,612	49,994,593	45,141,458
<i>FTE</i>	<u>37.0</u>	<u>36.2</u>	<u>51.3</u>	<u>54.4</u>	<u>51.3</u>
General Fund	6,054,784	11,165,431	15,605,485	23,718,026	13,913,026
Cash Funds	17,895,761	15,655,939	23,745,032	23,744,517	28,696,382
Reappropriated Funds	104,883	87,484	87,765	89,336	89,336
Federal Funds	2,510,204	2,306,396	2,335,330	2,442,714	2,442,714

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
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(5) OFFICE OF INFORMATION TECHNOLOGY

The Governor's Office of Information Technology (OIT) oversees executive agency technology initiatives and recommends strategies to maximize service delivery efficiency in a cost-effective manner through the application of enterprise technology solutions.

(A) Management and Administration of OIT

Personal Services	<u>980,748</u>	<u>1,122,442</u>	<u>1,227,254</u>	<u>1,251,894</u>	<u>1,251,894</u>
FTE	11.5	7.6	14.5	14.5	14.5
General Fund	0	0	99,673	100,908	0
Reappropriated Funds	980,748	1,122,442	1,127,581	1,150,986	1,251,894
Operating Expenses	<u>150,268</u>	<u>294,108</u>	<u>558,817</u>	<u>558,817</u>	<u>558,817</u>
Reappropriated Funds	150,268	294,108	558,817	558,817	558,817
Statewide IT Management	<u>4,798,710</u>	<u>5,250,193</u>	<u>5,429,745</u>	<u>9,590,541</u>	<u>9,315,860</u> *
FTE	68.5	61.4	68.9	68.9	68.9
General Fund	0	0	167,499	428,866	0
Reappropriated Funds	4,798,710	5,250,193	5,262,246	9,161,675	9,315,860
Office of Information Security Program	<u>0</u>	<u>0</u>	<u>1,075,700</u>	<u>5,385,375</u>	<u>5,385,375</u> *
FTE	0.0	0.0	0.0	1.8	1.8
Reappropriated Funds	0	0	1,075,700	5,385,375	5,385,375
Legal Services	<u>1,968</u>	<u>0</u>	<u>44,538</u>	<u>44,538</u>	<u>44,538</u> R
Reappropriated Funds	1,968	0	44,538	44,538	44,538
Indirect Cost Assessment	<u>9,383</u>	<u>34,506</u>	<u>72,650</u>	<u>72,650</u>	<u>78,358</u>
Reappropriated Funds	9,383	34,506	72,650	72,650	78,358

*Line item contains a decision item or budget amendment.

P = pending future Committee action.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (A) Management and Administration of OIT	5,941,077	6,701,249	8,408,704	16,903,815	16,634,842
<i>FTE</i>	<u>80.0</u>	<u>69.0</u>	<u>83.4</u>	<u>85.2</u>	<u>85.2</u>
General Fund	0	0	267,172	529,774	0
Reappropriated Funds	5,941,077	6,701,249	8,141,532	16,374,041	16,634,842

(B) Computer Center Services

(I) Computer Services

Personal Services	<u>42,252,462</u>	<u>44,348,661</u>	<u>50,514,268</u>	<u>51,432,226</u>	<u>51,432,226</u> *
FTE	515.1	537.8	584.0	588.1	588.1
Reappropriated Funds	42,252,462	44,348,661	50,514,268	51,432,226	51,432,226
Operating Expenses	<u>6,044,629</u>	<u>7,752,343</u>	<u>8,252,915</u>	<u>8,403,198</u>	<u>8,402,270</u> *
General Fund	0	0	230,337	0	0
Cash Funds	2,328	2,328	2,328	2,328	2,328
Reappropriated Funds	6,042,301	7,750,015	8,020,250	8,400,870	8,399,942
Rental, Lease, or Lease/Purchase of Central Processing Unit	<u>336,034</u>	<u>336,034</u>	<u>336,034</u>	<u>336,034</u>	<u>336,034</u>
Reappropriated Funds	336,034	336,034	336,034	336,034	336,034
Indirect Cost Assessment	<u>831,698</u>	<u>70,484</u>	<u>151,894</u>	<u>151,894</u>	<u>233,530</u>
Reappropriated Funds	831,698	70,484	151,894	151,894	233,530
SUBTOTAL - (I) Computer Services	49,464,823	52,507,522	59,255,111	60,323,352	60,404,060
<i>FTE</i>	<u>515.1</u>	<u>537.8</u>	<u>584.0</u>	<u>588.1</u>	<u>588.1</u>
General Fund	0	0	230,337	0	0
Cash Funds	2,328	2,328	2,328	2,328	2,328
Reappropriated Funds	49,462,495	52,505,194	59,022,446	60,321,024	60,401,732

*Line item contains a decision item or budget amendment.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
(II) Statewide Information Technology Services Administration					
Personal Services	<u>434,227</u>	<u>443,163</u>	<u>444,303</u>	<u>466,492</u>	<u>466,492</u>
FTE	6.9	6.7	5.0	5.0	5.0
Reappropriated Funds	434,227	443,163	444,303	466,492	466,492
Operating Expenses	<u>1,762</u>	<u>5,732</u>	<u>6,450</u>	<u>6,450</u>	<u>6,450</u>
Reappropriated Funds	1,762	5,732	6,450	6,450	6,450
SUBTOTAL - (II) Statewide Information Technology Services Administration					
	435,989	448,895	450,753	472,942	472,942
FTE	<u>6.9</u>	<u>6.7</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Reappropriated Funds	435,989	448,895	450,753	472,942	472,942
(III) Customer Service					
Personal Services	<u>809,610</u>	<u>927,535</u>	<u>840,574</u>	<u>882,574</u>	<u>882,574</u>
FTE	12.8	13.5	11.0	11.0	11.0
Reappropriated Funds	809,610	927,535	840,574	882,574	882,574
Operating Expenses	<u>6,831</u>	<u>13,107</u>	<u>14,625</u>	<u>14,625</u>	<u>14,625</u>
Reappropriated Funds	6,831	13,107	14,625	14,625	14,625
SUBTOTAL - (III) Customer Service					
	816,441	940,642	855,199	897,199	897,199
FTE	<u>12.8</u>	<u>13.5</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>
Reappropriated Funds	816,441	940,642	855,199	897,199	897,199

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
(IV) Technology Management Unit					
Personal Services	<u>2,695,098</u>	<u>2,859,100</u>	<u>2,859,102</u>	<u>2,951,607</u>	<u>2,951,607</u>
FTE	32.7	29.2	32.5	32.5	32.5
Reappropriated Funds	2,695,098	2,859,100	2,859,102	2,951,607	2,951,607
Operating Expenses	<u>362,716</u>	<u>364,371</u>	<u>364,371</u>	<u>364,371</u>	<u>364,371</u>
Reappropriated Funds	362,716	364,371	364,371	364,371	364,371
SUBTOTAL - (IV) Technology Management Unit					
	3,057,814	3,223,471	3,223,473	3,315,978	3,315,978
FTE	<u>32.7</u>	<u>29.2</u>	<u>32.5</u>	<u>32.5</u>	<u>32.5</u>
Reappropriated Funds	3,057,814	3,223,471	3,223,473	3,315,978	3,315,978
SUBTOTAL - (B) Computer Center Services					
	53,775,067	57,120,530	63,784,536	65,009,471	65,090,179
FTE	<u>567.5</u>	<u>587.2</u>	<u>632.5</u>	<u>636.6</u>	<u>636.6</u>
General Fund	0	0	230,337	0	0
Cash Funds	2,328	2,328	2,328	2,328	2,328
Reappropriated Funds	53,772,739	57,118,202	63,551,871	65,007,143	65,087,851
(C) Network Services					
(I) Network Services					
Personal Services	<u>7,218,569</u>	<u>7,505,593</u>	<u>7,518,106</u>	<u>7,757,866</u>	<u>7,757,866</u>
FTE	77.6	73.5	90.6	90.6	90.6
Reappropriated Funds	7,218,569	7,505,593	7,518,106	7,757,866	7,757,866

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Operating Expenses	<u>17,450,504</u>	<u>17,922,736</u>	<u>17,618,488</u>	<u>16,884,120</u>	<u>16,884,120</u> *
General Fund	0	0	57,499	0	0
Cash Funds	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Reappropriated Funds	16,250,504	16,722,736	16,360,989	15,684,120	15,684,120
Toll-free Telephone Access to Members of the General Assembly	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Reappropriated Funds	25,000	25,000	25,000	25,000	25,000
Indirect Cost Assessment	<u>202,655</u>	<u>6,667</u>	<u>39,295</u>	<u>39,295</u>	<u>36,440</u>
Reappropriated Funds	202,655	6,667	39,295	39,295	36,440
SUBTOTAL - (I) Network Services	24,896,728	25,459,996	25,200,889	24,706,281	24,703,426
FTE	<u>77.6</u>	<u>73.5</u>	<u>90.6</u>	<u>90.6</u>	<u>90.6</u>
General Fund	0	0	57,499	0	0
Cash Funds	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Reappropriated Funds	23,696,728	24,259,996	23,943,390	23,506,281	23,503,426
(II) Order Billing					
Personal Services	<u>594,044</u>	<u>620,946</u>	<u>620,946</u>	<u>634,053</u>	<u>634,053</u>
FTE	7.9	7.9	9.0	9.0	9.0
Reappropriated Funds	594,044	620,946	620,946	634,053	634,053
Operating Expenses	<u>10,713</u>	<u>10,505</u>	<u>10,750</u>	<u>10,750</u>	<u>10,750</u>
Reappropriated Funds	10,713	10,505	10,750	10,750	10,750
SUBTOTAL - (II) Order Billing	604,757	631,451	631,696	644,803	644,803
FTE	<u>7.9</u>	<u>7.9</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>
Reappropriated Funds	604,757	631,451	631,696	644,803	644,803

*Line item contains a decision item or budget amendment.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (C) Network Services	25,501,485	26,091,447	25,832,585	25,351,084	25,348,229
<i>FTE</i>	<u>85.5</u>	<u>81.4</u>	<u>99.6</u>	<u>99.6</u>	<u>99.6</u>
General Fund	0	0	57,499	0	0
Cash Funds	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Reappropriated Funds	24,301,485	24,891,447	24,575,086	24,151,084	24,148,229

(D) Communication Services

Personal Services	<u>3,608,382</u>	<u>3,604,175</u>	<u>3,904,176</u>	<u>3,727,491</u>	<u>3,727,491</u>
FTE	40.5	41.5	46.0	46.0	46.0
Cash Funds	0	0	300,000	0	0
Reappropriated Funds	3,608,382	3,604,175	3,604,176	3,727,491	3,727,491
Operating Expenses	<u>182,569</u>	<u>183,230</u>	<u>565,231</u>	<u>1,299,628</u>	<u>1,299,628</u> *
Cash Funds	48,600	48,600	430,600	48,600	48,600
Reappropriated Funds	133,969	134,630	134,631	1,251,028	1,251,028
Training	<u>21,853</u>	<u>21,948</u>	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>
Reappropriated Funds	21,853	21,948	22,000	22,000	22,000
Utilities	<u>164,934</u>	<u>182,325</u>	<u>183,768</u>	<u>183,768</u>	<u>183,768</u>
Reappropriated Funds	164,934	182,325	183,768	183,768	183,768
Local Systems Development	<u>212,840</u>	<u>219,224</u>	<u>121,000</u>	<u>121,000</u>	<u>121,000</u>
Federal Funds	212,840	219,224	121,000	121,000	121,000
Indirect Cost Assessment	<u>542,208</u>	<u>22,424</u>	<u>67,827</u>	<u>67,827</u>	<u>1,895</u>
Reappropriated Funds	542,208	22,424	67,827	67,827	1,895

*Line item contains a decision item or budget amendment.

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (D) Communication Services	4,732,786	4,233,326	4,864,002	5,421,714	5,355,782
<i>FTE</i>	<u>40.5</u>	<u>41.5</u>	<u>46.0</u>	<u>46.0</u>	<u>46.0</u>
Cash Funds	48,600	48,600	730,600	48,600	48,600
Reappropriated Funds	4,471,346	3,965,502	4,012,402	5,252,114	5,186,182
Federal Funds	212,840	219,224	121,000	121,000	121,000
(E) Colorado Benefits Management System					
Personal Services	<u>4,073,701</u>	<u>3,845,143</u>	<u>4,991,598</u>	<u>5,133,280</u>	<u>5,133,280</u>
<i>FTE</i>	47.7	39.9	58.5	58.5	58.5
Reappropriated Funds	4,073,701	3,845,143	4,991,598	5,133,280	5,133,280
Operating Expenses - Contract Costs	<u>20,473,684</u>	<u>18,106,512</u>	<u>21,767,118</u>	<u>24,587,494</u>	<u>23,591,020</u> *
Reappropriated Funds	20,473,684	18,106,512	21,767,118	24,587,494	23,591,020
H.B. 12-1339 CBMS Modernization Project	<u>733,392</u>	<u>4,058,178</u>	<u>14,571,587</u>	<u>0</u>	<u>0</u>
Reappropriated Funds	733,392	4,058,178	14,571,587	0	0
CBMS Technology Improvement Work Plan	<u>0</u>	<u>0</u>	<u>0</u>	<u>35,342,773</u>	<u>0</u> *
Reappropriated Funds	0	0	0	35,342,773	0
SUBTOTAL - (E) Colorado Benefits Management System	25,280,777	26,009,833	41,330,303	65,063,547	28,724,300
<i>FTE</i>	<u>47.7</u>	<u>39.9</u>	<u>58.5</u>	<u>58.5</u>	<u>58.5</u>
Reappropriated Funds	25,280,777	26,009,833	41,330,303	65,063,547	28,724,300

*Line item contains a decision item or budget amendment.

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	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
TOTAL - Office of Information Technology	115,231,192	120,156,385	144,220,130	177,749,631	141,153,332
<i>FTE</i>	<u>821.2</u>	<u>819.0</u>	<u>920.0</u>	<u>925.9</u>	<u>925.9</u>
General Fund	0	0	555,008	529,774	0
Cash Funds	1,250,928	1,250,928	1,932,928	1,250,928	1,250,928
Reappropriated Funds	113,767,424	118,686,233	141,611,194	175,847,929	139,781,404
Federal Funds	212,840	219,224	121,000	121,000	121,000
TOTAL - Governor - Lieutenant Governor - State Planning and Budgeting	158,535,355	184,110,700	228,711,756	273,195,416	229,826,807
<i>FTE</i>	<u>941.8</u>	<u>932.2</u>	<u>1,060.9</u>	<u>1,069.9</u>	<u>1,066.8</u>
General Fund	10,335,938	18,411,581	22,767,386	32,161,902	20,314,811
Cash Funds	20,599,827	24,139,671	37,122,540	36,205,827	41,214,886
Reappropriated Funds	124,871,227	132,459,649	162,066,209	198,435,783	161,889,084
Federal Funds	2,728,363	9,099,799	6,755,621	6,391,904	6,408,026