

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2015-16 STAFF FIGURE SETTING  
STATEWIDE INFORMATION TECHNOLOGY  
COMMON POLICY**

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

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## Statewide Information Technology Common Policy

### **Background**

The Governor's Office of Information Technology (OIT) provides services to State agencies on a cost reimbursement basis, with OIT acting as a vendor. The services offered include:

<b>Services Provided by OIT to State Agencies</b>		
Mainframe Computing	MF Disk Storage	Google - Archive
ADABAS	MF Virtual Tape Storage (VTS)	Enterprise Service Desk
Middleware	Server Storage	Enterprise Deskside Support
Enterprise Data Center Housing	Enterprise Email	Database Administration Services
Server Hosting	Google - Encryption	Enterprise KRONOS
Project Coordinators	CORE (alias COFRS & FDW)	CPPS & HRDW (Personnel systems)
Security - Governance & Compliance	Security - Operations	Secure Colo - Phase I
Project Management Services	IT Directors	Portfolio Management Services
Electronic Data Warehouse	Agency Applications	State Network CORE
Contract Management System	Colorado State Network	Security - Access Control
	DTR/Public Safety Network	

Each service offered by OIT to agencies has a mixture of costs associated with its delivery. These costs include:

- Personal services (including central appropriations such as workers' compensation, risk management, leased space, and health/life/dental insurance);
- Operating expenses:
- Depreciation;
- Service strategy and management;
- Overhead; and
- OIT's use of OIT resources in the delivery of services to State agencies.

The appropriations needed to support these costs are determined by the Joint Budget Committee during figure setting for the Office of Information Technology division within the Office of the Governor. The appropriations appear in the Long Bill in this division as reappropriated funds (spending authority for moneys transferred to OIT from other State agencies). The amount needed to support OIT's appropriation is billed to State agencies. The amount billed to each agency is based on its anticipated consumption of a service's unit of measurement (e.g. transactions per month) within a fiscal year.

$$\text{Total Cost of Service} \div \text{Total Number of Units} = \text{Rate Per Unit}$$

Once the cost per service per agency is identified, each agency receives an appropriation of funds from a variety of sources (e.g. General Fund, cash funds, reappropriated funds, and federal funds) to compensate OIT for all the services it provides. The appropriation is made to a Payments to OIT line item that generally appears in an

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agency's Executive Director's Office amongst its other centrally appropriated line items, though some agencies locate the line item in a division or subdivision dedicated to information technology expenses.

***Requested Statewide Information Technology Common Policy Cost***

OIT seeks to collect \$120,201,865 from State agencies for FY 2015-16 to cover the costs associated with service provision. The increase from the FY 2014-15 appropriation to the FY 2015-16 request is \$9,161,824, and 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, as well as increases caused by the out-year impact of decision items approved in the FY 2014-15 Long Bill. The Office did not request any base adjustments for personal services or operating expenses line items for FY 2015-16 in addition to centrally appropriated line items and the annualization of prior year decision items.

***Recommended Statewide Information Technology Common Policy Cost***

Staff recommends that OIT collect \$121,155,946 from State agencies for FY 2015-16 to cover the costs associated with service provision. The increase of \$954,081 compared to the request is due to Committee-approved appropriations for centrally appropriated line items. This difference is primarily driven by the increase for Health, Life, and Dental insurance.

<b>OIT Appropriations Constituting Common Policy Total Billing Amount</b>	
<b>Line Item</b>	<b>Amount</b>
<b>(A) OIT Central Administration</b>	
Central Administration	\$9,796,505
Project Management	5,230,522
Health, Life, and Dental	7,844,576
Short-term Disability	148,508
S.B. 04-257 Amortization Equalization Disbursement	2,987,057
S.B. 06-235 Supplemental Amortization Equalization Disbursement	2,885,220
Salary Survey	743,395
Merit Pay	683,941
Shift Differential	74,362
Workers' Compensation	342,563
Legal Services	46,215
Payment to Risk Management and Property Funds	213,108
Vehicle Lease Payments	88,634
Leased Space	3,148,018
Capitol Complex Leased Space	165,932
Indirect Cost Assessment	378,861
<b>(B) IT Infrastructure</b>	
Infrastructure Administration	3,566,426
Data Center Services	780,180
Mainframe Services	4,317,204
Server Management	7,908,350
<b>(C) Network</b>	
Network Administration	1,883,215
Colorado State Network Core	5,657,716
Colorado State Network Circuits	6,016,138

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<b>OIT Appropriations Constituting Common Policy Total Billing Amount</b>	
<b>Line Item</b>	<b>Amount</b>
Data Services	219,000
Public Safety Network	5,107,483
<b>(D) Information Security</b>	
Security Administration	390,461
Security Governance	5,944,277
Security Operations	2,435,371
<b>(E) Applications</b>	
Applications Administration	1,880,066
Enterprise Services	2,977,837
Health Services	9,204,745
Revenue and Regulatory Services	6,483,728
Financial Management Services	1,207,412
Personnel Management Services	1,679,982
Safety and Transportation Services	4,252,945
Labor and Employer Services	2,417,126
<b>(F) End User Services</b>	
End User Administration	204,173
Service Desk Services	3,011,304
Deskside Support Services	8,455,782
Email Services	1,936,455
<b>Line Item Total</b>	<b>\$122,714,793</b>
<b>Other Adjustments</b>	
Depreciation	\$907,172
Compensated Absences	163,427
True-up from FY 2013-14 Billings	(2,361,491)
Technical Adjustment to Centrally Appropriated Line Items	(267,955)
<b>Other Adjustments Total</b>	<b>(\$1,558,847)</b>
<b>GRAND TOTAL</b>	<b>\$121,155,946</b>

***Recommended Statewide Information Technology Common Policy Agency Cost Allocations***

Staff recommends that the \$121,155,946 in costs be allocated to agencies for appropriations in the following amounts:

<b>Information Technology Common Policy Funding Allocations</b>					
<b>Agency</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>
Agriculture	\$889,234	\$279,344	\$0	\$0	\$1,168,578
Corrections	16,520,519	99,722	0	0	16,620,241
Education	349,679	0	365,379	0	715,057
General Assembly	41,938	0	0	0	41,938
Governor's Office	438,127	0	71,312	0	509,439
Health Care Policy and Financing	1,753,601	10,617	0	1,764,220	3,528,438
Higher Education	0	322,677	9,295	0	331,972
Human Services	13,003,099	289,458	756,069	10,174,323	24,222,949

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<b>Information Technology Common Policy Funding Allocations</b>					
<b>Agency</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>
Judicial	3,894,117	0	0	0	3,894,117
Labor and Employment	1,777,015	53,292	4,545,201	3,513,103	9,888,610
Law	430,955	0	0	0	430,955
Local Affairs	193,445	5,801	494,789	382,435	1,076,471
Military and Veterans Affairs	257,893	0	0	0	257,893
Natural Resources	1,289,777	5,741,103	358,220	81,092	7,470,191
Personnel and Administration	921,127	503,395	2,051,560	0	3,476,083
Public Health and Environment	0	57,217	7,772,936	0	7,830,153
Public Safety	3,202,804	3,187,089	1,216,300	41,421	7,647,615
Regulatory Agencies	149,966	3,417,861	0	0	3,567,827
Revenue	6,728,850	6,691,482	0	0	13,420,332
State	0	235,902	0	0	235,902
Transportation	0	14,405,746	0	0	14,405,746
Treasurer	29,175	0	0	0	29,175
<b>Total</b>	<b>\$51,433,194</b>	<b>\$35,300,706</b>	<b>\$17,569,748</b>	<b>\$15,956,594</b>	<b>\$120,769,682</b>
Non-common policy billing					219,070
Higher Education (non-appropriated)					167,194
<b>GRAND TOTAL</b>					<b>\$121,155,946</b>

Staff also seeks permission to adjust the final fund sources for agency allocations for Payments to OIT line items 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 Request for Information for OIT Common Policy Rates, Usage, and Cost Allocations***

Staff recommends 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 moneys collected by OIT in FY 2015-16 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, 2015. At a minimum, the report shall include recoverable costs and rates for each service and service category for the FY 2015-16 base information technology appropriation contained in the FY 2015-16 Long Bill appropriations act. Additionally, the report shall include FY 2015-16 base information technology appropriation contained in the FY 2015-16 Long Bill appropriations act by agency, service name, utilization, allocated rate, utilization criteria, and appropriation allocation.