

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2016-17

DEPARTMENT OF LAW

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:
CRAIG HARPER, JBC STAFF
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JOINT BUDGET COMMITTEE STAFF
200 E. 14TH AVENUE, 3RD FLOOR • DENVER • COLORADO • 80203
TELEPHONE: (303) 866-2061 • TDD: (303) 866-3472
<https://leg.colorado.gov/agencies/joint-budget-committee>

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DEPARTMENT OF LAW

DEPARTMENT OVERVIEW

The Attorney General is one of five independently elected constitutional officers of the State. As the chief executive officer of the Department of Law, the Attorney General represents and defends the legal interests of the people of the State of Colorado and serves as the legal counsel and advisor to state agencies. The Department's FY 2016-17 appropriation represents 0.3 percent of statewide operating appropriations and 0.2 percent of statewide General Fund appropriations.

SUMMARY: FY 2016-17 APPROPRIATION AND RECOMMENDATION

DEPARTMENT OF LAW: RECOMMENDED CHANGES FOR FY 2016-17						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION						
HB 16-1405 (Long Bill)	\$77,471,983	\$15,003,005	\$15,612,031	\$45,073,913	\$1,783,034	480.4
Other legislation	692,711	135,942	0	556,769	0	3.1
CURRENT FY 2016-17 APPROPRIATION	\$78,164,694	\$15,138,947	\$15,612,031	\$45,630,682	\$1,783,034	483.5
RECOMMENDED CHANGES						
Current FY 2016-17 Appropriation	\$78,164,694	15,138,947	\$15,612,031	\$45,630,682	\$1,783,034	483.5
S1 IT Security asset maintenance	144,776	51,572	17,292	73,309	2,603	0.0
NP Department of Education legal services	171,090	0	0	171,090	0	1.0
NP Property fund supplemental	0	0	0	0	0	0.0
NP Annual fleet supplemental	(67)	5,156	(644)	(4,213)	(366)	0.0
RECOMMENDED FY 2016-17 APPROPRIATION	\$78,480,493	\$15,195,675	\$15,628,679	\$45,870,868	\$1,785,271	484.5
RECOMMENDED INCREASE/(DECREASE)	\$315,799	\$56,728	\$16,648	\$240,186	\$2,237	1.0
Percentage Change	0.4%	0.4%	0.1%	0.5%	0.1%	0.2%
FY 2016-17 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$1,261	\$354	\$145	\$728	\$34	0.0

REQUEST/RECOMMENDATION DESCRIPTIONS

S1 IT SECURITY ASSET MAINTENANCE: The request includes an increase of \$144,776 total funds (including \$51,572 General Fund) to improve information technology (IT) security based on the recommendations of a recent external audit of the Department's IT security systems and procedures. The supplemental request, which is continued and expanded through a FY 2017-18 decision item (request R2), includes funds to purchase additional IT security tools. Staff recommends approving the request.

NP DEPARTMENT OF EDUCATION LEGAL SERVICES: The request includes an increase of \$171,090 reappropriated funds and 1.0 FTE to provide additional legal services to the Department of Education. This request will be addressed through a separate staff supplemental presentation for the

Department of Education scheduled for January 24, 2017. Staff will incorporate the Committee's action regarding the Department of Education request into the Department of Law supplemental bill. Please note that the dollar amounts in the table above represent the requested appropriation.

NP PROPERTY FUND SUPPLEMENTAL: The request includes an increase of \$1,261 total funds (including \$354 General Fund) to adjust the Department's share of property insurance carried by the Department of Personnel. This request was addressed through a separate supplemental presentation for the Department of Personnel on January 12, 2017. Because the Committee rejected the Department of Personnel's requested changes, the table does not reflect any change in appropriations for this item.

NP ANNUAL FLEET SUPPLEMENTAL: The request includes a net decrease of \$67 total funds (including an increase of \$5,156 General Fund which is offset by reductions in cash, reappropriated, and federal funds) to adjust the Department's share of expenses related to leasing fleet vehicles through the Department of Personnel. This request was addressed through a separate supplemental presentation for the Department of Personnel on January 12, 2017. The Committee approved the requested changes to appropriations to the Department of Law, and the dollar amounts in the table above reflect the Committee's action.

PRIORITIZED SUPPLEMENTAL REQUESTS

S1 IT SECURITY ASSET MAINTENANCE

	REQUEST	RECOMMENDATION
TOTAL	\$144,776	\$144,776
General Fund	51,572	51,572
Cash Funds	17,292	17,292
Reappropriated Funds	73,309	73,309
Federal Funds	2,603	2,603

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made (the results and recommendations of the external IT security audit).

DEPARTMENT REQUEST: The Department requests an increase of \$144,776 total funds (including \$51,572 General Fund) to improve information technology (IT) security based on the recommendations of a recent external audit of the Department's IT security systems and procedures. The supplemental request, which is continued and expanded through a FY 2017-18 decision item (request R2)¹, includes funds to purchase additional IT security tools and software.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request.

STAFF ANALYSIS: The Department contracted with an external vendor for an audit of the Department's IT security systems and procedures in FY 2015-16. The audit included evaluations of external and public systems, an organizational profiling assessment using publicly available sources, and assessments of security risk, social engineering exposure, and password strength for departmental systems. The Department received the audit report and recommendations in April 2016, which did not allow for incorporation of the recommendations into the original FY 2016-17 budget request and appropriation. Based on the audit findings and recommendations, the Department is requesting the additional funding in FY 2016-17 to proceed with the purchase of tools in the current year.

Although the audit was generally positive, it did identify a variety of risks and provided recommendations to address those risks. The Department has submitted request S2 to move forward with the purchase of software tools based on the audit's recommendations now rather than waiting for FY 2017-18. The Department's cost estimates are based on quotes from vendors for the specific tools in question. Please note that while the content of the audit and the Department's specific proposed solutions are not appropriate for inclusion in a public document, the Department has provided the audit and estimates to the JBC Staff. The proposed fund sources align with the fund sources supporting the Department's existing staff.

¹ The Department has also submitted a FY 2017-18 decision item (FY 2017-18 request R2) based on the audit findings. In addition to continuing the proposed investments in IT security tools requested in the supplemental, request R2 also proposes to add funding to support an additional IT security FTE as well as funding to align IT replacement appropriations with the Department's current number of FTE.

As discussed during the Department’s FY 2017-18 budget hearing with the Committee, the Department of Law is generally exempt from the Governor’s Office of Information Technology (OIT) charter. However, the Department does fall under the authority of OIT’s Office of Information Security and the Chief Information Security Officer. The Department reports that it works closely with OIT on cyber security issues, that its cyber security efforts are harmonized with those of OIT, and that OIT is aware of and supportive of the Department’s efforts. As part of that alignment, the Department is requesting the additional resources to ensure compliance with the Colorado Information Security Policies and has also chosen to implement the Center for Internet Security Critical Security Controls.

Based on the confidential nature of much of the Department’s data and information and the risks associated with insufficient IT security, staff recommends approving the request to allow the Department to move forward in the current year.

NON-PRIORITIZED SUPPLEMENTAL REQUESTS

NP DEPARTMENT OF EDUCATION LEGAL SERVICES

	REQUEST	RECOMMENDATION
TOTAL	\$171,090	PENDING
FTE	1.0	
Reappropriated Funds	171,090	

DEPARTMENT REQUEST: The Department requests an increase of \$171,090 reappropriated funds and 1.0 FTE to provide additional legal services to the Department of Education in FY 2016-17. The request is non-prioritized for the Department of Law and corresponds to supplemental request S3 submitted by the Department of Education.

STAFF RECOMMENDATION: The staff recommendation is pending. This request will be addressed through a separate staff supplemental presentation for the Department of Education scheduled for January 24, 2017. Staff will incorporate the Committee’s action into the Department of Law supplemental bill.

STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

These requests are not prioritized and are not analyzed in this packet. The JBC acted on these items on January 12th when it made decisions regarding common policies.

DEPARTMENT'S PORTION OF STATEWIDE SUPPLEMENTAL REQUEST	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
NP Property fund supplemental	\$0	\$0	\$0	\$0	\$0	0.0
NP Annual fleet supplemental	(67)	5,156	(644)	(4,213)	(366)	0.0
DEPARTMENT'S TOTAL	(\$67)	\$5,156	(\$644)	(\$4,213)	(\$366)	0.0

STAFF RECOMMENDATION: These request items were addressed during the JBC staff supplemental presentation for the Department of Personnel on January 12, 2017. Staff requests permission to incorporate the Committee's action into the Department of Law's supplemental bill. Note, the dollar amounts in the table above represent the recent Committee action.

JBC Staff Supplemental Recommendations - FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
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DEPARTMENT OF LAW
Cynthia Coffman, Attorney General

S1 IT security asset maintenance

(1) ADMINISTRATION

Information Technology Asset Maintenance	<u>623,770</u>	<u>645,206</u>	<u>144,776</u>	<u>144,776</u>	<u>789,982</u>
General Fund	173,591	174,663	51,572	51,572	226,235
Cash Funds	61,669	75,291	17,292	17,292	92,583
Reappropriated Funds	373,660	377,036	73,309	73,309	450,345
Federal Funds	14,850	18,216	2,603	2,603	20,819
Total for S1 IT security asset maintenance	<u>623,770</u>	<u>645,206</u>	<u>144,776</u>	<u>144,776</u>	<u>789,982</u>
<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	173,591	174,663	51,572	51,572	226,235
Cash Funds	61,669	75,291	17,292	17,292	92,583
Reappropriated Funds	373,660	377,036	73,309	73,309	450,345
Federal Funds	14,850	18,216	2,603	2,603	20,819

JBC Staff Supplemental Recommendations - FY 2016-17
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	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2016-17 Requested Change	FY 2016-17 Rec'd Change	FY 2016-17 Total w/Rec'd Change
NP Department of Education legal services					
(2) LEGAL SERVICES TO STATE AGENCIES					
Personal Services	<u>24,498,604</u>	<u>27,314,973</u>	<u>153,981</u>	<u>153,981</u>	<u>27,468,954</u>
FTE	246.6	262.9	1.0	1.0	263.9
Reappropriated Funds	24,498,604	27,314,973	153,981	153,981	27,468,954
Operating and Litigation	<u>1,196,996</u>	<u>1,998,192</u>	<u>17,109</u>	<u>17,109</u>	<u>2,015,301</u>
Reappropriated Funds	1,196,996	1,998,192	17,109	17,109	2,015,301
Total for NP Department of Education legal services	25,695,600	29,313,165	171,090	171,090	29,484,255
FTE	<u>246.6</u>	<u>262.9</u>	<u>1.0</u>	<u>1.0</u>	<u>263.9</u>
Reappropriated Funds	25,695,600	29,313,165	171,090	171,090	29,484,255
Totals Including Pending Items					
LAW					
TOTALS for ALL Departmental line items	71,232,808	78,164,694	315,866	315,866	78,480,560
FTE	<u>445.4</u>	<u>483.5</u>	<u>1.0</u>	<u>1.0</u>	<u>484.5</u>
General Fund	14,677,871	15,138,947	51,572	51,572	15,190,519
Cash Funds	13,757,583	15,612,031	17,292	17,292	15,629,323
Reappropriated Funds	41,162,591	45,630,682	244,399	244,399	45,875,081
Federal Funds	1,634,763	1,783,034	2,603	2,603	1,785,637