JOINT BUDGET COMMITTEE

SUPPLEMENTAL BUDGET REQUESTS FY 2018-19

DEPARTMENT OF HIGHER EDUCATION

PREPARED BY:
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DEPARTMENT OF HIGHER EDUCATION

DEPARTMENT OVERVIEW

The Department of Higher Education is responsible for higher education and vocational training programs in the state. The Department also includes appropriations for the State Historical Society (History Colorado).

SUMMARY: FY 2018-19 APPROPRIATION AND RECOMMENDATION

DEPARTMENT OF HIGHER EDUCATION: RECOMMENDED CHANGES FOR FY 2018-19						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2018-19 APPROPRIATION						
H.B. 18-1322 (Long Bill)	$4,537,265,323	$978,325,997	$2,735,130,010	$801,023,697	$22,785,619	26,148.6
Other legislation	52,766,395	25,267,742	8,931,450	18,567,203	0	1.4
CURRENT FY 2018-19 APPROPRIATION:	**$4,590,031,718**	**$1,003,593,739**	**$2,744,061,460**	**$819,590,900**	**$22,785,619**	**26,150.0**
RECOMMENDED CHANGES						
Current FY 2018-19 Appropriation	$4,590,031,718	1,003,593,739	$2,744,061,460	$819,590,900	$22,785,619	26,150.0
S1 Community Museum Connectivity Program Manager	Pending		0	0	0	0.7
RECOMMENDED FY 2018-19 APPROPRIATION:	**$4,590,060,977**	**$1,003,622,998**	**$2,744,061,460**	**$819,590,900**	**$22,785,619**	**26,150.7**
Requested INCREASE/(DECREASE)	**$29,259**	**$29,259**	**$0**	**$0**	**$0**	**0.7**
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2018-19 EXECUTIVE REQUEST	**$4,590,060,977**	**$1,003,622,998**	**$2,744,061,460**	**$819,590,900**	**$22,785,619**	**26,150.7**
Request Above/(Below) Recommendation	Pending		$0	$0	$0	(0.0)

REQUEST/RECOMMENDATION DESCRIPTIONS

S1 HISTORY COLORADO COMMUNITY MUSEUM CONNECTIVITY PROJECT MANAGER: The request includes $29,259 General Fund and roll-forward authority associated with completing the community museum high-speed internet connectivity project. Funds requested are to hire a full time OIT project manager for this project. Staff supports use of a full-time project manager. However, it is not yet clear whether the funding requested is needed on a supplemental basis, since the overall cost and timing of the internet connectivity project is still uncertain. Because of this, staff recommends that the Committee delay action on this request until figure setting.

PRIORITIZED SUPPLEMENTAL REQUESTS

S1 (HISTORY COLORADO) COMMUNITY MUSEUM CONNECTIVITY PROJECT MANAGER

	REQUEST	RECOMMENDATION
TOTAL	**$29,259**	**PENDING**
FTE	0.7	
General Fund	29,259	
Cash Funds	0	
Federal Funds	0	

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.

DEPARTMENT REQUEST: The Department requests $29,259 General Fund and 0.7 FTE in FY 2018-19, annualizing to a net $0 transfer adjustment in FY 2019-20 and future years, to increase the contracted information technology project manager time on the community museum high speed internet connectivity project from 0.25 FTE to 1.0 FTE.

History Colorado also requests that the General Assembly provide continuing roll-forward authority for IT amounts, including the amount approved for FY 2017-18, through FY 2020-21.

STAFF RECOMMENDATION: **Staff recommends that the Committee delay action on this supplemental pending figure setting for the Department of Higher Education.**

- Staff supports the decision to add a full-time project manager to manage roll out of high-speed internet and Point of Sale technology for the community museums.
- However, History Colorado does not yet know the total cost of its IT solution for the community museums; and History Colorado does not yet know the timing of its IT solution for the community museums.
- During figure setting, staff expects to recommend appropriations from the Community Museum Cash Fund and possibly the General Fund to help cover associated costs. However, it is not yet clear whether an additional FY 2018-19 appropriation is required or whether additional funding only needs to be included for FY 2019-20. The General Assembly has already authorized roll-forward of unspent IT money from FY 2017-18 to FY 2018-19, which should mean that there is sufficient revenue for the full-time IT project manager who started work in December 2018.
- Staff anticipates that History Colorado will require roll-forward authority for IT amounts from FY 2018-19 to FY 2019-20. Therefore, some supplemental action will likely be required to address this. However, the amount of roll-forward that will be required is still uncertain; so staff will recommend this adjustment be included as an add-on to the Long Bill, once the amount is clearer.

STAFF ANALYSIS:
BACKGROUND
For FY 2017-18, the JBC approved a General Fund appropriation to help revitalize History Colorado's eight community museums. The community museums are located throughout the State and include:

- Ute Indian Museum (Montrose)
- Fort Garland Museum and Cultural Center (Costilla County)
- Trinidad History Museum (Trinidad)
- El Pueblo History Museum ((Pueblo)
- Healy House and Dexter Cabin (Leadville)
- Byers-Evans House (Denver)
- Grant Humphreys Mansion (Denver)
- Fort Vasquez (Platteville)

The total approved was $1,461,401 General Fund in FY 2017-18, annualizing to $1,425,710 in FY 2018-19 (plus additional centrally appropriated amounts). The total included, for FY 2017-18, $27,272 for a point of sale (POS) system and $128,410 per year for improved technology at the community museums for a total of $155,682 for technology initiatives.

The Department's overall request included staged improvements to IT services throughout the community museum system. Specifically, the request incorporated IT infrastructure upgrades at two of the museums per year through FY 2020-21 and, once upgrades occurred, ongoing costs for public Wi-Fi at each of the eight community museum sites.

DIFFICULTIES MOVING NEW IT FORWARD
During the 2018 session, History Colorado provided a letter from the Governor's Office of OIT indicating that upgrades planned for FY 2017-18 could not be implemented prior to the end of the year. The General Assembly therefore approved a role-forward of $155,382 of the FY 2017-18 appropriation.

The General Assembly also approved a Request for Information from OIT and History Colorado, asking the agencies to explain progress on implementing service improvements for History Colorado. History Colorado reports that the RFI resulted in weekly meetings between OIT, History Colorado, and OSPB to consider how to address various challenges. This process also resulted in hiring of a third-party consultant to find a connectivity solution for the community museums that met community museum needs and OIT policies. At the end of the summer 2018, the two organizations agreed to proceed with the third-party manager's recommendation, but the timeline is still to be determined.

The Department will use wireless mesh technology that is resilient, reliable, and easier to deploy in historic buildings. Only one area of each historic property will require penetration to install broadband cabling. The remainder of the property would access the internet through the wireless mesh technology, which distributes broadband to areas of the property where internet use is highest at any given time.

HISTORY COLORADO REQUEST
In order to move the process forward, History Colorado and OIT agree that a full-time IT project manager is needed through FY 2020-21. History Colorado indicates that the original FY 2017-18 budget request included funding for a 0.25 FTE IT project manager ($34,126) for three years (through FY 2020-21) to implement the POS system. To increase this to a full-time project manager for the remainder of FY 2018-19, requires $29,259. For FY 2019-20 and FY 2020-21, an additional $68,874 is needed to fund the full year project manager at a cost of $103,000.

History Colorado has requested that the General Assembly provide the additional $29,259 General Fund for FY 2018-19, but proposes that costs for the remaining two years be funded through a transfer of cash funds within its base budget.

STAFF RECOMMENDATION
In approving History Colorado's FY 2017-18 General Fund request for the Community Museums, the General Assembly indicated its intention to help implement high-speed internet at the community museums. History Colorado emphasizes the importance of having high-speed internet and POS technology at its remote sites. High-speed internet is expected from renters who use History Colorado facilities for events and is needed for facility security systems. Further, the POS system cannot be implemented without high-speed internet. The POS system will allow History Colorado to track members, sales, events, and other strategic marketing data points. Finally, the agency notes that providing high-speed internet access in rural communities is an important benefit in those communities that do not currently have access.

Staff concurs that additional project management expertise is needed to help move this IT initiative forward. *This summer, after discussions with History Colorado staff, JBC staff contacted both History Colorado and OSPB to suggest that additional staff with IT expertise might be needed at History Colorado.* It appeared to JBC staff that some of the challenges between History Colorado and OIT had occurred due to lack of internal expertise at History Colorado and insufficient support from OIT in navigating OIT services. For example, History Colorado and OIT had initially moved forward in early CY 2018 with a pilot connectivity initiative at the El Pueblo Museum that was halted at the last minute, after considerable investment, when it was determined that the project would not meet the needs of the parties involved**.** *It appears that all parties involved had already been thinking along these lines, resulting in the current supplemental request.*

The Department brought the full-time project manager on-board in December 2018. The Department also reports that it is currently working with OIT on the details of the contract for installing high-speed internet and point-of-sale technology at the community museums. The Department's original cost-estimates exceeded the $128,410 General Fund per year it requested (it proposed to support the excess from other parts of its budget). It currently believes that the cost may fall within the $128,410 per year (excluding the cost of the project manager), but the funding required is still uncertain.

Staff understands that there should be additional information available by the end of February regarding the overall cost of the Wi-Fi installation project and the associated timing. In light of this, staff recommends delaying a decision on supplemental action and addressing overall project costs (including any necessary FY 2018-19 supplemental action) as part of FY 2019-20 figure setting.

Appendix A: Numbers Pages

	FY 2017-18 Actual	FY 2018-19 Appropriation	FY 2018-19 Requested Change	FY 2018-19 Rec'd Change	FY 2018-19 Total w/Rec'd Change
DEPARTMENT OF HIGHER EDUCATION **Angie Paccione, Executive Director**					

HC S1 Community Museum Connectivity Program Manager

(9) HISTORY COLORADO
(B) History Colorado Museums

	FY 2017-18 Actual	FY 2018-19 Appropriation	FY 2018-19 Requested Change	FY 2018-19 Rec'd Change	FY 2018-19 Total w/Rec'd Change
Community Museums	2,983,049	2,912,910	29,259	PENDING	PENDING
FTE	20.5	20.5	0.7		
General Fund	1,461,401	1,425,710	29,259		
Cash Funds	1,484,524	1,487,200	0		
Federal Funds	37,124	0	0		
Total for HC S1 Community Museum Connectivity Program Manager	2,983,049	2,912,910	29,259		
FTE	20.5	20.5	0.7		
General Fund	1,461,401	1,425,710	29,259		
Cash Funds	1,484,524	1,487,200	0		
Federal Funds	37,124	0	0		

	FY 2017-18 Actual	FY 2018-19 Appropriation	FY 2018-19 Requested Change	FY 2018-19 Rec'd Change	FY 2018-19 Total w/Rec'd Change
Totals Excluding Pending Items					
HIGHER EDUCATION					
TOTALS for ALL Departmental line items	4,253,553,631	4,590,031,718	29,259		
FTE	25,087.2	26,150 .0	0.7		
General Fund	132,958,613	270,593,739	29,259		
General Fund Exempt	759,857,604	733,000,000	0		
Cash Funds	2,595,930,072	2,744,061,460	0		
Reappropriated Funds	737,935,162	819,590,900	0		
Federal Funds	26,872,180	22,785,619	0		