

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2010-11 STAFF BUDGET BRIEFING

OFFICE OF THE GOVERNOR

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

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**FY 2010-11 BUDGET BRIEFING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE
OFFICE OF THE GOVERNOR**

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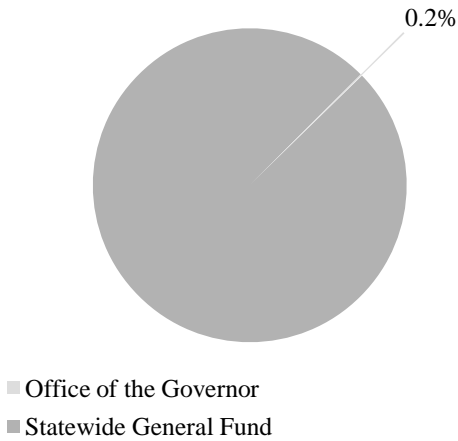
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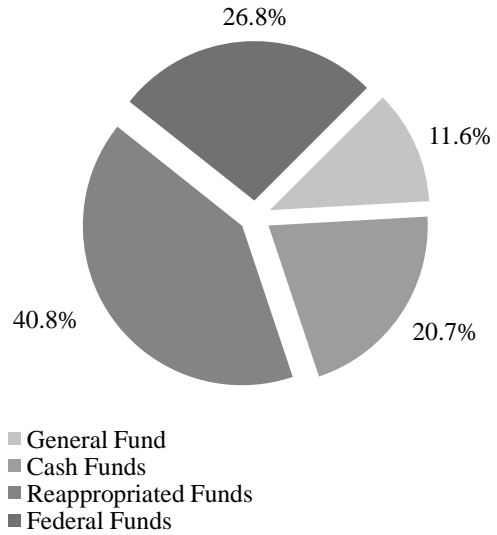
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GRAPHIC OVERVIEW**

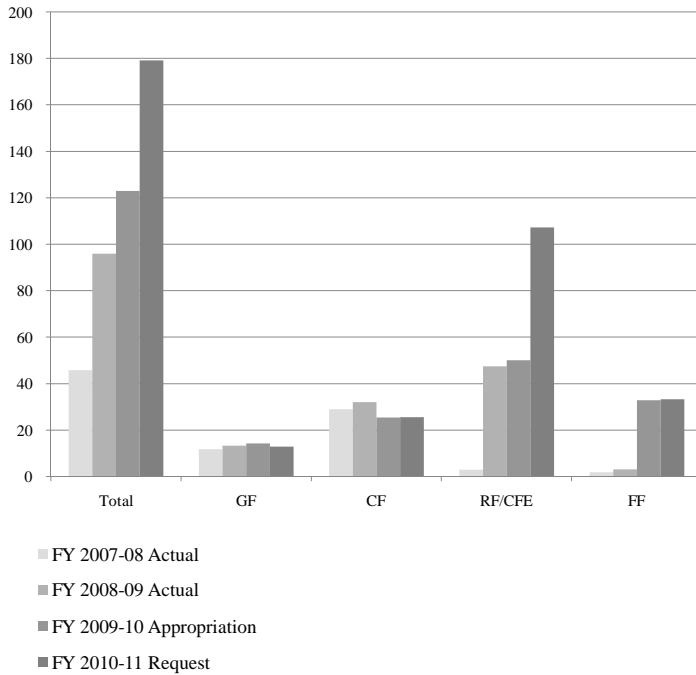
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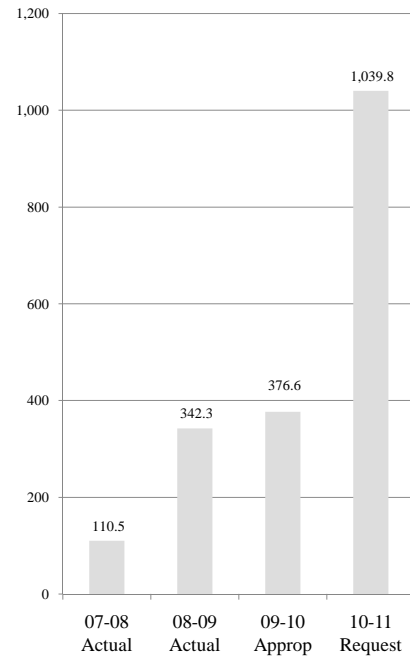
Department Funding Sources



**Budget History
(Millions of Dollars)**

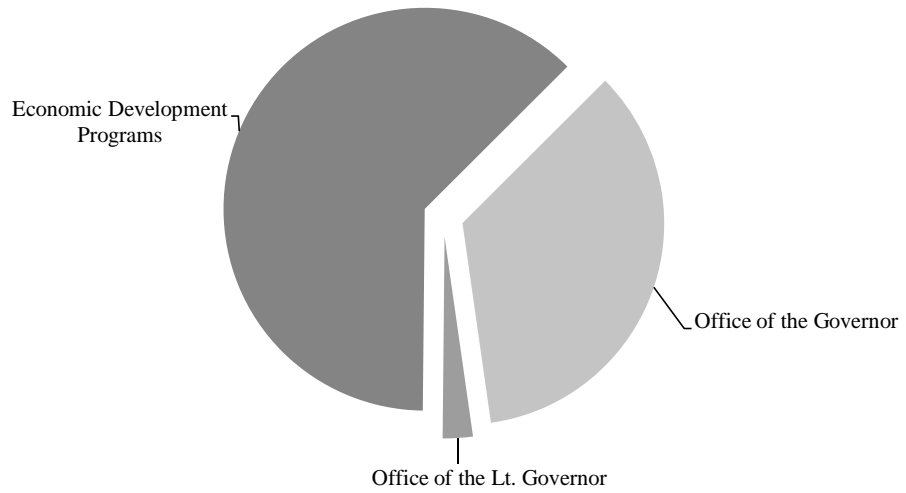


FTE History

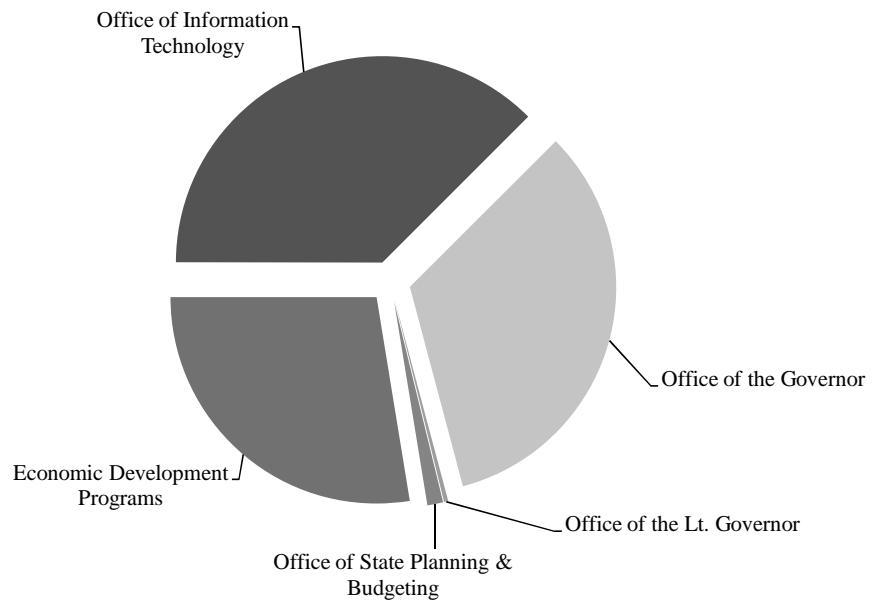


Unless otherwise noted, all charts are based on the FY 2009-10 appropriation.

Distribution of General Fund by Division



Distribution of Total Funds by Division



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DEPARTMENT OVERVIEW

Key Responsibilities

- ❑ 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 Governor's Energy Office and the Office of Homeland Security.
- ❑ 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.
- ❑ The **Office of State Planning and Budgeting** develops executive budget requests, and reviews and analyzes departmental expenditures. Additionally, the Office prepares annual 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.

Factors Driving the Budget

Consolidation of Statewide Information Technology Resources

The Governor's Office of Information Technology (OIT) is established in state law to coordinate and direct the use of information technology resources by state agencies. In the 2008 legislative session, the Governor signed into law S.B. 08-155 to centralize the management of information technology in Colorado state government. Specifically, S.B. 08-155 transferred several information technology functions and staff positions from various state agencies to OIT on July 1, 2008. The largest single agency transfer involved moving the Division of Information Technology from the Department of Personnel and Administration. This transfer included the General Government Computer Center (GGCC), telecommunications coordination, and statewide information management and support functions.

The bill also made the chief information officer of each state agency subject to supervision by the director of OIT instead of the agency's executive director. Chief information officers transferred from their agencies maintain their duties and responsibilities related to the information technology resources of their agency.

Additionally, between July 1, 2008 and July 1, 2012, statute allows for the transfer of any other information technology employees and functions designated by the director of OIT, acting jointly with the affected agency's executive director, and the agency's chief information officer. The Department's FY 2010-11 request seeks to transfer \$58.8 million and 680.7 FTE as part of the consolidation process. If the request is approved, OIT's budget will increase to \$97.8 million and 894.9 FTE in FY 2010-11.

Energy Efficiency and Renewable Energy Resource Development Initiatives

The Governor's Energy Office (GEO) has historically been funded with federal moneys associated with weatherization projects and petroleum violation escrow funds (PVE). 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, the GEO migrated funding for its programs to alternative sources. However, a number of programs administered by the GEO are now funded from sources that have the potential to vary considerably from year to year, including limited gaming revenue, severance tax earnings, and one-time federal funds.

The Clean Energy Fund receives the remaining portion of moneys from the Limited Gaming Fund after all other transfers are completed. The ongoing recession, job losses, and other economic factors have caused gaming revenue to see its worst decline since Colorado limited gaming began in 1991. After decreasing 3.6 percent in FY 2007-08, total gaming revenue, which includes taxes, fees, and interest earnings, decreased another 12.9 percent in FY 2008-09. Furthermore, in instances where General Fund revenue is found to be insufficient to meet appropriations, the General Fund receives an additional amount of gaming revenue that would otherwise be transferred to programs supported by the Limited Gaming Fund. When this occurs, as it did in FY 2009-10, no moneys are transferred to the Clean Energy Fund for programs administered by the GEO.

Moneys from the Operational Account of the Severance Tax Trust Fund are transferred to the GEO's Low-Income Energy Assistance Fund. Moneys in the Fund are continuously appropriated to the GEO to provide home energy efficiency improvements for low-income households. The GEO was appropriated \$6 million in FY 2008-09. The legislature eliminated the FY 2009-10 appropriation for home energy efficiency improvements for low-income households with the passage of S.B. 09-293. The Fund is slated to receive transfers of \$6.5 million each year from FY 2010-11 to FY 2012-13. Transfers to the Fund are contingent upon sufficient revenue to maintain reserve requirements. If the reserve requirement is not met, and no other legislative action is taken, it is possible for the Fund to receive transfers of less than \$6.5 million in future fiscal years. For example, it is estimated that the FY 2011-12 transfer will be \$6.4 million.

The Public School Energy Efficiency Fund, used to support energy efficiency projects in public schools across the State, receives moneys generated from interest earned on the accelerated

collection of oil and gas severance taxes. In FY 2009-10, total severance tax revenue is projected to drop to \$54.9 million, a decrease of 83.7 percent from FY 2008-09.

The GEO received \$143.7 million in one-time revenue via the American Recovery and Reinvestment Act of 2009 (ARRA) for investment in weatherization, energy efficiency and conservation, and other state energy programs.

Economic Development Programs

Funding for the Office of Economic Development and International Trade (OEDIT) is heavily dependent on cash funds. In FY 2009-10, 68% of the total appropriated moneys for economic development programs were funded from cash fund sources. Much of the increase in cash funds occurred in the 2006 legislative session through the passage of H.B. 06-1201. The legislation increased the amount of Limited Gaming Fund moneys transferred to the Colorado Travel and Promotion Fund, and authorized additional transfers to the newly created State Council on the Arts Cash Fund, Film Operations and Incentives Cash Fund, and the New Jobs Incentives Cash Fund. As discussed above, revenue available for transfer to the Limited Gaming Fund can vary considerably from year to year. In addition, in instances where General Fund revenue is found to be insufficient to fund appropriations, the share of Limited Gaming Fund moneys transferred to economic development programs are reduced and, barring legislative action, moneys are instead transferred to the General Fund.

Homeland Security Coordination

Executive Order D 003 08 was issued by Governor Ritter on February 4, 2008, and established the Governor's Office of Homeland Security. The intent of this action was to consolidate Colorado's homeland security activities (and federal funding of same) in one place. The General Assembly approved a budget amendment to effect funding for this consolidation, and transferred \$19.7 million in federal funding from the Department of Local Affairs to the Governor's Office. The dollar amount of the homeland security federal grant has been decreasing since its inception, dropping from \$50.2 million in FY 2003-04 to an estimated \$20.0 million in FY 2009-10. In addition to the decrease in the total grant amount, new federal rules have reduced the fraction of the grant which may be used for administrative purposes from five percent to three percent.

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DECISION ITEM PRIORITY LIST

Decision Item	GF	CF	RF	FF	Total	FTE
1	0	0	58,786,128	0	58,786,128	680.7
<p>Statewide Information Technology Staff Consolidation</p> <p>Governor's Office of Information Technology. In accordance with S.B. 08-155, this request provides for the budgetary transfer of statewide information technology staff resources from all executive branch agencies to the Governor's Office of Information Technology (OIT). For FY 2010-11, the primary impacts include reducing FTE authority in state agencies, while increasing commensurately the OIT FTE authority in a corresponding amount to reflect the staff consolidation. The funding historically dedicated to the associated information technology staff in specific state agencies and programs will continue to be appropriated to those agencies to maintain consistency of program, state, and federal funding streams and reporting standards. Agencies will make payments associated with their share of information technology staff payroll costs from central OIT Common Policy allocations based on the common policy function that each position most appropriately aligns. <i>Statutory authority: Section 24-37.5-110(1)(a), C.R.S.</i></p>						
2	1,407	0	0	0	1,407	0.0
<p>Annual Fleet Vehicle Replacements</p> <p>Economic Development Programs. This non-prioritized, common policy decision item reflects assumed changes in the billing for centralized services. Common policy for centralized services will be considered in separate staff briefings.</p>						
Total	1,407	0	58,786,128	0	58,787,535	680.7

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BASE REDUCTION ITEM PRIORITY LIST

Base Reduction	GF	CF	RF	FF	Total	FTE
1	(217,049)	0	0	0	(217,049)	(1.5)
Global Business Development						
<p>Office of Economic Development and International Trade. The Department's proposal calls for the consolidation of multiple business development line items into a new "Global Business Development" line item. The consolidation of line items includes the appropriation and FTE for the Business Development, Grand Junction Satellite Office, Minority Business Office, and International Trade Office line items. <i>Statutory authority: Sections 24-48.5-101, 24-47-101, 24-49.5-102, and 29-49.5-104, C.R.S.</i></p>						
Total	(217,049)	0	0	0	(217,049)	(1.5)

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OVERVIEW OF NUMBERS PAGES

The following table summarizes the total change, in dollars and as a percentage, between the Department's FY 2009-10 appropriation and its FY 2010-11 request.

Total Requested Change, FY 2009-10 to FY 2010-11 (millions of dollars)

Category	GF	CF	RF	FF	Total	FTE
FY 2009-10 Appropriation	\$14.3	\$25.5	\$50.2	\$33.0	\$123.0	376.6
FY 2010-11 Request	13.0	25.6	107.4	33.3	179.3	1,039.8
Increase / (Decrease)	(\$1.3)	\$0.1	\$57.2	\$0.3	\$56.3	663.2
Percentage Change	-9.1%	0.4%	113.9%	0.9%	45.8%	176.1%

The following table highlights the individual changes contained in the Department's FY 2010-11 budget request, as compared with the FY 2009-10 appropriation. For additional detail, see the numbers pages in Appendix A.

Requested Changes, FY 2009-10 to FY 2010-11

Category	GF	CF	RF	FF	Total	FTE
DI #1 Statewide Information Technology Staff Consolidation	0	0	58,786,128	0	58,786,128	680.7
GEO ARRA Fund Oversight	0	0	0	275,131	275,131	0.0
OIT Personal Services Reduction	0	0	(1,254,566)	0	(1,254,566)	(13.0)
Governor's Office and Residence Reduction	(307,956)	0	0	0	(307,956)	(3.0)
BRI #1 Global Business Development	(217,049)	0	0	0	(217,049)	(1.5)
Lt. Governor's Office Reduction	(34,681)	0	0	0	(34,681)	0.0
Common Policy Adjustments / Other	(730,446)	50,979	(362,907)	86,904	(955,470)	0.0
Total Change	(1,290,132)	50,979	57,168,655	362,035	56,291,537	663.2

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BRIEFING ISSUE

INFORMATIONAL ISSUE: Funding Overview of the Governor's Energy Office

The Governor's Energy Office (GEO) administers a wide variety of programs to advance energy efficiency and the development of renewable, clean energy resources. Its initiatives receive funding from a variety of state and federal sources, as well as moneys derived from successful lawsuits against several oil companies for violations of petroleum price controls during the late 1970s and early 1980s.

SUMMARY:

- ❑ The GEO expended General Fund moneys in FY 2008-09. The Office did not receive a General Fund appropriation in FY 2009-10. No request was made for a General Fund appropriation for FY 2010-11.
- ❑ The GEO receives state cash funds from the Operational Account of the Severance Tax Trust Fund and the Limited Gaming Fund.
- ❑ The GEO receives federal funds annually from the Department of Energy, Department of Health and Human Services, and oil-overcharge settlements.
- ❑ The GEO received \$143.7 million as a result of the passage of the federal American Recovery and Reinvestment Act of 2009 (ARRA).

DISCUSSION:

State Funds - General Fund

The GEO Solar Incentives Program expended \$1.0 million of General Fund moneys in FY 2008-09. The General Fund appropriation for the program was eliminated in FY 2009-10, and no request was submitted by the Department for General Fund appropriations for FY 2010-11.

State Funds - Severance Tax

The GEO receives appropriations from four cash funds that acquire moneys from the collection of severance taxes. First, \$2 million from the Operational Account of the Severance Tax Trust Fund was expended by the GEO to support the initiatives of the Colorado Renewable Energy Authority in FY 2008-09. Current statute indicates that no future transfers are to occur for use by the Authority.

Second, \$6.0 million was transferred from the Operational Account of the Severance Tax Trust Fund to the GEO's Low-Income Energy Assistance Fund in FY 2008-09 for weatherization program expenditures. The legislature eliminated the transfer in FY 2009-10 with the passage of S.B. 09-293. The GEO's Low-Income Energy Assistance Fund is slated to receive transfers of \$6.5 million each year from FY 2010-11 to FY 2012-13. Transfers are contingent upon the availability of sufficient revenue to maintain reserve requirements. If the reserve requirement is not met, and no other legislative action is taken, it is possible for the GEO's Low-Income Energy Assistance Fund to receive transfers of less than \$6.5 million in future fiscal years. For example, it is estimated that the FY 2011-12 transfer will be reduced to \$6.4 million.

Third, the Energy Outreach Colorado Low-Income Energy Assistance Fund administered by the GEO received a transfer of \$1.1 million in FY 2008-09 and a transfer of \$1.6 million in FY 2009-10 from the Operational Account of the Severance Tax Trust Fund. The moneys are passed through the GEO to the non-profit organization Energy Outreach Colorado. Energy Outreach Colorado is projected to receive \$3.3 million each year from FY 2010-11 to FY 2012-13 from the Energy Outreach Colorado Low-Income Energy Assistance Fund. Transfers are contingent upon the availability of sufficient revenue to maintain reserve requirements. If the reserve requirement is not met, and no other legislative action is taken, it is possible for the Fund to receive transfers of less than \$3.3 million per year in future fiscal years.

Fourth, the GEO expends moneys transferred to the Public School Energy Efficiency Fund from the generation of interest earned on the accelerated collection of oil and gas severance taxes. The Fund supports energy efficiency projects in public schools across the State. In FY 2008-09, the GEO expended \$162,696. Legislative Council Staff estimates that the program will receive approximately \$150,000 in FY 2009-10. The Department estimates that the Fund will receive \$150,000 in FY 2010-11, as well. Legislative Council Staff do not forecast transfers to the Public School Energy Efficiency Fund beyond the current fiscal year.

The table below summarizes appropriations to the GEO of moneys generated from the collection of severance taxes:

Severance Tax Moneys Appropriated to the GEO			
Recipient	FY 2008-09	FY 2009-2010	FY 2010-11
Colorado Renewable Energy Authority	2,000,000	0	0
GEO's Low-Income Energy Assistance Fund	6,000,000	0	6,500,000**
Energy Outreach Colorado Low-Income Energy Assistance Fund	1,050,000	1,625,000	3,250,000**
Public School Energy Efficiency Fund	163,769	150,000*	150,000*
Totals	\$9,213,769	\$1,775,000	\$9,900,000

*Actual amount of transfer could fluctuate based on severance tax collections made during FY 2009-10 and FY 2010-11.

**Assumes the availability of sufficient revenue to maintain reserve requirements.

State Funds - Limited Gaming

The GEO receives a continuous appropriation of moneys from the Clean Energy Fund established in 2007. The principal of the Clean Energy Fund consists of moneys transferred to it at the end of each state fiscal year from the Limited Gaming Fund. At the end of FY 2007-08, the Clean Energy Fund received a transfer of \$4.0 million for use by the GEO in FY 2008-09. No transfer of moneys occurred at the end of FY 2008-09 for use in FY 2009-10 because General Fund revenues were insufficient to cover the amount of General Fund appropriations for the fiscal year. Triggered by the incongruity between General Fund revenues and General Fund appropriations, moneys that would have otherwise been transferred to the Fund were instead transferred to the General Fund. The Department has submitted a proposal to eliminate transfers from the Limited Gaming Fund to the Clean Energy Fund at the end of FY 2009-10 and FY 2010-11. The moneys that would otherwise be transferred to the Clean Energy Fund would instead be transferred to the General Fund under the proposal. The table below summarizes the impact of the proposal on the Clean Energy Fund and the General Fund:

Limited Gaming Fund Distribution to the Clean Energy Fund					
FY 2009-10 (millions)			FY 2010-11 (millions)		
Forecasted Transfer	Proposed Transfer	Diversion to General Fund	Forecasted Transfer	Proposed Transfer	Diversion to General Fund
\$14.2*	\$0	\$14.2	\$15.4*	\$0	\$15.4

**Based upon the September 21, 2009 Legislative Council revenue forecast for limited gaming and inflationary changes.*

Federal Funds - Petroleum Violation Escrow

The GEO operated for nearly 25 years on the proceeds from the Petroleum Violation Escrow Funds (PVE). PVE moneys are derived from successful federal lawsuits against several oil companies for violations of petroleum price controls during the late 1970s and early 1980s. It is a fixed source of funding, with a total allocation to Colorado of \$70.5 million. The funds may be used at the Governor's discretion for programs authorized by the United States Department of Energy (DOE), and have been used to pay for much of the administrative expenses associated with the GEO (and its predecessor agencies). In FY 2008-09, the Office expended \$842,686 of PVE funds. FY 2009-10 and FY 2010-11 estimated expenditures are \$1.1 million per year. Following FY 2010-11, the estimated remaining balance of PVE funds will be \$1.1 million.

Federal Funds - DOE

The GEO is the recipient of two streams of funding from the United States Department of Energy. First, it receives funds as part of the DOE's State Energy Program to address the State's energy priorities and to adopt emerging renewable energy and energy efficiency technologies. In FY 2008-09, GEO acquired \$1.0 million. In FY 2009-10, the Office received \$391,000. Second, the GEO obtains moneys from the DOE's Weatherization Program. In FY 2008-09, the Office accepted \$6.6 million, while in FY 09-10 it accepted \$9.1 million.

Federal Funds - United States Department of Health and Human Services

In addition to moneys provided by the DOE directly to the GEO for weatherization projects, the Office is also eligible to receive federal funds from the United States Department of Health and Human Services (DHS) for weatherization projects via a transfer from the Department of Human Services (DHS). DHS receives Low-Income Home Energy Assistance Program (LIHEAP) moneys to assist low-income households in meeting their immediate home energy needs. As much as 15 percent of these funds may be used for weatherization. If the executive branch decides to spend a portion of the LIHEAP money on weatherization, it is transferred from DHS to the GEO, traditionally by an executive order issued by the Governor. The GEO received a transfer from DHS of \$9.5 million in FY 2008-09 and anticipates receiving an estimated transfer of \$2.4 million in FY 2009-2010.

Federal Funds - ARRA

The passage of ARRA provides the GEO with increased funding for a variety of existing and new initiatives. ARRA moneys are available for weatherization projects, to augment the State Energy Program, to fund Energy Star Appliance Rebates, to administer the Energy Efficiency and Conservation Block Grant, and to create emergency preparedness plans to ensure the resiliency of the country's electrical grid. The table below outlines the funding for each of the functional areas funded by ARRA:

ARRA Funds Awarded to the GEO		
Functional Area	Amount (millions)	Expend by Date
Weatherization	79.5	3/31/2012
State Energy Program	49.2	4/31/2012
Energy Star Appliance Rebate Funds	4.7	2/17/2012
Energy Efficiency and Conservation Block Grant	9.6	9/29/2012
Energy Assurance Plan / Smart Grid Resiliency	0.7	8/14/2012
Total	\$143.7	

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BRIEFING ISSUE

ISSUE: Weatherization Program Funding

The Governor's Energy Office (GEO) received \$79.5 million in federal funds to provide home energy efficiency improvements for low-income households as a result of the passage of the American Recovery and Reinvestment Act of 2009 (ARRA). Due to the influx of ARRA moneys, it is possible to eliminate the transfer of severance tax dollars to the Department for its weatherization program and supplement the program with federal funds.

SUMMARY:

- ❑ Assuming sufficient funds are available in the Operational Account of the Severance Tax Trust Fund, the GEO's Low-Income Energy Assistance Fund will receive a transfer of \$6.5 million each year from FY 2010-11 through FY 2012-13. The funds are for weatherization services to provide home energy efficiency improvements for low-income households.
- ❑ As a result of the passage of ARRA, the Department received \$79.5 million in federal funds to provide home energy efficiency improvements for low-income households. ARRA moneys must be expended from FY 2009-10 through FY 2011-12.
- ❑ S.B. 09-293 eliminated the transfer of funds from the Operational Account of the Severance Tax Trust Fund to the GEO's Low-Income Energy Assistance Fund for FY 2009-10. It is possible to repeat the transfer repeal in FY 2010-11 and supplement the GEO's weatherization program with federal funds from ARRA.

RECOMMENDATION:

Staff recommends that the Committee consider eliminating the transfer of moneys from the Operational Account of the Severance Tax Trust Fund to the GEO's Low-Income Energy Assistance Fund for FY 2010-11 and FY 2011-12. Moneys needed to support the Department's weatherization program can be supplemented with federal funds made available to the State through the passage of ARRA.

DISCUSSION:

The Department administers a weatherization program to make cost-effective investments in energy efficiency in low-income housing. Low-income energy consumers represent a unique challenge in terms of implementing weatherization measures. Due to limited discretionary income, these

households are not as able to respond to price signals and incentives. At the same time, the burden of energy costs upon household income is a concern for these consumers.

Historically, the Department has funded its weatherization program with a mixture of federal funds from Department of Energy's Weatherization Assistance Program and moneys from Xcel Energy. Beginning in 2006 with the passage of H.B. 06-1200, moneys were transferred from the Operational Account of the Severance Tax Trust Fund to the GEO's Low-Income Energy Assistance Fund. Moneys are continuously appropriated to the Department to increase in the number of households served annually. The chart below illustrates funds transferred from the Operational Account of the Severance Tax Trust Fund to the GEO's Low-Income Energy Assistance Fund for improving energy efficiency in low-income households through weatherization initiatives:

Transfers from the Operational Account to the GEO's Low-Income Energy Efficiency Fund	
Fiscal Year	Amount (millions)
2005-06	4.0
2006-07	4.0
2007-08	5.0
2008-09	6.0
2009-10	0.0
2010-11	6.5*
2011-12	6.5*
2012-13	6.5*

**Assumes sufficient funds are available to meet the complete distribution while maintaining necessary reserve balances of the Operational Account.*

The funding mixture changed again in 2009 as a result of the passage of ARRA. Colorado received \$79.5 million in federal funds to invest in low-income weatherization over the next three years. ARRA moneys must be expended in FY 2009-10 through FY 2011-12. The Department indicates that the expenditures will occur as follows:

Estimated Expenditures of ARRA Funds for Low-Income Home Energy Efficiency Improvements	
Fiscal Year	Amount (millions)
2009-10	22.0
2010-11	31.6
2011-12	25.9
Total	\$79.5

Similar to its traditional usage of moneys from the Operational Account of the Severance Tax Trust Fund, the GEO is using ARRA funds to expand the delivery of weatherization services to the homes of Colorado's low-income residents through its existing weatherization program, and to strengthen the network of service delivery providers working to improve the energy efficiency of Colorado's low-income households.

S.B. 09-293 eliminated the transfer of funds from the Operational Account of the Severance Tax Trust Fund to the GEO's Low-Income Energy Assistance Fund for FY 2009-10. Due to the Department's reception of ARRA moneys to fund its weatherization program for FY 2009-10 through FY 2011-12, Staff recommends that the Committee consider taking similar action in the 2010 legislative session to eliminate the transfer of moneys from the Operational Account of the Severance Tax Trust Fund to the GEO's Low-Income Energy Assistance Fund for FY 2010-11 and FY 2011-12. Modifying statutorily authorized transfers from the Operational Account of the Severance Tax Trust Fund requires legislation. Specifically, Sections 39-29-109.3(2)(f)(III)(A) and (IV)(A), C.R.S. must be amended to stop the transfer from occurring in FY 2010-11 and FY 2011-12.

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BRIEFING ISSUE

ISSUE: Proposal to Revise Gaming Funds Distribution in FY 2009-10 and FY 2010-11

Current law dictates that the distribution of revenue collected through limited gaming to certain funds is altered when General Fund revenues are not sufficient to support the General Fund appropriation for that fiscal year based on the Joint Budget Committee's Appropriations Report. The Department requests a legislative change for FY 2009-10 and FY 2010-11 to require, regardless of the Appropriations Report, a change in the limited gaming revenue distribution to divert additional moneys to the General Fund.

SUMMARY:

- ❑ The Department's proposal for FY 2009-10, which requires legislation to enact, would transfer 100 percent of the Limited Gaming revenues into the General Fund that would otherwise go to the Clean Energy Fund. The amount diverted to the General Fund is estimated to be \$14.2 million.

- ❑ The Department's proposal for FY 2010-11, which requires legislation to enact, would transfer 100 percent of the Limited Gaming revenues into the General Fund that would otherwise go to the Clean Energy Fund, and a portion of limited gaming revenues that would otherwise go to Colorado Travel and Tourism Promotion, the State Council on the Arts, New Jobs Incentive, and Film Operations and Incentives. The total amount diverted to the General Fund is estimated to be \$21.4 million.

RECOMMENDATION:

Staff recommends that the Committee pursue the elimination of the FY 2009-10 and FY 2010-11 transfers to the Clean Energy Fund. The programs supported by the Clean Energy Fund in the Governor's Energy Office (GEO) can be supplemented with federal funds received after the passage of the American Reinvestment and Recovery Act of 2009 (ARRA). Staff recommends that the Committee discuss the proposed decreases in transfers to the economic development funds with the Department at the hearing to determine the impact such decreases would have on achieving programmatic goals.

DISCUSSION:

With the passage of S.B. 09-228, current law requires that in a given year when General Fund revenues are not sufficient to support the General Fund appropriation for that fiscal year (as stated in the Appropriations Report), revenue collected through limited gaming that would otherwise be

transferred to the Colorado Travel and Tourism, New Jobs Incentives, State Council on the Arts, Film Operations and Incentives, and Clean Energy cash funds is instead transferred to the General Fund. In such instances, statute dictates that transfers to Colorado Travel and Tourism, New Jobs Incentives, the State Council on the Arts, and Film Operations and Incentives are to be reduced in one of two ways. First, the Committee, acting by bill, can determine the amount of limited gaming fund moneys, if any, that should be transferred to the four programs listed above at the end of that fiscal year. Alternatively, if the Committee does not determine the amount of limited gaming revenue to be transferred to the four programs listed above, the State Treasurer will deduct a pro-rated amount of funds from each of the four programs, and divert the moneys to the General Fund to cover the amount of General Fund appropriations to be made for the fiscal year.

Statutory provisions for diverting limited gaming revenue from the Clean Energy Fund to the General Fund are similar to those governing the four economic development programs, yet different in one key area. If the amount of General Fund revenues for the fiscal year are insufficient to cover the amount of General Fund appropriations to be made for the fiscal year, the State Treasurer automatically transfers to the General Fund moneys that would otherwise be transferred to the Clean Energy Fund.

The Department's proposal requests a legislative change for FY 2009-10 and FY 2010-11 to require a transfer to the General Fund from the portion of revenues that would otherwise go to the Clean Energy Fund in FY 2009-10 and Colorado Travel and Tourism, New Jobs Incentives, the State Council on the Arts, Film Operations and Incentives, and Clean Energy Fund in FY 2010-11. If the proposal is implemented, the estimated increase in General Fund revenues for FY 2009-10 and FY 2010-11 would be \$14.2 million and \$21.4 million, respectively. The table below summarizes the impact of the proposal:

Proposed Limited Gaming Fund Distribution Changes						
Fund	FY 2009-10 (\$ millions)			FY 2010-11 (\$ millions)		
	Forecasted Transfer*	Proposed Transfer	Diversion to General Fund	Forecasted Transfer*	Proposed Transfer	Diversion to General Fund
Travel and Tourism	15.5	15.5	0	15.8	10.2	5.6
New Jobs Incentives	1.4	1.4	0	1.4	1.6	(0.2)
State Council on the Arts	1.2	1.2	0	1.2	0.8	0.4
Film Ops & Incentives	0.5	0.5	0	0.5	0.3	0.2
Clean Energy	14.2	0	14.2	15.4	0	15.4

Proposed Limited Gaming Fund Distribution Changes						
Fund	FY 2009-10 (\$ millions)			FY 2010-11 (\$ millions)		
	Forecasted Transfer*	Proposed Transfer	Diversion to General Fund	Forecasted Transfer*	Proposed Transfer	Diversion to General Fund
Totals	\$32.8	\$18.6	\$14.2	\$34.3	\$12.9	\$21.4

**Based upon September 21, 2009 Legislative Council revenue forecast for limited gaming and inflationary changes.*

Staff recommends that the Committee pursue the elimination of the FY 2009-10 and FY 2010-11 transfers to the Clean Energy Fund. This action requires the amendment of Section 12-47.1-701(5), C.R.S. The programs supported by the Clean Energy Fund in the GEO can be supplemented with federal funds received after the passage of ARRA. ARRA moneys are available for weatherization projects, to augment the State Energy Program, to fund Energy Star Appliance Rebates, to administer the Energy Efficiency and Conservation Block Grant, and to create emergency preparedness plans to ensure the resiliency of the country's electrical grid. The total dollar amount received by the GEO from ARRA is \$143.7 million. The funds must be expended by 2012. For more information on ARRA funds, see the "Funding Overview of the Governor's Energy Office" informational briefing issue within this JBC Staff Briefing document.

Additionally, Staff recommends that the Committee discuss the proposed decreases in transfers to the economic development funds with the Department at the hearing to determine the impact such decreases would have on achieving programmatic goals. Each of the four economic development program areas impacted by the Department's proposal address one or more of the Office of Economic Development and International Trade's (OEDIT) four key objectives. The objectives are as follows:

- Increase quality job creation and retention by existing, expanding, and relocating businesses;
- Position Colorado as a national leader in emerging and targeted industries, including renewable energy, biomedicine and bioscience, aerospace, and tourism;
- Support entrepreneurs and small businesses; and
- Strengthen regional economies

Staff recommends the Committee focus on the Department's objective of positioning Colorado as a national leader in tourism. The OEDIT's performance measure for this objective is to increase Colorado's travel market share of total United States marketable pleasure trips. The Committee may wish to discuss with the Department how the OEDIT plans to implement marketing and public relations promotional strategies to achieve the performance measure for this objective with a proposed reduction of 50 percent in funding from limited gaming revenue for use in FY 2011-12.

If the Committee opts to implement the Department's proposal, it must take legislative action to amend Section 12-47.1-701(4), C.R.S. to divert funds from the economic development programs to the General Fund in the amounts requested.

**FY 2010-11 Joint Budget Committee Staff Budget Briefing
Office of the Governor**

BRIEFING ISSUE

INFORMATIONAL ISSUE: Statewide Information Technology Staff Consolidation

In accordance with S.B. 08-155, the Department is requesting a budgetary transfer of statewide information technology staff resources from all executive branch agencies to the Governor's Office of Information Technology (OIT). The requested budgetary transfer includes 680.7 FTE and a reappropriation of \$58.8 million in agency funds to OIT.

SUMMARY:

- ❑ Governor's Executive Order D 016 067 in May of 2007 and the passage of S.B. 08-155 represented a dramatic shift in the provision of information technologies from a decentralized to centralized approach in addressing infrastructure, purchasing, project planning and delivery, asset management, and strategic leadership needs.
- ❑ Phase one of the FTE consolidation process involved the transfer of several information technology functions and staff positions from various state agencies to OIT on July 1, 2008. The largest single agency transfer involved moving FTE from the Department of Personnel and Administration's Division of Information Technology to OIT.
- ❑ During phase two of the FTE consolidation process, the State Chief Information Officer, Department Executive Directors, and Department Chief Information Officers jointly identified additional positions and functions affiliated with the management and administration of each agency's information technology resources and enterprises to be transferred to OIT. The Department's FY 2010-11 budget request to transfer 680.7 FTE and reappropriate \$58.8 million in agency funds to OIT is a result of this collaborative initiative.

DISCUSSION:

Background

In May of 2007, the Governor issued Executive Order D 016 067 to begin centralizing the management of state agency information technology resources in OIT in an effort to address infrastructure, purchasing, project planning and delivery, asset management, and strategic leadership needs. During the 2008 legislative session, the General Assembly passed and the Governor signed S.B. 08-155. The legislation consolidated the responsibility for information technology oversight of most of the state's executive branch in OIT.

Specifically, S.B. 08-155 transferred several information technology functions and staff positions from various state agencies to OIT on July 1, 2008. The largest single agency transfer involved

moving the Division of Information Technology from the Department of Personnel and Administration to OIT. The Division of Information Technology transfer included the General Government Computer Center (GGCC), telecommunications coordination, and statewide IT management and support functions. S.B. 08-155 also contained two other key provisions. First, it made the chief information officer of each state agency subject to supervision by the director of OIT instead of the agency's executive director. Second, it created statute (Section 24-37.5-110(1)(a), C.R.S) allowing the transfer of other information technology employees from state agencies to OIT between July 1, 2008 and July 1, 2012.

FY 2010-11 Budget Request

Per statutory authority created with the passage of S.B. 08-155, the State Chief Information Officer, Department Executive Directors, and Department Chief Information Officers jointly identified the additional positions and functions affiliated with the management and administration of each agency's information technology resources and enterprises to be transferred to OIT. The Department's FY 2010-11 budget request to transfer 680.7 FTE and reappropriate \$58.8 million in agency funds to OIT is a result of this collaborative initiative between OIT and state agencies. This budget request represents a key step in a phased approach to centralizing information technology resources in the executive branch. The table below illustrates the budgetary impact of centralization activities from pre-consolidation through the FY 2010-11 request:

OIT Consolidation Budgetary Impact				
	FY 2007-08 (Actual)	FY 2008-09 (Actual)	FY 2009-10 (Appropriated)	FY 2010-11 (Requested)
FTE	9.1	206.7	227.2	894.9
Expenditures	2,399,961	44,043,576	46,085,176	97,770,012

Reappropriation Mechanics

The Department's request indicates that funding historically dedicated to the associated information technology staff in specific state agencies and programs would continue to be appropriated to those agencies in order for them to maintain consistency of program, state, and federal funding streams and reporting standards. Agencies would make payments to OIT for their share of information technology staff payroll costs. The payments would be made from central OIT Common Policy allocations based on the information technology common policy function that each position transferred most appropriately aligns (Purchases of Services from Computer Center, Multiuse Network Payments, Communications Services, or Management and Administration of OIT).

The Department's proposal specifies that agencies have captured the anticipated POTs expenditures (health, life, and dental, short-term disability, S.B. 04-257 Amortization Equalization Disbursement, S.B. 06-235 Supplemental Amortization Equalization Disbursement, and shift differential) for the 680.7 FTE slated for transfer. OIT seeks to increase its level of reappropriated funding from the agencies in an amount equal to the POTS expenditures for the 680.7 FTE. The FTE count of 680.7

includes a ten percent reduction in personal services costs. The savings generated is detailed below in the "Consolidation Savings" section.

Budgetary Impact to Agencies

The Department's request addresses only base payroll and benefits costs associated with existing classified state FTE to be transferred from agencies to OIT. Any new appropriated spending authority in OIT as a result of this request simply corresponds to and mirrors agency expenditures for these same functions as they already exist within the agencies.

The table below captures the total requested information technology staff transfers from state agencies to OIT prior to the ten percent reduction in personal services costs:

Summary of Proposed FTE Transfers to OIT by Department		
Department	FTE	Cost (\$)
Agriculture	6.0	587,495
Corrections	69.8	5,936,150
HCPF	25.0	1,961,697
Higher Education	3.0	226,008
Human Services	197.1	17,185,766
Labor and Employment	67.0	6,060,574
Local Affairs	9.9	890,997
Military Affairs	2.0	199,141
Natural Resources	64.0	5,859,561
Personnel and Administration	0.0	792,317
Public Health and Environment	65.8	6,192,748
Public Safety	33.0	2,995,630
Regulatory Agencies	25.5	2,076,472
Revenue	106.2	8,721,782
Transportation	82.0	8,143,917
Total	756.3	\$67,830,255

The agency costs (\$67.8 million) requested to be reappropriated to OIT with the transfer of 756.3 FTE would be applied to personal services and POTs within the Department's budget. The table below breaks out the aggregate personal services and POTs costs proposed incurred by the Department as a result of the transfer of FTE from the agencies prior to a ten percent reduction in personal services costs:

Costs to OIT: Post-FTE Transfer	
Personal Services / POTs	OIT Cost (\$)
Personal Services	61,125,865
Health, Life, and Dental	4,345,743
Short-term Disability	84,335
S.B. 04-257 AED	1,303,355
S.B. 06-235 SAED	952,379
Shift Differential	18,579
Total	\$67,830,256

Consolidation Savings

The current budget shortfall has presented state government with an increased emphasis on reductions in the total state government workforce. As a result, the Department's request includes a ten percent reduction in personal services for the FTE transferred from state agencies to OIT. The total savings generated by the reduction would be \$6.7 million and 75.7 FTE.

It is important to note that the Department is currently appropriated \$2.4 million from agencies for FTE associated with Internal Application Support Staff and agency Chief Information Officers. The FTE authority for the current appropriation is held by OIT. The Department's request includes realigning the FTE and associated costs to match the common policy based structure of OIT. In the tables below, the costs for Internal Application Support Staff and agency Chief Information Officers are included in the agency costs. As a result, the associated costs are subtracted out below the subtotal to avoid double counting and to isolate costs of the current proposed transfer of agency FTE to OIT.

The table below summarizes the ten percent reduction in personal services for each affected agency:

Ten Percent Reduction in Personal Services by Department				
Department	FTE Reduction	Cost Reduction (\$)	New FTE Cost to Agency	New Cost to Agency (\$)
Agriculture	(0.6)	(58,750)	5.4	528,746
Corrections	(7.0)	(475,876)	62.8	5,460,274
HCPF	(2.5)	(196,172)	22.5	1,765,527
Higher Education	(0.3)	(22,602)	2.7	203,407
Human Services	(19.7)	(1,718,616)	177.4	15,467,189
Labor and Employment	(6.7)	(606,058)	60.3	5,454,517

Local Affairs	(1.0)	(89,100)	8.9	801,897
Military Affairs	(0.2)	(19,915)	1.8	179,227
Natural Resources	(6.4)	(585,960)	57.6	5,273,605
Personnel and Administration	0.0	(79,232)	0.0	713,085
Public Health and Environment	(6.6)	(619,275)	59.2	5,573,473
Public Safety	(3.3)	(297,075)	29.7	2,698,555
Regulatory Agencies	(2.6)	(207,646)	22.9	1,868,825
Revenue	(10.6)	(872,178)	95.6	7,849,604
Transportation	(8.2)	(814,392)	73.8	7,329,525
Subtotal	(75.7)	(\$6,662,847)	680.7	\$61,167,456
FTE Realignment	0.0	0	0.0	(2,381,284)
Total	(75.7)	(\$6,662,847)	680.7	\$58,786,172

Of the \$6.7 million of total savings from all fund sources as a result of the ten percent reduction in personal services:, \$2.5 million is General Fund savings. The table below indicates the amount of General Fund savings proposed to be achieved by each agency:

Agency General Fund Savings	
Department	General Fund Reduction (\$)
Agriculture	(35,177)
Corrections	(475,876)
HCPF	(46,405)
Higher Education	0
Human Services	(882,932)
Labor and Employment	(243,562)
Local Affairs	(21,592)
Military Affairs	(19,915)
Natural Resources	(96,173)
Personnel and Administration	0
Public Health and Environment	(32,496)
Public Safety	(145,486)

Regulatory Agencies	0
Revenue	(476,021)
Transportation	0
Total	(\$2,475,635)

The Department's proposal indicates an increase in personal services and POTs appropriations equivalent to 90 percent of the amount reduced from agency budgets to account for the savings generated by the ten percent reduction in personal services. The table below shows the aggregate reductions in the Department's personal services and POTs costs:

Costs to OIT: Post-Ten Percent Reduction in Personal Services			
	Pre-Reduction OIT Cost (\$)	OIT 10 Percent Cost Reduction (\$)	Proposed OIT Cost (\$)
Personal Services	61,125,865	(5,992,360)	55,133,505
Health, Life, and Dental	4,345,743	(434,574)	3,911,169
Short-term Disability	84,335	(8,434)	75,901
S.B. 04-257 AED	1,303,355	(130,336)	1,173,019
S.B. 06-235 SAED	952,379	(95,238)	857,141
Shift Differential	18,579	(1,858)	16,721
Subtotals	\$67,830,256	(\$6,662,800)	\$61,167,456
FTE Realignment	0	0	(2,381,284)
Totals	\$67,830,256	(\$6,662,800)	\$58,786,172

OIT Common Policy and CBMS Program Allocations

As mentioned above, the Department's request anticipates that agencies will make payments associated with their share of information technology staff payroll costs from central OIT Common Policy allocations which are based on the information technology common policy function that each position transferred most appropriately aligns. The Department would then apply these payments to personal services and POTs expenditures. The costs associated with administering the Colorado Benefits Management System (CBMS) are included below because FTE transferred from this functional area are tied to CBMS, not a common policy. The table below summarizes the proposed agency common policy payment allocation schedule for FY 2010-11:

Proposed OIT Common Policy and CBMS Program Allocations		
Allocation	OIT Collections	FTE
Computer Center	45,636,941	516.1

Proposed OIT Common Policy and CBMS Program Allocations		
Allocation	OIT Collections	FTE
MNT/Network	6,857,855	75.6
OIT Management/Administration	3,695,705	30.5
CBMS Program	4,976,908	58.5
Subtotals	\$61,167,409	680.7
FTE Realignment	(\$2,381,284)	0.0
Totals	\$58,786,172	680.7

The table below breaks out the proposed OIT Common Policy and CBMS Program costs to each agency:

Proposed OIT Common Policy and CBMS Program Costs by Agency					
Department	Computer Center	MNT/ Network	OIT Management	CBMS Program	Total
Agriculture	278,280	131,370	119,095	0	528,745
Corrections	4,156,106	1,050,367	253,801	0	5,460,274
HCPF	147,184	203,580	141,026	1,273,735	1,765,525
Higher Education	45,643	57,689	100,074	0	203,406
Human Services	10,260,772	866,768	636,437	3,703,173	15,467,150
Labor and Employment	4,434,381	769,725	250,409	0	5,454,515
Local Affairs	649,072	95,099	57,726	0	801,897
Military Affairs	126,434	0	52,792	0	179,226
Natural Resources	4,107,073	857,802	308,726	0	5,273,601
Personnel and Administration	713,085	0	0	0	713,085
Public Health and Environment	4,651,692	543,254	378,527	0	5,573,473
Public Safety	1,744,727	761,437	192,392	0	2,698,556
Regulatory Agencies	1,546,452	131,580	190,794	0	1,868,826

Revenue	6,880,397	447,373	521,834	0	7,849,604
Transportation	5,895,643	941,811	492,072	0	7,329,526
Subtotal	45,636,941	6,857,855	3,695,705	4,976,908	61,167,409
FTE Realignment	(689,098)	0	(1,692,186)	0	(2,381,284)
Total	44,947,843	6,857,855	2,003,519	4,976,908	58,786,125

Budgetary Impact to OIT and the State

The proposed transfers of information technology staff from state agencies represents a significant increase in both FTE and appropriated funds in the FY 2010-11 budget for the Department. The increase in FTE and appropriated funds do not indicate growth in overall state expenditures, however. As discussed in the "Consolidation Savings" section, the proposal decreases overall costs to the state through a ten percent reduction in personal services costs.

The Department's request would impact several lines of the Long Bill, as well as adding a new line to the bill to capture the statewide costs of administering CBMS. The following table illustrates the budgetary impact the proposal would have on the Department's appropriations:

Summary of Proposed Changes to OIT Budget		
Long Bill Item	FTE	Total (\$)
Governor, Lieutenant Governor, State Planning & Budgeting (1) Office of the Governor, (B) Special Purpose, Health, Life & Dental	0.0	3,911,169
Governor, Lieutenant Governor, State Planning & Budgeting (1) Office of the Governor, (B) Special Purpose, Short-term Disability	0.0	75,901
Governor, Lieutenant Governor, State Planning & Budgeting (1) Office of the Governor, (B) Special Purpose, SB 04-257 AED	0.0	1,173,020
Governor, Lieutenant Governor, State Planning & Budgeting (1) Office of the Governor, (B) Special Purpose, SB 06-235 Supplemental AED	0.0	857,141
Governor, Lieutenant Governor, State Planning & Budgeting (1) Office of the Governor, (B) Special Purpose, Shift Differential	0.0	16,721
(5) Office of Information Technology, (C) CIOs in State Agencies, Administration Costs	(12.4)	(1,692,186)
(5) Office of Information Technology, (D) Statewide Information Technology Services, (2) Internal Program Support	(10.0)	(689,098)
(5) Office of Information Technology, (D) Statewide Information Technology Services, (3) Statewide Information Technology Management	42.9	3,315,460
(5) Office of Information Technology, (D) Statewide Information Technology Services, (8) Network Services	75.6	6,160,671
(5) Office of Information Technology, (D) Statewide Information Technology Services, (9) Computer Services	526.1	40,995,174

(5) Office of Information Technology, (D) Statewide Information Technology Services, (11) Statewide CBMS Program Costs*	58.5	4,662,155
Total	680.7	\$58,786,128

**Requested new line item/program in OIT beginning in FY 2010-11.*

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APPENDIX A: NUMBERS PAGES

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
GOVERNOR'S OFFICE					
Governor Bill Ritter, Jr.					
(1) OFFICE OF THE GOVERNOR					
Primary functions: 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. Includes the Citizen's Advocate Office, the Office of Policy and Initiatives, the Press Office, and the Boards and Commissions Office.					
(A) Governor's Office					
Administration of Governor's Office and Residence	2,413,278	2,539,833	2,516,948	2,247,108	
FTE	<u>36.4</u>	<u>36.4</u>	<u>35.4</u>	<u>32.4</u>	
General Fund	2,393,858	2,522,903	2,497,828	2,227,688	
FTE	36.4	36.4	35.4	32.4	
Cash Funds	0	0	0	0	
FTE	0	0	0	0	
Reappropriated Funds / Cash Funds Exempt	19,420	16,930	19,120	19,420	
Federal Funds			0	0	
Discretionary Fund - GF	20,000	19,500	19,500	19,500	
Mansion Activity Fund	<u>168,916</u>	<u>199,999</u>	<u>200,000</u>	<u>200,000</u>	
Cash Funds	155,645	199,999	200,000	200,000	
Reappropriated Funds / Cash Funds Exempt	13,271	0	0	0	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
					Request vs. Appropriation
Subtotal - (A) Governor's Office	2,602,194	2,759,332	2,736,448	2,466,608	-9.9%
FTE	36.4	36.4	35.4	32.4	-8.5%
General Fund	2,413,858	2,542,403	2,517,328	2,247,188	-10.7%
FTE	36.4	36.4	35.4	32.4	-8.5%
Cash Funds	155,645	199,999	200,000	200,000	0.0%
FTE	0.0	0.0	0.0	0.0	N/A
Reappropriated Funds / Cash Funds Exempt	32,691	16,930	19,120	19,420	1.6%
Federal Funds	0	0	0	0	N/A
(B) Special Purpose					
Group Health, Life, & Dental	<u>492,906</u>	<u>1,535,678</u>	<u>1,968,161</u>	<u>6,113,689</u>	DI #1
General Fund	397,495	422,173	646,102	722,427	
Cash Funds	0	7,040	0	35,541	
Reappropriated Funds / Cash Funds Exempt	95,411	1,091,252	1,302,571	5,319,325	
Federal Funds	0	15,213	19,488	36,396	
Short-term Disability	<u>8,766</u>	<u>26,491</u>	<u>28,870</u>	<u>118,633</u>	DI #1
General Fund	6,615	4,158	5,632	8,321	
Cash Funds	583	2,616	55	85	
Reappropriated Funds / Cash Funds Exempt	1,568	19,419	22,814	109,672	
Federal Funds	0	298	369	555	
SB 04-257 Amortization Equalization Disbursement	<u>79,291</u>	<u>330,638</u>	<u>389,217</u>	<u>1,834,671</u>	DI #1
General Fund	59,431	50,105	76,680	130,965	
Cash Funds	5,379	32,196	716	1,321	
RF/CFE	14,481	238,830	307,056	1,695,645	
Federal Funds	0	9,507	4,765	6,740	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
SB 06-235 Supplemental Amortization Equalization					
Disbursement	<u>14,825</u>	<u>154,008</u>	<u>242,447</u>	<u>1,339,601</u>	DI #1
General Fund	10,687	22,654	47,112	93,468	
Cash Funds	1,121	15,092	447	964	
Reappropriated Funds / Cash Funds Exempt	3,017	111,805	191,910	1,239,388	
Federal Funds	0	4,457	2,978	5,781	
Salary Survey	<u>230,898</u>	<u>767,521</u>	<u>0</u>	<u>0</u>	
General Fund	183,657	201,040	0	0	
Cash Funds	0	3,017	0	0	
Reappropriated Funds / Cash Funds Exempt	47,241	551,249	0	0	
Federal Funds	0	12,215	0	0	
Performance-Based Pay Awards	<u>85,983</u>	<u>305,359</u>	<u>0</u>	<u>0</u>	
General Fund	68,192	74,647	0	0	
Cash Funds	0	3,090	0	0	
Reappropriated Funds / Cash Funds Exempt	17,791	223,823	0	0	
Federal Funds	0	3,799	0	0	
Shift Differential - RF/CFE	0	44,120	41,562	54,723	DI #1
Workers' Compensation	<u>9,454</u>	<u>99,013</u>	<u>149,013</u>	<u>155,560</u>	
General Fund	9,454	12,057	18,146	18,943	
Reappropriated Funds / Cash Funds Exempt	0	86,956	130,867	136,617	
Legal Services	<u>196,917</u>	<u>244,682</u>	<u>109,376</u>	<u>109,376</u>	
General Fund	196,917	238,599	100,580	100,580	
Cash Funds	0	0	0	0	
Reappropriated Funds / Cash Funds Exempt	0	6,083	8,796	8,796	
Purchase of Services from Computer Center	<u>42,969</u>	<u>2,081,610</u>	<u>2,081,610</u>	<u>234,463</u>	
General Fund	42,969	1,194,045	1,194,045	234,463	
Reappropriated Funds / Cash Funds Exempt	0	887,565	887,565	0	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
Multiuse Network Payments	<u>17,736</u>	<u>56,037</u>	<u>56,037</u>	<u>124,508</u>	
General Fund	17,736	17,976	17,976	97,116	
Reappropriated Funds / Cash Funds Exempt	0	38,061	38,061	27,392	
Vehicle Lease Payments - RF/CFE	0	104,277	104,277	104,277	
Leased Space - RF/CFE	0	500,920	932,941	954,260	
Payment to Risk Management and Property Funds	<u>97,477</u>	<u>392,102</u>	<u>311,246</u>	<u>49,386</u>	
General Fund	97,477	116,226	92,259	14,639	
Reappropriated Funds / Cash Funds Exempt	0	275,876	218,987	34,747	
Capitol Complex Leased Space	<u>266,704</u>	<u>645,818</u>	<u>477,776</u>	<u>461,388</u>	
General Fund	266,704	265,341	271,323	254,935	
Reappropriated Funds / Cash Funds Exempt	0	380,477	206,453	206,453	
Management and Administration of OIT	<u>0</u>	<u>53,009</u>	<u>55,634</u>	<u>82,866</u>	
General Fund	0	45,366	46,923	69,891	
Cash Funds	0	2,115	2,411	3,591	
Reappropriated Funds / Cash Funds Exempt	0	2,490	2,838	4,227	
Federal Funds	0	3,038	3,462	5,157	
Subtotal - (B) Special Purpose	<u>1,543,926</u>	<u>7,341,283</u>	<u>6,948,167</u>	<u>11,737,401</u>	<u>68.9%</u>
General Fund	1,357,334	2,664,387	2,516,778	1,745,748	-30.6%
Cash Funds	7,083	65,166	3,629	41,502	1043.6%
Reappropriated Funds / Cash Funds Exempt	179,509	4,563,203	4,396,698	9,895,522	125.1%
Federal Funds	0	48,527	31,062	54,629	75.9%
(C) Governor's Energy Office					
Program Administration - FF	0	794,159	1,105,993	1,105,993	
FTE	0.0	26.0	26.0	26.0	
Low-Income Energy Assistance - CF	5,721,295	0	0	0	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
Colorado Renewable Energy Authority - CF	2,043,764	2,000,000	0	0	
Clean Energy - CF	0	2,198,055	325,000	325,000	
FTE	0.0	5.0	5.0	5.0	
School Energy Efficiency - CF	72,473	162,696	150,000	150,000	
FTE	0.0	2.0	2.0	2.0	
Solar Incentives - GF	0	1,013,750	0	0	
Legal Services - FF	0	0	17,337	17,337	
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>26,979</u>	<u>302,110</u>	
Cash Funds	0	0	24,881	24,881	
Federal Funds	0	0	2,098	277,229	
					Request vs. Appropriation
Subtotal - (C) Governor's Energy Office	7,837,532	6,168,660	1,625,309	1,900,440	16.9%
FTE	<u>0.0</u>	<u>33.0</u>	<u>33.0</u>	<u>33.0</u>	<u>0.0%</u>
General Fund	0	1,013,750	0	0	N/A
FTE	0.0	0.0	0.0	0.0	N/A
Cash Funds	7,837,532	4,360,751	499,881	499,881	0.0%
FTE	0.0	7.0	7.0	7.0	0.0%
Federal Funds	0	794,159	1,125,428	1,400,559	24.4%
FTE	0.0	26.0	26.0	26.0	0.0%
(D) Other Programs and Grants					
Program Administration - FF	0	0	9,972,714	9,972,714	
(E) Office of Homeland Security					
Administration Costs - FF	0	0	971,012	971,012	
FTE	0.0	0.0	10.0	10.0	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
Grants and Training - FF	0	0	18,761,187	18,761,187	Request vs. Appropriation
Subtotal - (E) Office of Homeland Security - FF	0	0	19,732,199	19,732,199	0.0%
FTE	0.0	0.0	10.0	10.0	0.0%
					Request vs. Appropriation
TOTAL - (1) OFFICE OF THE GOVERNOR	11,983,652	16,269,275	41,014,837	45,809,362	11.7%
FTE	36.4	69.4	78.4	75.4	-3.8%
General Fund	3,771,192	6,220,540	5,034,106	3,992,936	-20.7%
FTE	36.4	36.4	35.4	32.4	-8.5%
Cash Funds	8,000,260	4,625,916	703,510	741,383	5.4%
FTE	0.0	7.0	7.0	7.0	0.0%
Reappropriated Funds / Cash Funds Exempt	212,200	4,580,133	4,415,818	9,914,942	124.5%
FTE	0.0	0.0	0.0	0.0	N/A
Federal Funds	0	842,686	30,861,403	31,160,101	1.0%
FTE	0.0	26.0	36.0	36.0	0.0%

(2) OFFICE OF THE LIEUTENANT GOVERNOR

Assures effective coordination of agency operations and program management within the Executive Branch. The Lieutenant Governor serves as the chair of the Colorado Commission of Indian Affairs.

Administration	206,629	318,911	322,013	307,307
FTE	3.7	3.7	3.7	3.7
General Fund	206,629	230,176	244,475	229,769
FTE	3.7	2.7	2.7	2.7
Reappropriated Funds / Cash Funds Exempt	0	0	77,538	77,538
FTE	0.0	0.0	1.0	1.0
Federal Funds	0	88,735	0	0
FTE	0.0	1.0	0.0	0.0
Discretionary Fund - GF	4,999	4,875	4,875	2,875

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
Commission of Indian Affairs	83,867	98,968	98,968	80,993	
FTE	<u>2.3</u>	<u>2.3</u>	<u>2.3</u>	<u>2.3</u>	
General Fund	83,867	97,468	97,468	79,493	
FTE	2.3	2.3	2.3	2.3	
Cash Funds	0	1,500	1,500	1,500	
					Request vs. Appropriation
TOTAL - (2) OFFICE OF THE LT. GOVERNOR	295,495	422,754	425,856	391,175	-8.1%
FTE	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>0.0%</u>
General Fund	295,495	332,519	346,818	312,137	-10.0%
FTE	6.0	5.0	5.0	5.0	0.0%
Cash Funds	0	1,500	1,500	1,500	0.0%
Reappropriated Funds / Cash Funds Exempt	0	0	77,538	77,538	0.0%
FTE	0.0	0.0	1.0	1.0	0.0%
Federal Funds	0	88,735	0	0	N/A
FTE	0.0	1.0	0.0	0.0	N/A

(3) OFFICE OF STATE PLANNING AND BUDGETING

Provides the Governor with information and recommendations to make sound public policy and budget decisions. This is accomplished through developing revenue estimates, a budget, proposals for new legislation, tracking legislation and the budget, advocating for the Governor's priorities, monitoring issues, and providing information to the public.

Personal Services - RF/CFE	1,321,680	1,372,544	1,439,973	1,439,973	
FTE - RF/CFE	17.9	19.5	19.5	19.5	
Operating Expenses - RF/CFE	51,508	51,039	50,944	50,944	
Economic Forecasting Subscriptions - RF/CFE	15,943	6,007	16,362	16,362	
Government Efficiency Management Study - GF	583,330	0	0	0	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
					Request vs. Appropriation
TOTAL - (3) OFFICE OF STATE PLANNING AND BUDGETING	1,972,461	1,429,590	1,507,279	1,507,279	0.0%
FTE	<u>17.9</u>	<u>19.5</u>	<u>19.5</u>	<u>19.5</u>	<u>0.0%</u>
General Fund	583,330	0	0	0	N/A
Reappropriated Funds / Cash Funds Exempt	1,389,131	1,429,590	1,507,279	1,507,279	0.0%
FTE	17.9	19.5	19.5	19.5	0.0%

(4) ECONOMIC DEVELOPMENT PROGRAMS

Provides financial and technical assistance supporting local and regional economic development activities throughout the state. Programs include business retention and relocation services, bioscience and emerging industries, business finance, the Colorado Tourism Office, Colorado Council on the Arts, Film Incentives, Colorado First Customized Job Training, New Jobs Incentives, International Trade Office, small business development centers, and minority and women-owned business services.

Administration	391,352	457,327	607,100	607,100	
FTE	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	
General Fund	376,563	442,538	556,616	556,616	
FTE	6.0	6.0	6.0	6.0	
Cash Funds	0	0	2,472	2,472	
Reappropriated Funds / Cash Funds Exempt	14,789	14,789	45,829	45,829	
Federal Funds	0	0	2,183	2,183	
Vehicle Lease Payments - GF	6,555	3,375	13,894	15,301	NP #1
Leased Space - GF	231,540	231,540	231,540	231,540	
Business Development	812,367	863,902	878,736	0	BRI #1
FTE	<u>9.2</u>	<u>8.2</u>	<u>9.2</u>	<u>0.0</u>	
General Fund	809,967	863,902	863,736	0	
FTE	9.2	8.2	9.2	0.0	
Cash Funds	2,400	0	15,000	0	
FTE	0.0	0.0	0.0	0.0	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
Grand Junction Satellite Office - GF	44,126	67,007	67,007	0	BRI #1
FTE	1.0	0.6	1.0	0.0	
Minority Business Office	115,540	146,491	151,274	0	BRI #1
FTE	<u>2.0</u>	<u>2.5</u>	<u>2.5</u>	<u>0.0</u>	
General Fund	113,451	146,491	146,324	0	
FTE	2.0	2.5	2.5	0.0	
Cash Funds	2,089	0	4,950	0	
Leading Edge Program Grants	<u>51,776</u>	<u>50,976</u>	<u>126,407</u>	<u>126,407</u>	
General Fund	50,976	50,976	50,976	50,976	
Cash Funds	0	0	75,431	75,431	
Reappropriated Funds / Cash Funds Exempt	800	0	0	0	
Small Business Development Centers	1,239,986	1,298,292	1,299,416	1,299,416	
FTE	<u>3.5</u>	<u>3.5</u>	<u>4.0</u>	<u>4.0</u>	
General Fund	66,315	84,483	85,774	85,774	
FTE	1.5	1.5	1.5	1.5	
Federal Funds	1,173,671	1,213,809	1,213,642	1,213,642	
FTE	2.0	2.0	2.5	2.5	
International Trade Office	610,397	679,045	695,775	0	BRI #1
FTE	<u>6.0</u>	<u>5.5</u>	<u>6.4</u>	<u>0.0</u>	
General Fund	588,587	630,605	645,775	0	
FTE	6.0	5.5	6.4	0.0	
Cash Funds	21,810	48,440	50,000	0	
Colorado Welcome Centers	95,413	211,353	504,496	504,496	
FTE	<u>3.3</u>	<u>3.3</u>	<u>3.3</u>	<u>3.3</u>	
General Fund	0	211,353	0	0	
FTE	0.0	3.3	0.0	0.0	
Cash Funds	0	0	504,496	504,496	
FTE	0.0	0.0	3.3	3.3	
Reappropriated Funds / Cash Funds Exempt	95,413	0	0	0	
FTE	3.3	0.0	0.0	0.0	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
Colorado Promotion - Other Program Costs - CF	18,926,635	21,346,390	15,074,203	15,074,203	
FTE	3.0	3.0	4.0	4.0	
Economic Development Commission General Economic Incentives and Marketing	964,061	992,804	3,559,449	3,559,449	
FTE	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	
General Fund	964,061	992,804	3,515,767	3,515,767	
FTE	3.5	3.5	3.0	3.0	
Cash Funds	0	0	43,682	43,682	
FTE	0.0	0.0	0.5	0.5	
Colo. First Customized Job Training - GF	2,725,022	2,725,022	2,725,022	2,725,022	
CAPCO Administration - RF/CFE	76,503	44,636	81,312	81,312	
FTE	1.0	2.0	2.0	2.0	
Colorado Council on the Arts	2,089,081	2,246,535	1,969,404	1,969,404	
FTE	<u>2.0</u>	<u>2.0</u>	<u>3.0</u>	<u>3.0</u>	
Cash Funds	1,389,081	1,486,978	1,200,026	1,200,026	
FTE	1.0	1.0	2.0	2.0	
Federal Funds	700,000	759,557	769,378	769,378	
FTE	1.0	1.0	1.0	1.0	
Film Incentives - CF	52,180	2,404	0	0	
New Jobs Incentives - CF	0	1,866,056	1,400,052	1,400,052	
Bioscience Discovery Evaluation - CF	728,256	611,120	4,500,000	4,500,000	
FTE	0.6	0.6	0.6	0.6	
Indirect Cost Assessment	<u>14,789</u>	<u>14,789</u>	<u>39,865</u>	<u>101,003</u>	
Cash Funds	0	0	26,492	26,492	
Federal Funds	14,789	14,789	13,373	74,511	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
Global Business Development (new line item)	0	0	0	1,577,104	BRI #1
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>17.6</u>	
General Fund	0	0	0	1,507,154	
FTE	0.0	0.0	0.0	17.6	
Cash Funds	0	0	0	69,950	
					Request vs. Appropriation
TOTAL - (4) ECONOMIC DEVELOPMENT PROGRAMS	29,175,579	33,859,064	33,924,952	33,771,809	-0.5%
FTE	<u>41.1</u>	<u>40.7</u>	<u>45.5</u>	<u>44.0</u>	<u>-3.3%</u>
General Fund	5,977,163	6,450,096	8,902,431	8,688,150	-2.4%
FTE	29.2	31.1	29.6	28.1	-5.1%
Cash Funds	21,122,451	25,361,388	22,896,804	22,896,804	0.0%
FTE	4.6	4.6	10.4	10.4	0.0%
Reappropriated Funds / Cash Funds Exempt	187,505	59,425	127,141	127,141	0.0%
FTE	4.3	2.0	2.0	2.0	0.0%
Federal Funds	1,888,460	1,988,155	1,998,576	2,059,714	3.1%
FTE	3.0	3.0	3.5	3.5	0.0%

(5) OFFICE OF INFORMATION TECHNOLOGY

Oversees technology initiatives at the state level, recommending strategies to maximize service delivery efficiency in a cost-effective manner through the application of enterprise technology solutions. Also responsible for several of the state's shared IT facilities.

(A) Administration

Personal Services	1,046,117	1,150,298	1,127,581	1,127,581	
FTE	<u>8.2</u>	<u>9.6</u>	<u>13.0</u>	<u>13.0</u>	
General Fund	1,046,117	68,514	0	0	
FTE	8.2	0.0	0.0	0.0	
Reappropriated Funds / Cash Funds Exempt	0	1,081,784	1,127,581	1,127,581	
FTE	0.0	9.6	13.0	13.0	
Operating Expenses	<u>150,238</u>	<u>136,273</u>	<u>150,268</u>	<u>150,268</u>	
General Fund	150,238	0	0	0	
Reappropriated Funds / Cash Funds Exempt	0	136,273	150,268	150,268	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
Legal Services	<u>1,351</u>	<u>1,953</u>	<u>1,960</u>	<u>1,960</u>	
General Fund	1,351	0	0	0	
Reappropriated Funds / Cash Funds Exempt	0	1,953	1,960	1,960	
Indirect Cost Assessment - RF/CFE	0	0	28,321	41,193	
OIT Broadband Telecom Map - CF	0	121,483	0	0	
					Request vs. Appropriation
Subtotal - (A) Administration	1,197,706	1,410,007	1,308,130	1,321,002	1.0%
FTE	<u>8.2</u>	<u>9.6</u>	<u>13.0</u>	<u>13.0</u>	<u>0.0%</u>
General Fund	1,197,706	68,514	0	0	N/A
FTE	8.2	0.0	0.0	0.0	N/A
Cash Funds	0	121,483	0	0	N/A
FTE	0.0	0.0	0.0	0.0	N/A
Reappropriated Funds / Cash Funds Exempt	0	1,220,010	1,308,130	1,321,002	1.0%
FTE	0.0	9.6	13.0	13.0	0.0%
(B) Office of the Chief Information Security Officer	1,202,255	949,748	2,458,615	2,458,615	
FTE	<u>0.9</u>	<u>1.7</u>	<u>2.0</u>	<u>2.0</u>	
General Fund	0	350,000	0	0	
FTE	0.0	0.0	0.0	0.0	
Reappropriated Funds / Cash Funds Exempt	1,202,255	599,748	2,458,615	2,458,615	
FTE	0.9	1.7	2.0	2.0	
(C) Chief Information Officers in State Agencies - RF/CFE	0	1,692,064	1,692,186	0	DI #1
FTE	0.0	12.3	12.4	0	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
(D) Statewide Information Technology Services					
(1) Administration	0	391,507	450,753	450,753	
FTE	<u>0.0</u>	<u>4.4</u>	<u>5.0</u>	<u>5.0</u>	
Personal Services - RF/CFE	0	386,998	444,303	444,303	
FTE	0.0	4.4	5.0	5.0	
Operating Expenses - RF/CFE	0	4,509	6,450	6,450	
(2) Internal Program Support - RF/CFE	0	817,386	817,731	0	DI #1
FTE	0.0	11.0	11.0	0.0	
(3) Statewide IT Management - RF/CFE	0	1,361,482	1,756,683	5,098,061	DI #1
FTE	0.0	12.4	26.0	68.9	
(4) Geographic Information System - RF/CFE	0	58,092	108,057	0	
FTE	0.0	1.0	1.0	0.0	
(5) Customer Services	0	925,544	969,754	847,752	
FTE	<u>0.0</u>	<u>12.3</u>	<u>12.0</u>	<u>11.0</u>	
Personal Services - RF/CFE	0	917,727	955,129	833,127	
FTE	0.0	12.3	12.0	11.0	
Operating Expenses - RF/CFE	0	7,817	14,625	14,625	
(6) Order Billing	0	640,526	699,955	625,278	
FTE	<u>0.0</u>	<u>8.8</u>	<u>10.0</u>	<u>9.0</u>	
Personal Services - RF/CFE	0	629,902	689,205	614,528	
FTE	0.0	8.8	10.0	9.0	
Operating Expenses - RF/CFE	0	10,624	10,750	10,750	
(7) Communications Services					
Personal Services	0	3,444,444	3,618,822	3,685,808	
FTE	<u>0.0</u>	<u>43.6</u>	<u>46.0</u>	<u>46.0</u>	
Cash Funds	0	721,134	708,028	721,134	
FTE	0.0	43.6	46.0	46.0	
Reappropriated Funds / Cash Funds Exempt	0	2,723,310	2,791,993	2,843,674	
Federal Funds	0	0	118,801	121,000	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
Operating Expenses - RF/CFE	0	134,631	134,631	134,631	
Training - RF/CFE	0	9,522	22,000	22,000	
Utilities - RF/CFE	0	165,002	165,002	165,002	
Snocat Replacement - RF/CFE	0	230,520	230,520	0	
Local Systems Development	0	194,784	121,000	121,000	
Reappropriated Funds / Cash Funds Exempt	0	0	121,000	121,000	
Federal Funds	0	194,784	0	0	
Indirect Cost Assessment - RF/CFE	0	474,771	431,076	447,480	
					Request vs. Appropriation
Subtotal - (5) (D) (7) Communications Services	0	4,653,674	4,723,051	4,575,921	-3.1%
FTE	0.0	43.6	46.0	46.0	0.0%
Cash Funds	0	721,134	708,028	721,134	1.9%
FTE	0.0	43.6	46.0	46.0	0.0%
Reappropriated Funds / Cash Funds Exempt	0	3,737,756	3,896,222	3,733,787	-4.2%
Federal Funds	0	194,784	118,801	121,000	1.9%
(8) Network Services					
Personal Services - RF/CFE	0	1,511,236	1,586,122	7,583,990	DI #1
FTE	0.0	14.1	17.0	90.6	
Operating Expenses	0	15,982,026	16,200,371	16,200,371	
Cash Funds	0	1,200,000	1,200,000	1,200,000	
Reappropriated Funds / Cash Funds Exempt	0	14,782,026	15,000,371	15,000,371	
Toll-free Telephone Access to Members of the GA - RF/CFE	0	25,000	25,000	25,000	

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
Indirect Cost Assessment - RF/CFE	0	202,616	194,974	176,388	
					Request vs. Appropriation
Subtotal - (5) (D) (8) Network Services	0	17,720,878	18,006,467	23,985,749	33.2%
FTE	<u>0.0</u>	<u>14.1</u>	<u>17.0</u>	<u>90.6</u>	<u>432.9%</u>
Cash Funds	0	1,200,000	1,200,000	1,200,000	0.0%
Reappropriated Funds / Cash Funds Exempt	0	16,520,878	16,806,467	22,785,749	35.6%
FTE	0.0	14.1	17.0	90.6	432.9%
 (9) Computer Services					
Personal Services	0	2,715,407	2,833,464	43,602,408	DI #1
FTE	<u>0.0</u>	<u>38.6</u>	<u>36.3</u>	<u>559.4</u>	
Cash Funds	0	2,328	0	0	
Reappropriated Funds / Cash Funds Exempt	0	2,713,079	2,833,464	43,602,408	
FTE	0.0	38.6	36.3	559.4	
Operating Expenses	<u>0</u>	<u>6,174,732</u>	<u>6,181,350</u>	<u>5,468,149</u>	
Cash Funds	0	0	2,328	2,328	
Reappropriated Funds / Cash Funds Exempt	0	6,174,732	6,179,022	5,465,821	
Rental, Lease, or Lease/Purchase of Central Processing Unit - RF/CFE	0	336,034	336,034	336,034	
Indirect Cost Assessment - RF/CFE	0	678,807	282,306	1,193,201	
					Request vs. Appropriation
Subtotal - (5) (D) (9) Computer Services	0	9,904,980	9,633,154	50,599,792	425.3%
FTE	<u>0.0</u>	<u>38.6</u>	<u>36.3</u>	<u>559.4</u>	<u>1441.0%</u>
Cash Funds	0	2,328	2,328	2,328	0.0%
Reappropriated Funds / Cash Funds Exempt	0	9,902,652	9,630,826	50,597,464	425.4%
FTE	0.0	38.6	36.3	559.4	1441.0%

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
(10) Technology Management Unit	0	3,517,688	3,460,640	3,144,934	
FTE	<u>0.0</u>	<u>36.9</u>	<u>35.5</u>	<u>31.5</u>	
Personal Services - RF/CFE	0	2,990,202	3,096,269	2,780,563	
FTE	0.0	36.9	35.5	31.5	
Operating Expenses - RF/CFE	0	527,486	364,371	364,371	
(11) CBMS Program Costs (new line item) - RF/CFE	0	0	0	4,662,155	DI #1
FTE	0.0	0.0	0.0	58.5	
					Request vs. Appropriation
Subtotal - (D) Statewide Information Technology Services	0	39,991,757	40,626,245	93,990,395	131.4%
FTE	<u>0.0</u>	<u>183.1</u>	<u>199.8</u>	<u>879.9</u>	<u>340.4%</u>
Cash Funds	0	1,923,462	1,910,356	1,923,462	0.7%
FTE	0.0	43.6	46.0	46.0	0.0%
Reappropriated Funds / Cash Funds Exempt	0	37,873,511	38,597,088	91,945,933	138.2%
FTE	0.0	139.5	153.8	833.9	442.2%
Federal Funds	0	194,784	118,801	121,000	1.9%
					Request vs. Appropriation
TOTAL - (5) OFFICE OF INFORMATION TECHNOLOGY	2,399,961	44,043,576	46,085,176	97,770,012	112.2%
FTE	<u>9.1</u>	<u>206.7</u>	<u>227.2</u>	<u>894.9</u>	<u>293.9%</u>
General Fund	1,197,706	418,514	0	0	N/A
FTE	8.2	0.0	0.0	0.0	N/A
Cash Funds	0	2,044,945	1,910,356	1,923,462	0.7%
FTE	0.0	43.6	46.0	46.0	0.0%
Reappropriated Funds / Cash Funds Exempt	1,202,255	41,385,333	44,056,019	95,725,550	117.3%
FTE	0.9	163.1	181.2	848.9	368.5%
Federal Funds	0	194,784	118,801	121,000	1.9%
FTE	0.0	0.0	0.0	0.0	N/A

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Request	Change Requests
					Request vs. Appropriation
TOTAL - OFFICE OF THE GOVERNOR	45,827,148	96,024,259	122,958,100	179,249,637	45.8%
FTE	<u>110.5</u>	<u>342.3</u>	<u>376.6</u>	<u>1,039.8</u>	<u>176.1%</u>
General Fund	11,824,886	13,421,669	14,283,355	12,993,223	-9.0%
FTE	79.8	72.5	70.0	65.5	-6.4%
Cash Funds	29,122,711	32,033,749	25,512,170	25,563,149	0.2%
FTE	4.6	55.2	63.4	63.4	0.0%
Reappropriated Funds / Cash Funds Exempt	2,991,091	47,454,481	50,183,795	107,352,450	113.9%
FTE	23.1	184.6	203.7	871.4	327.8%
Federal Funds	1,888,460	3,114,360	32,978,780	33,340,815	1.1%
FTE	3.0	30.0	39.5	39.5	0.0%

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APPENDIX B: SUMMARY OF MAJOR LEGISLATION

- ❑ **S.B. 09-067 (Heath/Marostica & Gagliardi):** Authorizes the Colorado Economic Development Commission to contract with the Colorado Housing and Finance Authority for the operation of a program to increase the availability of credit to small businesses in Colorado. Appropriates \$2.5 million General Fund for FY 2009-10 for this purpose.
- ❑ **S.B. 09-162 (Schwartz/Liston):** Authorizes the Governor's Office of Information Technology to accept funds from a broader range of sources for the Broadband Inventory project. Appropriates \$331,537 for FY 2008-09 from the Broadband Inventory Fund.
- ❑ **S.B. 09-217 (White/Ferrandino):** Sets different amounts for the transfers from the Limited Gaming Fund at the end of FY 2008-09 to the Travel and Tourism Fund, the New Jobs Incentives Fund, the Council on the Arts Fund, and the Film Incentives Fund. Without the statutory change made by this bill, no transfers to these funds would have occurred due to the forecast shortfall in General Fund revenue in FY 2008-09. The bill only affects the transfers at the end of FY 2008-09; in subsequent years, the previous rules for the transfers will apply. Transferred funds are available for expenditure in the following fiscal year, and the effect of the reduced transfers are reflected in the appropriations made in S.B. 09-259.
- ❑ **S.B. 09-293 (Isgar/Curry):** Reduces statutory transfers from the Operational Account of the Severance Tax Trust Fund for low-income energy assistance programs in the Governor's Energy Office for FY 2009-10. For additional information on S.B. 09-293, see the "Recent Legislation" section at the end of the Department of Natural Resources.
- ❑ **H.B. 09-1010 (Massey & McGihon/Gibbs & Spence):** Creates the Colorado Office of Film, Television, and Media within the Colorado Office of Economic Development in the Governor's Office. Duties include marketing Colorado as a destination for making movie films and other related activities; coordinating efforts among production companies and government agencies; and conducting educational seminars. The new office effectively replaces the previously existing Film Incentives program. Effective July 1, 2009, any balance remaining in the Film Incentives Cash Fund is transferred to the new program. Statutory transfers of limited gaming funds which were previously made to the Film Incentives Cash Fund will be made to the new program in the future. Adjusts the FY 2009-10 Long Bill to remove \$480,011 in "empty" spending authority for the Film Incentives program.
- ❑ **H.B. 09-1105 (Kefalas/Scheffel):** Creates the Colorado Innovation Investment Tax Credit program, which allows qualified investors in small Colorado companies to apply for a tax

credit equal to the lesser of 15.0 percent of the amount of the investment, or \$20,000. The total amount of tax credits granted may not exceed \$750,000 in a single year. In order to claim the credit, the investment must be at least \$25,000. The company in which the investment is made must be headquartered in Colorado, have annual revenues of less than \$2.0 million, have assets of less than \$5.0 million, and have been in operation for less than five years. Appropriates \$43,682 cash funds and 0.5 FTE to the Economic Development Programs division.

- **H.B. 09-1367 (Marostica/Keller):** Modifies the state's accounting rules to allow a portion of the General Fund paid to the Governor's Office of Information Technology for IT services to be subject to the same "pay date shift" as General Fund expenditures for personal services. This change avoids a charge of approximately \$3.3 million in FY 2010-11 which would otherwise occur when the IT consolidation authorized by S.B. 08-155 is completed.

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**APPENDIX C: UPDATE OF FY 2009-10
LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION**

Long Bill Footnotes

There were no Long Bill footnotes for the Office of the Governor.

Requests for Information

- All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2009, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that are applied for or received during FY 2009-10, and that are not otherwise included in the Long Bill.

Comment: The Governor directed the department to comply to the extent feasible, and to submit the information by November 2, 2009. The Department provided the data summarized in the following table:

Governor's Office FY 2009-10 Federal and Private Grants			
Grant Name	Granting Organization	FTE	Notes
GEAR UP	US Department of Education	15.0	Grant administered by CDHE
HEADSTART	US Department of Health and Human Services	1.0	Grant administered by the Lt. Governor's Office
Homeland Security	US Department of Homeland Security	14.0	Grant administered by the Governor's Office of Homeland Security
State Energy Plan	ARRA	16.6	Grant administered by the Governor's Energy Office
Weatherization	ARRA	10.1	Grant administered by the Governor's Energy Office
Energy Efficient Appliance Rebates	ARRA	0.3	Grant administered by the Governor's Energy Office
Energy Efficiency Block Grant	ARRA	2.9	Grant administered by the Governor's Energy Office
Energy Assurance Plan/Smart Grid Resiliency	ARRA	0.4	Grant administered by the Governor's Energy Office

Governor's Office FY 2009-10 Federal and Private Grants			
Grant Name	Granting Organization	FTE	Notes
State Energy Plan	US Department of Energy	1.0	Grant administered by the Governor's Energy Office
Weatherization	US Department of Energy	8.0	Grant administered by the Governor's Energy Office
NGA STEMS Wired Grant	National Governor's Association	1.0	1.0 FTE is supported by all three NGA grants
NGA Wired Grant	National Governor's Association		
NGA Charter Grant	National Governor's Association		
Rose P-20 Grant	Rose Foundation	1.0	Private Grant
Hewlett Foundation Energy Policy Grant	Hewlett Foundation	1.0	Private Grant
Colorado Trust Health Care Policy Grant	Colorado Trust	1.0	Private Grant
Commission on Community Service Grant	Corporation for National and Community Service	4.0	Private Grant
Colorado Health Foundation Health care Policy Grant	Colorado Health Foundation	1.0	Private Grant
Totals		78.3	

- 4 Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Local Affairs, Division of Emergency Management, Disaster Response and Recovery** -- The Division of Emergency Management is requested to work with the Office of State Planning and Budgeting and provide a an annual report to the Joint Budget Committee by November 1, 2009 concerning revenues credited to and expenditures made from the Disaster Emergency Fund in FY 2008-09. The report is requested to include the following: (a) amounts authorized to be transferred to the Disaster Emergency Fund, by Executive Order and fund source; (b) amounts actually transferred to the Fund, by date and fund source; and (c) actual expenditures from the Fund, by date and declared disaster emergency.

Comment: The Department complied the request and submitted the following summary information to the Committee:

Governor's Office Executive Order Summary - Transfers to Disaster Emergency Fund				
	Transfer 1	Transfer 2	Transfer 3	Transfer 4
Executive Order Number	D016 08	D003 09	D005 09	D009 09
Start Date	7/22/2008	1/16/2009	3/26/2009	4/21/2009
Name	Housetop Fire in Mesa County	Implementing 2009 Wildfire Preparedness Plan	Severe Blizzard	Severe Spring Snowstorm
Authorized & Transferred	250,000	3,250,000	200,000	15,000
Fund Source	Major Medical Insurance Fund	Wildfire Preparedness Fund carryover	Disaster Emergency Fund	Disaster Emergency Fund
Payment Date	N/A	7/23/2009	N/A	N/A
Payment Amount	N/A	600,000	N/A	N/A
Total Expenses FY 2008-09	N/A	600,000	N/A	N/A
Balance	250,000	2,650,000	200,000	15,000

- 5 Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Personnel and Administration, Division of Human Resources, Human Resource Services** -- The Department shall comply with the statutory provisions of Section 24-50-110 (1) (d), C.R.S., and is requested to provide other state departments with the information necessary to comply with this statute. The Office of State Planning and Budgeting and the Department of Personnel are requested to work with the departments to improve the timeliness and accuracy of information about state personnel. Improvements, at a minimum, should include: updating personnel information on a centralized computerized data base; accurate reporting of filled FTE positions; number of reclassifications that are approved, turnover rates by agency; tracking of FTE positions funded to FTE positions filled; an accurate count of part-time and temporary FTE positions; and elimination of unused FTE positions. The Department and the Office of State Planning and Budgeting are requested to submit a consolidated statewide personnel report to the General Assembly by September 1, 2009. This report should include, by line item and Department, a summary of vacant positions, the length of time each position has been vacant, and the number of reclassifications that were approved in FY 2008-09. In addition, the report should include a reconciliation between personal services appropriations and actual

expenditures for FTE, state temporaries, sick/annual leave payout, and other personal services by division.

Comment: The Governor directed the Department to comply to the extent feasible, and to submit the information by November 2, 2009. On November 9, the Department indicated that the Office of State Planning and Budgeting submitted the report as part of the FY 2010-11 budget request.

- 14 Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Governor, Governor's Energy Office** -- Senate Bill 07-246 requires a post-enactment review be conducted to determine the Department's efficacy in implementing the desired result and benefit of the act to advance energy efficiency and renewable energy throughout the state. The Department is requested to submit an annual report by November 1 of each year to the Joint Budget Committee on the status of the Department's efficacy in implementing the desired result and benefit of the provisions of S.B. 07-246. At a minimum, the report should include a narrative overview of the programs implemented with descriptions of each and should itemize how the moneys appropriated have been applied, by program, to advance energy efficiency and renewable energy throughout the state.

Comment: The Department indicates that the report will be delivered on November 20, 2009.

- 15 Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting** -- The Department is requested to submit a report related to the Government Efficiency Management (GEM) Study to the Joint Budget Committee by November 1 of each year. At a minimum, the report should be provided electronically and should include a narrative overview explaining how the moneys appropriated have been applied to harness greater governmental efficiency and cost-avoidance. The report should itemize how the moneys appropriated have been implemented, by fiscal year, by applicable department or departments if there are multiple-agency initiatives, to identify ways to improve customer service, eliminate unnecessary or redundant services, and implement innovative ways to deliver essential services. The report should also include all budget change requests submitted to the General Assembly related to the GEM Study and aggregated into a single spreadsheet, by fiscal year, by Department, by fund source, including FTE.

Comment: The Governor indicated that increased efficiency in the delivery of governmental services continues to be priority of the executive branch. However, due to the substantial resources necessary to compile the information, he directed the Department to comply to the extent feasible by November 2, 2009. On November 9, the Department indicated that the Office of State Planning and Budgeting submitted the report as part of the FY 2010-11 budget request.

16 Governor - Lieutenant Governor - State Planning and Budgeting, Economic Development Programs, Bioscience Discovery Evaluation -- The Department is requested to submit an annual report to the Joint Budget Committee by November 1 of each year. At a minimum, the report shall specify the following information with regard to the bioscience research projects that received funding under the program during the preceding fiscal year: (1) the amount of funding distributed to each bioscience research project and a description of each bioscience research project; (2) the manner in which each bioscience research project applied the funding received under the program; and (3) the results achieved by each bioscience research project, including identifiable monetary returns to the grantee and others since the receipt of the grant.

Comment: The Governor's Office responded to this request on November 9, 2009. The report provided detailed information regarding grants made from appropriations made from H.B. 06-1060 and H.B. 07-1360. The Department awarded \$3.1 million, which were matched by \$4.1 million. Staff can provide Committee members with a copy of the report if desired.