

# **COLORADO GENERAL ASSEMBLY**

## **JOINT BUDGET COMMITTEE**



### **FY 2007-08 STAFF BUDGET BRIEFING: OFFICE OF THE GOVERNOR**

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

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**December 4, 2006**

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**FY 2007-08  
BUDGET BRIEFING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE  
OFFICE OF THE GOVERNOR**

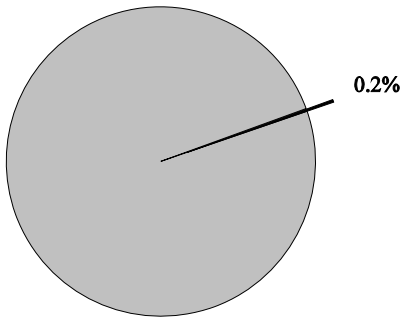
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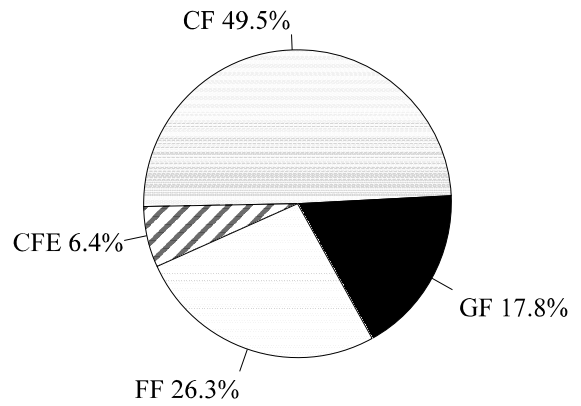
# FY 2007-08 JBC BUDGET BRIEFING OFFICE OF THE GOVERNOR

## GRAPHIC OVERVIEW

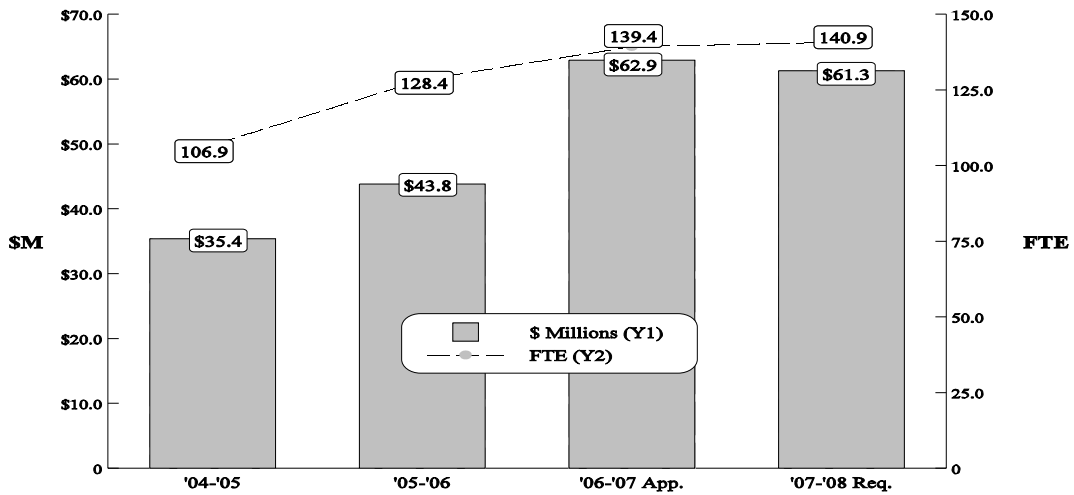
**Share of State General Fund  
FY 2006-07**



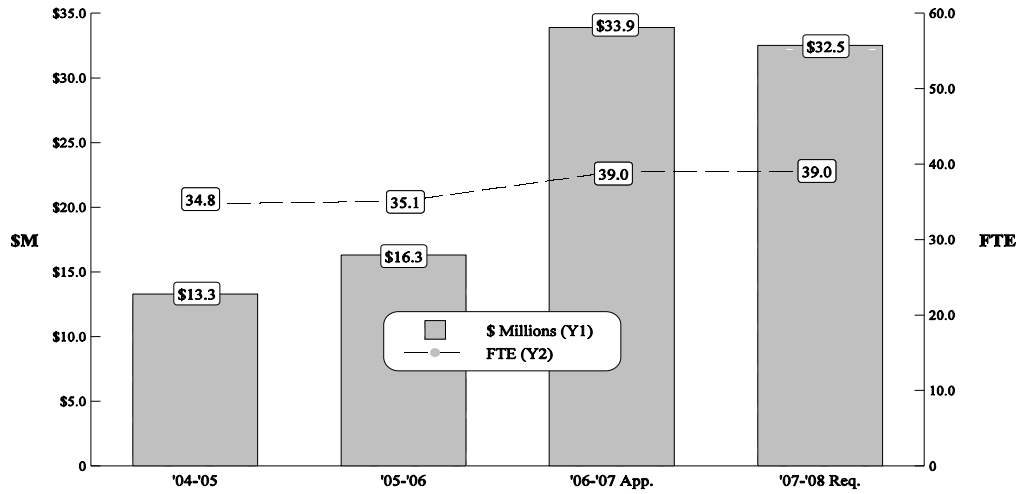
**Funding Source Split  
FY 2006-07**



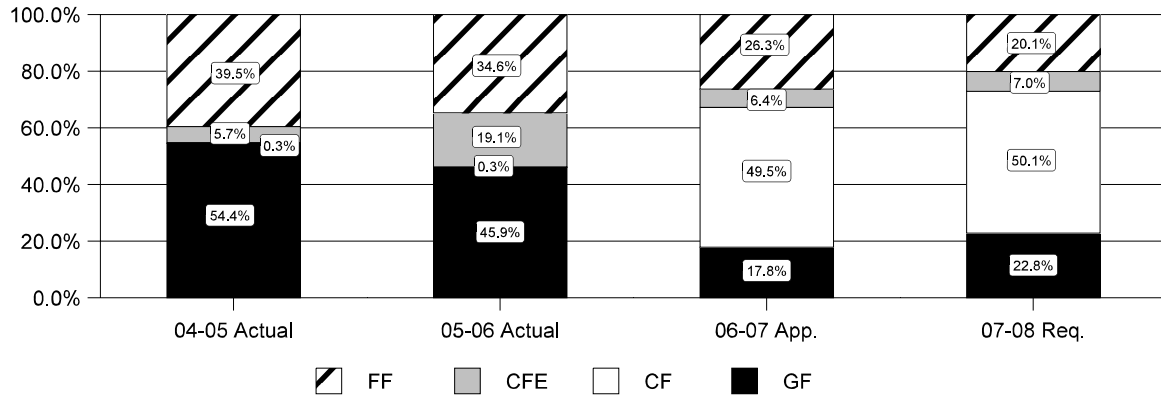
## BUDGET HISTORY



### Budget History - Economic Development Programs



### Funding Source Trending



# FY 2007-08 JBC BUDGET BRIEFING OFFICE OF THE GOVERNOR

## DEPARTMENT OVERVIEW

### Key Responsibilities

- **Office of the Governor**
  - Oversees operation of the executive branch of state government including coordination, direction, and planning of agency operations.
  - Represents the State and serves as a liaison with local and federal governments.
  - Administers various federally-funded programs including Safe and Drug Free Schools and the Office of Energy Conservation.
  
- **Office of the Lieutenant Governor**
  - Directly oversees the Colorado Commission of Indian Affairs, Alcohol Task Force, Commission on Community Service, and other initiatives.
  
- **Office of State Planning and Budgeting**
  - Develops executive budget requests and reviews and analyzes departmental expenditures.
  - Prepares annual revenue and economic estimates for the State.
  
- **Office of Economic Development**
  - Encourages economic development through financial and technical assistance provided on a local and regional basis.
  - Administers the following programs: Business Assistance Services, Business Development Office, Certified Capital Companies (CAPCO), Colorado First Customized Job Training, Colorado Council on the Arts, Colorado Film Commission, Colorado Tourism Office, Economic Development Commission, Enterprise Zone Program, Minority Business Office, Small Business Development Centers, Venture Capital Authority, and Bioscience Discovery Evaluation.
  
- **Office of Information Technology**
  - Coordinates and directs the use of information technology resources by state agencies.
  - Provides staff and support for the Commission on Information Management.
  
- **Office of Colorado Benefits Management System (CBMS)**
  - Created by Executive Order D 004 05 in connection with an independent audit by Deloitte of CBMS.
  - Oversees the ongoing development and enhancements to the Colorado Benefits Management System.
  - Assists in the implementation of prior and additional recommendations in the Deloitte audit report.

## Factors Driving the Budget

### Economic Development Funding

In recent years, funding for the Governor-Lieutenant Governor-Office of State Planning and Budgeting has fluctuated significantly based on decisions by the General Assembly to add or reduce funding for economic development programs. For FY 2006-07, this includes a net increase of \$23.6 million in cash fund support for various economic development programs funded largely through H.B. 06-1201 (Limited Gaming Fund) and other new legislation, partially offset by a reduction of \$5.3 million in General Fund support for Colorado promotion activities.

### Federal Funds

Federally-funded programs comprised 32.6 percent (\$14.3 million) of the Governor's Office budget in FY 2005-06 and 26.3 percent (\$16.5 million) of the Office's budget in FY 2006-07. Most federally-funded programs require no state match, and funding is provided at the discretion of federal authorities. Historically, federal funding has fluctuated significantly and has included a wide variety of programs, ranging from job training to energy conservation. Federal funding for FY 2006-07 reflects an increase of \$4.2 million to support state information security activities, pursuant to H.B. 06-1157, partially offset by a reduction of \$2.0 million in funding from various unmatched sources.

## Summary of Major Legislation

- ✓ **H.B. 06-1201 (Plant/Taylor): Increase Limited Gaming Funds for Tourism.** Modifies the distribution of limited gaming revenues to increase funding for various economic development programs. Pursuant to Section 12-47.1-701 (4)(a), C.R.S., after all expenses for administration of the Colorado Limited Gaming Act are paid, 49.8 percent of the funds available for distribution in the Limited Gaming Fund at the end of each fiscal year are transferred to the General Fund, and 0.2 percent are transferred to the Colorado Travel and Tourism Promotion Fund. Out of the percentage that is transferred to the General Fund, at least 13 percent is transferred annually to the Local Government Limited Gaming Impact Fund. Starting in FY 2005-06, this bill changes the allocation of gaming revenue so that after distribution to the Local Government Gaming Impact Fund, gaming revenue is to be distributed as follows:

- \$19.0 million to the Colorado Travel and Tourism Promotion Fund;
- \$1.5 million to the State Council on the Arts Cash Fund;
- \$0.5 million to the Film Incentives Cash Fund;
- \$3.0 million to the New Jobs Incentives Cash Fund; and
- remaining revenue to the state General Fund.

Distributions are to be adjusted annually by the rate of inflation for the calendar year ending in the preceding fiscal year. The moneys transferred at the end of a fiscal year will be appropriated for use in the next fiscal year. For any year in which the revenue forecast prepared by the Legislative Council indicates that General Fund revenues for that year will be insufficient to allow the maximum amount of General Fund appropriations permitted by law, then moneys would instead be transferred to the General Fund. Appropriates

\$18,854,587 and 3.0 FTE from the Colorado Travel and Tourism Promotion Fund to the Office of Economic Development – Other Program Costs in the Office of the Governor (with addition of the 3.0 FTE contingent upon passage of H.B. 06-1384). Appropriates \$1.5 million and 2.0 FTE from the State Council on the Arts Cash Fund to the Council on the Arts in the Department of Higher Education. Appropriates \$500,000 from the Film Incentives Cash Fund to the Economic Development Commission in the Office of the Governor, subject to passage of H.B. 06-1362. Appropriates \$3.0 million cash funds from the New Job Incentives Cash Fund to the Economic Development Commission in the Office of the Governor, subject to passage of H.B. 06-1017.

- ✓ **H.B. 06-1200 (Buescher/Kester): Low-Income Energy Assistance Funding.** Takes a portion of the Operational Account of the Severance Tax Trust Fund in the Department of Natural Resources and appropriates it to the Department of Human Services for the Low-Income Energy Assistance Program (LEAP) and the Office of the Governor for direct bill payment assistance and home energy efficiency improvements for low-income households. For FY 2006-07 through FY 2008-09, funds in the Operational Account of the Severance Tax Trust Fund will be appropriated for similar purposes, though for FY 2007-08 and FY 2008-09 the amount of the appropriation would be determined by the lesser of a formula-based appropriation or a capped amount. Includes a cash funds appropriation from the Operational Account of the Severance Tax Trust Fund for FY 2005-06 of \$17.0 million to the Department of Human Services and \$7.0 million to the Office of the Governor and a cash funds appropriation from the Operational Account of the Severance Tax Trust Fund for FY 2006-07 of \$5.95 million to the Department of Human Services and \$5.05 million to the Office of the Governor.
- ✓ **H.B. 06-1157 (Coleman/May R.): Information Technology Security in Public Agencies.** Authorizes the Governor to appoint a chief information security officer (CISO) and defines the duties of the position. Requires public agencies to develop and submit information security plans to the CISO and to report information security incidents. Reflects anticipated receipt of \$4.2 million federal funds and 1.0 FTE to the Office of the Governor in FY 2006-07 for implementation.
- ✓ **H.B. 06-1017 (Hall/Veiga): Incentive for New Jobs Created.** Provides an incentive for companies that create a certain number and type of new jobs in Colorado. To claim the incentive, an employer must submit an application to the Economic Development Commission. The amount of incentive payments that may be claimed in a given fiscal year is limited to the amount appropriated by the General Assembly for this purpose. Creates the New Job Incentives Cash Fund. An associated appropriation of \$3.0 million from the New Job Incentives Cash Fund to the Office of the Governor, for allocation to the Economic Development Commission, is included in H.B. 06-1201 in FY 2006-07.
- ✓ **H.B. 06-1360 (Riesberg/Tapia): Bioscience Research Discoveries.** Creates the Bioscience Discovery Evaluation Grant Program to improve and expand the evaluation of new bioscience discoveries at research institutions with the intent of accelerating the development of new products and services. Administration of the grant program would be provided by the Office of Economic Development (OED) in the Governor's office in consultation with a

Colorado bioscience membership organization. The bill establishes a grant application process for grants of up to \$150,000 per bioscience research project. Among other requirements to qualify for the grants, recipients must provide matching funds from nonstate sources that at least equal the grant requested. Creates the Bioscience Discovery Evaluation Cash Fund in the State Treasury and provides that moneys in the fund shall be continuously appropriated to OED for the direct and indirect costs associated with implementing the program. Up to 2 percent of the moneys initially deposited in the Fund may be used by OED for its costs. The OED is required to provide a report to committees of the General Assembly that evaluates the effectiveness of the grant program. The bill authorizes the transfer of \$2 million in FY 2005-06 from the General Fund portion of Limited Gaming Fund moneys to the Bioscience Discovery Evaluation Cash Fund and includes an appropriation of \$2.0 million cash funds from the Bioscience Discovery Evaluation Cash Fund to the OED for FY 2005-06.

- ✓ **S.B. 06-49 (Bacon/Lindstrom): Transfer State Council on the Arts to the Office of Economic Development.** Transfers administration of the Council on the Arts from the Department of Higher Education to the Office of Economic Development in the Governor's Office. This Appropriations Report describes the effect of S.B. 06-049 as a reduction in funding for the Department of Higher Education and an increase in funding for the Governor - Lieutenant Governor - Office of State Planning and Budgeting. The amount moved from the Department of Higher Education to the Governor - Lieutenant Governor - Office of State Planning and Budgeting is \$1.5 million cash funds and 2.0 FTE. In H.B. 06-1201 \$1.5 million was transferred from limited gaming fund moneys to the State Council on the Arts Cash Fund, and \$1.5 million cash funds and 2.0 FTE was appropriated from the State Council on the Arts Cash Fund to the Council on the Arts.
- ✓ **H.B. 06-1400 (Buescher/Isgar) Interbasin Compact Charter Approval.** Approves the interbasin compact charter, pursuant to the provisions of H.B. 05-1177. Appropriates \$75,837 cash funds from the Operational Account of the Severance Tax Trust Fund and 0.5 FTE to the Office of the Governor, Director of Compact Negotiations and \$855,481 cash funds from the Operational Account of the Severance Tax Trust Fund and 1.2 FTE to the Department of Natural Resources, Colorado Water Conservation Board for FY 2006-07.
- ✓ **HB 06-1362 (Massey/Veiga): Incentives for the Motion Picture Industry.** Allows any motion picture production company that spends at least 75 percent of its production expenditures in Colorado on qualified local expenditures and at least 75 percent of payroll expenditures on local hires to claim an incentive payment from the Colorado Economic Development Commission (EDC). Subject to various requirements, up to 10 percent of qualifying expenditures may be claimed. The bill allows the EDC to determine the application and evaluation process for the program. Creates the Film Incentives Cash Fund, consisting of Limited Gaming funds transferred to the Fund and any General Fund appropriated to the Fund. Moneys in the Fund are subject to annual appropriation by the General Assembly. No more than 2.5 percent of appropriations may be used for administrative costs associated with the program. Should the EDC receive applications for incentives that exceed amounts appropriated, the funds are to be paid on a first-come, first-served basis. Enactment is contingent on enactment of H.B. 06-1201, which includes



an associated appropriation of \$500,000 from the Film Incentives Cash Fund to the Economic Development Commission in the Office of the Governor.

- ✓ **H.B. 06-1384 (Buescher/Tapia): Money which Benefits the Colorado State Fair.** Changes the allocation of the Unclaimed Property Tourism Promotion Trust Fund interest to provide additional moneys to the State Fair through the Colorado Travel and Tourism Promotion Fund. Moneys provided to the Colorado State Fair are prioritized as follows: (1) state Treasury loans to the State Fair are to be paid down with remaining funds; (2) upon repayment of the state Treasury loans, any remaining funds are to pay off outstanding debt incurred by the Colorado State Fair Authority to build the events center in Pueblo; (3) upon payment of all debt, \$550,000 is provided annually for administrative expenses, operating costs, and event promotion; and (4) after the third fiscal year (in FY 2009-10) only the \$550,000 for administrative, operating, and promotional costs are authorized. Appropriates \$3,163,978 cash funds from the Colorado Travel and Tourism Promotion Fund to the Department of Agriculture, Colorado State Fair, for FY 2006-07. Also *reduces the appropriation to the Office of the Governor for Colorado promotion by \$2,300,000 and 3.0 FTE for FY 2006-07.*
  
- ✓ **S.B. 05-66 (Tapia/White) Colorado Energy Research Institute.** The act requires the Department of Higher Education, Colorado School of Mines, Colorado Energy Research Institute to conduct specific research on the oil and gas sector. It authorizes expenditures from the Oil and Gas Conservation and Environmental Response Fund for this purpose and for specific other purposes outlined in the legislation related to research and information dissemination on the energy sector. Among other appropriations, the act included an appropriation of \$75,000 in FY 2005-06 from the Oil and Gas Conservation and Environment Response Fund to provide grants through the Governor's Office of Energy Management and Conservation for the development of a central resource for building trade professionals regarding energy-efficient design and construction. The act further authorizes expenditure of an additional \$50,000 from the Fund for this purpose in FY 2006-07, contingent upon an adequate fund balance. The Governor's Office has not included this funding in the FY 2006 - 07 budget citing that, similar to other moneys for the Office of Energy Management and Conservation, these moneys flow from federal funds into the cash fund and are therefore not subject to appropriation.
  
- ✓ **S.B. 04-106 (Teck/Stengel): Substitute Venture Capital For CAPCO.** The act repealed the allocation of the second pool of premium tax credits available under the Certified Capital Company Act, and in conjunction created tax credits for contribution to a venture capital program. The act:
  - Created the Venture Capital Authority and constituted it as an enterprise.
  - Authorized an issuance of \$50 million in tax certificates to qualified taxpayers, at the rate of \$5 million per year for each of the calendar years from 2005 to 2014.
  - Directed the authority to allocate the fund at 25% as rural venture capital, 50% to statewide venture capital, and 25% to urban community venture capital.
  - Specified requirements that a qualified business must meet in order to receive CAPCO investment funds.

- ✓ **S.B. 04-247 (Taylor/Coleman): Reform First Pool CAPCO Act.** As specified in S.B. 04-106, applied the same specified requirements that a qualified business must meet in order to receive CAPCO investment funds from the first pool of premium tax credits.
- ✓ **H.B. 04-1190 (Romanoff/Teck): Amending Certified Capital Company Act.** Amending the method by which the Office of Economic Development calculates certified capital companies' internal rate of return to address ambiguities and weaknesses in the current law. The Certified Capital Company Act defines circumstances under which a CAPCO may make distribution from certified capital.
- ✓ **H.B. 04-1206 (Mitchell/Hillman): Revision Of The Second Pool of Premium Available Under Certified Capital Company Act.** Created an insurance premium tax credit for contribution to CoverColorado . Premium tax credits of \$50 million (ten years at \$5 million a year for tax years 2005 through 2014), is made available to any insurance company that is a qualified taxpayer for contributions to CoverColorado.
- ✓ **S.B. 04-256 (Taylor/White): A Source Of Revenue For The Promotion Of Tourism In The State.** Creation of an unclaimed property tourism trust fund to hold and generate earnings from the proceeds of the sale of securities held by the State as unclaimed property.
- ✓ **S.B. 03-336 (May, R./Fritz): Statewide Internet Portal.** Provided definitions and authority for the Office of Innovation and Technology (OIT) to pursue a statewide internet portal. No appropriation was necessary, though the bill adjusts the mission and priorities of the OIT.

## Major Funding Changes FY 2005-06 to FY 2006-07

Action (Source)	General Fund	Other Funds (Source)	Total Funds	Total FTE
<b>Increase Limited Gaming Funds for Tourism</b> (H.B. 06-1201)	\$0	\$22,354,587 (Cash Funds)	\$22,354,587	3.0
<b>Office of Economic Development Reduction</b> (Long Bill)	(5,313,471)	0	(5,313,471)	0.0
<b>Low-Income Energy Assistance Program</b> (H.B. 06-1200)	0	5,050,000 (Cash Funds)	5,050,000	0.0
<b>IT Security in Public Agencies</b> (H.B. 06-1157)	0	4,200,000 (Federal Funds)	4,200,000	2.0
<b>Bioscience Discovery Evaluation</b> (H.B. 06-1360)	0	2,000,000 (Cash Funds Exempt)	2,000,000	0.0
<b>IT Project Management Team Procurement</b> (S.B. 06-063)	249,284	0	249,284	3.0
<b>Compact Negotiations Charter</b> (H.B. 06-1400)	0	75,837 (Cash Funds)	75,837	0.5

The largest increase to the Department's total appropriation between FY 2005-06 and FY 2006-07 was for H.B. 06-1201 which appropriated \$22.4 million to the Office of Economic Development of which \$18.9 million and 3.0 FTE went to Colorado Travel and Tourism Promotion (Colorado Travel and Tourism Promotion cash fund), \$3 million went to the New Jobs Incentives program (Limited Gaming cash fund), and \$500,000 went to the Film Incentives program (Limited Gaming cash fund). Other significant appropriations include \$5.05 million for the Low-Income Energy Assistance Program (operational account of the Severance Tax Trust Fund), pursuant to H.B. 06-1200 as well as \$4.2 million in federal funds to develop implement information technology security plans, pursuant to H.B. 06-1157, and \$2 million in cash funds exempt to improve and expand the evaluation of new bioscience discoveries at research institutions, pursuant to H.B. 06-1360.

**FY 2007-08 JBC BUDGET BRIEFING  
OFFICE OF THE GOVERNOR**

**DECISION ITEMS FY 2007-08**

<b>Priority</b>	<b>Division:</b> <i>(Statutory Authority)</i>	<b>GF</b>	<b>CF</b>	<b>CFE</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
1	<b>Office of the Chief Information Security Officer (CISO):</b> Information Security Program Funding <i>[24-37.5-403 (3), C.R.S.]</i>	\$2,449,782	\$0	\$0	\$0	\$2,449,782	2.0
2	<b>Office of Information Technology:</b> Change the name of the office in the Long Bill from "Office of Innovation and Technology" to "Office of Information Technology" <i>[24-37.5-104 (a) (III)]</i>	0	0	0	0	0	0.0
NP	<b>Office of State Planning and Budgeting:</b> Multiuse Network Adjustment <i>[Section 24-30-908, C.R.S.]</i>	2,253				2,253	0.0
	<b>Total Decision Item Request</b>	<b>\$2,452,035</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,452,035</b>	<b>2.0</b>

**FY 2007-08 JBC BUDGET BRIEFING  
OFFICE OF THE GOVERNOR**

**OVERVIEW OF NUMBERS PAGES**

The following table highlights significant changes by comparing the FY 2006-07 appropriation and the FY 2007-08 budget request from the Governor's Office.

**Requested Changes FY 2006-07 to FY 2007-08**

<b>Category</b>	<b>GF</b>	<b>CF</b>	<b>CFE</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
<b>Annualization and Other</b>	<b>319,430</b>	<b>(423,218)</b>	<b>212,145</b>	<b>(4,195,458)</b>	<b>(4,087,101)</b>	<b>(0.5)</b>
<b>3 Decision Items:</b>	<b><u>2,452,035</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>2,452,035</u></b>	<b><u>2.0</u></b>
#1 - Cyber Security Funding	2,449,782	0	0	0	2,449,782	2.0
#2 - OIT Long Bill Name Change	0	0	0	0	0	0.0
NP - Multi-use Network Request	2,253	0	0	0	2,253	0.0
<b>Statewide Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Total Department Change</b>	<b>2,771,465</b>	<b>(423,218)</b>	<b>212,145</b>	<b>(4,195,458)</b>	<b>(1,635,066)</b>	<b>1.5</b>

The increase in General Fund and the reduction in federal funds are due to the one-time federal fund appropriation of \$4.2 million for the creation of the Information Security Program, pursuant to H.B. 06-1157.

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriated	FY 2007-08 Request	Change Request
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<b>GOVERNOR'S OFFICE</b> Governor Bill Owens
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**(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.

**(A) Governor's Office**

Administration of Governor's

Office and Residence	2,309,430	2,341,435	2,430,391	2,559,190
FTE	<u>35.4</u>	<u>35.4</u>	<u>35.9</u>	<u>36.4</u>
General Fund	2,206,707	2,321,976	2,335,095	2,388,058
FTE	35.4	35.4	35.4	35.4
Cash Funds	0	0	75,837 a/	151,673
FTE	0.0	0.0	0.5 a/	1.0
Cash Funds Exempt	102,723	19,459	19,459	19,459
Discretionary Fund - GF	19,996	20,000	20,000	20,000
Mansion Activity Fund	<u>85,216</u>	<u>91,952</u>	<u>95,000</u>	<u>95,000</u>
Cash Funds	75,000	71,952	75,000	75,000
Cash Funds Exempt	10,216	20,000	20,000	20,000

	<b>FY 2004-05 Actual</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Appropriated</b>	<b>FY 2007-08 Request</b>	<b>Change Request</b>
					<b>Request vs. Appropriation</b>
Subtotal - (A) Governor's Office	2,414,642	2,453,387	2,545,391	2,674,190	5.1%
FTE	<u>35.4</u>	<u>35.4</u>	<u>35.9</u>	<u>36.4</u>	<u>0.5</u>
General Fund	2,226,703	2,341,976	2,355,095	2,408,058	2.2%
FTE	35.4	35.4	35.4	35.4	0.0
Cash Funds	75,000	71,952	150,837	226,673	50.3%
FTE	0.0	0.0	0.5	1.0	0.5
Cash Funds Exempt	112,939	39,459	39,459	39,459	0.0%

a/ Reflects an increase of \$75,837 and 0.5 FTE from the severance tax trust fund, pursuant to H.B. 06-1400.

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriated	FY 2007-08 Request	Change Request
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**(B) Special Purpose (Includes Governor, Lt. Governor, OSPB, OED, and OIT)**

Group Health, Life, & Dental	<u>186,409</u>	<u>280,788</u>	<u>505,476</u>	<u>624,239</u>	
General Fund	151,913	225,348	338,163	381,159	
Cash Funds Exempt	34,496	49,351	157,164	230,342	
Federal Funds	0	6,089	10,149	12,738	
Short-term Disability	<u>8,199</u>	<u>8,171</u>	<u>7,883</u>	<u>10,884</u>	
General Fund	6,613	6,199	5,077	6,455	
Cash Funds	0	85	0	0	
Cash Funds Exempt	1,586	1,747	2,669	4,256	
Federal Funds	0	140	137	173	
Amortization Equalization Disbursement	<u>0</u>	<u>12,177</u>	<u>50,450</u>	<u>99,581</u>	
General Fund	0	8,581	31,825	59,060	
Cash Funds	0	22	0	0	
Cash Funds Exempt	0	3,200	17,717	38,937	
Federal Funds	0	374	908	1,584	
Salary Survey	<u>119,060</u>	<u>186,062</u>	<u>232,754</u>	<u>313,172</u>	
General Fund	91,333	141,786	139,065	185,738	
Cash Funds	1,227	1,227	0	0	
Cash Funds Exempt	23,931	39,990	89,984	122,454	
Federal Funds	2,569	3,059	3,705	4,980	



	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriated</b>	<b>Request</b>	<b>Request</b>
Performance-Based Pay Awards	<u>75,178</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	57,253	0	0	0	
Cash Funds	874	0	0	0	
Cash Funds Exempt	17,051	0	0	0	
Federal Funds	0	0	0	0	
Workers' Compensation - GF	3,896	3,896	4,007	4,231	
Legal Services	162,668	87,677	94,268	94,268	
<i>Hours Equivalent</i>	<u>2,642</u>	<u>1,360</u>	<u>1,391</u>	<u>1,391</u>	
General Fund	160,205	85,214	91,625	91,625	
Cash Funds	2,463	2,463	0	0	
Cash Funds Exempt	0	0	2,643	2,643	
GGCC Purchase of Services - GF	2,432	2,216	2,249	45,145	
Multiuse Network (MNT) - GF	42,944	51,049	46,380	48,633	<b>DI N/P</b>
Payment to Risk Management and Property Funds - GF	55,584	96,211	68,357	91,974	
Capitol Complex Leased Space - GF	227,723	225,895	230,975	242,388	
					<b>Request vs.</b>
					<b>Appropriation</b>
Subtotal - (B) Special Purpose	<u>884,093</u>	<u>954,142</u>	<u>1,242,799</u>	<u>1,574,515</u>	<u>26.7%</u>
General Fund	799,896	846,395	957,723	1,156,408	20.7%
Cash Funds	4,564	3,797	0	0	0.0%
Cash Funds Exempt	77,064	94,288	270,177	398,632	47.5%
Federal Funds	2,569	9,662	14,899	19,475	30.7%

	<b>FY 2004-05 Actual</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Appropriated</b>	<b>FY 2007-08 Request</b>	<b>Change Request</b>
<b>(C) Other Programs and Grants</b>					
Program Administration	<u>10,295,241</u>	<u>17,892,000</u>	<u>16,117,114</u>	<u>17,117,114</u>	
Cash Funds	0	7,000,000 a/	5,050,000 b/	6,050,000 c/	
Federal Funds	10,295,241	10,892,000	11,067,114	11,067,114	
Legal Services (230 hours) - FF	6,971	14,824	14,824	14,824	
Indirect Cost Assessment - FF	17,051	9,015	9,015	9,015	
					<b>Request vs. Appropriation</b>
Subtotal - (C) Other Programs	<u>10,319,263</u>	<u>17,915,839</u>	<u>16,140,953</u>	<u>17,140,953</u>	<u>6.2%</u>
Cash Funds	0	7,000,000	5,050,000	6,050,000	19.8%
Federal Funds	10,319,263	10,915,839	11,090,953	11,090,953	0.0%

a/ Reflects \$4 million and \$3 million for Low Income Energy Assistance, pursuant to H.B. 06-1200.

b/ Reflects \$4 million and \$1.05 million for Low Income Energy Assistance, pursuant to H.B. 06-1200.

c/ Reflects \$5 million and \$1.05 million for Low Income Energy Assistance, pursuant to H.B. 06-1200.

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriated</b>	<b>Request</b>	<b>Request</b>
					<b>Request vs.</b>
					<b>Appropriation</b>
<b>SUBTOTAL - (1) OFFICE OF THE GOVERNOR</b>					
<b>Total</b>	<b>13,423,273</b>	<b>14,179,457</b>	<b>19,929,143</b>	<b>21,389,658</b>	<b>7.3%</b>
<b>FTE</b>	<b><u>35.4</u></b>	<b><u>35.4</u></b>	<b><u>35.9</u></b>	<b><u>36.4</u></b>	<b><u>0.5</u></b>
General Fund	2,862,938	3,013,194	3,312,818	3,564,466	7.6%
FTE	35.4	35.4	35.4	35.4	0.0
Cash Funds	75,000	74,522	5,200,837	6,276,673	20.7%
FTE	0.0	0.0	0.5	1.0	0.5
Cash Funds Exempt	166,072	166,240	309,636	438,091	41.5%
Federal Funds	10,319,263	10,925,501	11,105,852	11,110,428	0.0%

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriated	FY 2007-08 Request	Change Request
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**(2) OFFICE OF THE LIEUTENANT GOVERNOR**  
**Jane Norton, Lieutenant Governor**

**Primary function** The Lt. Governor is a member of the Colorado Commission on Indian Affairs and acts as a liaison between tribal governments and the state government. The Lt. Governor also performs additional functions as designated by the Governor.

Administration - GF	197,159	207,250	199,115	203,016	
FTE - GF	2.7	2.7	2.7	2.7	
Commission of Indian Affairs	76,868	74,436	82,574	84,524	
FTE	<u>2.3</u>	<u>2.3</u>	<u>2.3</u>	<u>2.3</u>	
General Fund	76,868	74,436	81,074	83,024	
FTE	2.3	2.3	2.3	2.3	
Cash Funds Exempt	0	0	1,500	1,500	
Discretionary Fund - GF	4,782	5,000	5,000	5,000	
					<b>Request vs. Appropriation</b>
<b>SUBTOTAL - (2) OFFICE OF THE LT. GOVERNOR</b>					
<b>Total</b>	<b>278,809</b>	<b>286,637</b>	<b>286,689</b>	<b>292,540</b>	<b>2.0%</b>
<b>FTE</b>	<b><u>5.0</u></b>	<b><u>5.0</u></b>	<b><u>5.0</u></b>	<b><u>5.0</u></b>	<b><u>0.0</u></b>
General Fund	278,809	286,637	285,189	291,040	2.1%
FTE	5.0	5.0	5.0	5.0	0.0
Cash Funds Exempt	0	0	1,500	1,500	0.0%

	<b>FY 2004-05 Actual</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Appropriated</b>	<b>FY 2007-08 Request</b>	<b>Change Request</b>
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**(3) OFFICE OF STATE PLANNING AND BUDGETING**  
**Henry Sobanet, Executive Director**

**Primary Function** Provide overall policy and direction related to programming, budgeting, and budget-related efforts of the executive branch by evaluating departmental budget requests, and preparing annual revenue and economic estimates for the State.

Personal Services - CFE	1,220,731	1,268,870	1,288,220	1,321,779	
FTE - CFE	19.5	19.5	19.5	19.5	
Operating Expenses - CFE	45,525	48,302	51,724	51,724	
Economic Forecasting Subscriptions -CFE	14,747	15,770	16,362	16,362	
					<b>Request vs. Appropriation</b>
<b>SUBTOTAL - (3) OFFICE OF STATE PLANNING AND BUDGETING</b>					
<b>Cash Funds Exempt</b>	<b>1,281,003</b>	<b>1,332,942</b>	<b>1,356,306</b>	<b>1,389,865</b>	<b>2.5%</b>
<b>FTE</b>	<b>19.5</b>	<b>19.5</b>	<b>19.5</b>	<b>19.5</b>	<b>0.0</b>

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriated	FY 2007-08 Request	Change Request
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**(4) ECONOMIC DEVELOPMENT PROGRAMS**

**Brian Vogt, Director**

**Primary Function** Coordinating the State's business assistance, business retention, business expansion, and recruitment programs.

Administration	386,502	395,773	418,308	430,646	
FTE	<u>5.8</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	
General Fund	386,502	395,773	403,519	415,857	
FTE	5.8	6.0	6.0	6.0	
Cash Funds Exempt	0	0	14,789	14,789	
Vehicle Lease Payments - GF	7,041	5,929	10,809	10,809	
Leased Space - GF	231,540	231,540	231,540	231,540	
Business Development	787,196	800,994	829,721	854,779	
FTE	<u>7.9</u>	<u>8.3</u>	<u>9.2</u>	<u>9.2</u>	
General Fund	787,196	800,994	814,721	839,779	
FTE	7.9	8.3	9.2	9.2	
Cash Funds	0	0	15,000	15,000	
Grand Junction Satellite Office - GF	60,353	61,912	64,242	64,117	
FTE - GF	1.0	1.0	1.0	1.0	

	<b>FY 2004-05</b> <b>Actual</b>	<b>FY 2005-06</b> <b>Actual</b>	<b>FY 2006-07</b> <b>Appropriated</b>	<b>FY 2007-08</b> <b>Request</b>	<b>Change</b> <b>Request</b>
Minority Business Office	99,595	115,991	116,328	119,561	
FTE	<u>1.5</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
General Fund	99,595	110,835	111,378	114,611	
FTE	1.5	2.0	2.0	2.0	
Cash Funds	0	5,156	4,950	4,950	
Leading Edge Program Grants	<u>51,476</u>	<u>51,476</u>	<u>126,407</u>	<u>126,407</u>	
General Fund	50,976	50,976	50,976	50,976	
Cash Funds Exempt	500	500	75,431	75,431	
Small Business Development Centers	1,260,116	1,227,232	1,265,149	1,268,413	
FTE	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	
General Fund	61,854	63,273	63,154	66,452	
FTE	1.0	1.0	1.0	1.0	
Federal Funds	1,198,262	1,163,959	1,201,995	1,201,961	
FTE	2.5	2.5	2.5	2.5	
International Trade Office	623,339	643,469	662,987	665,286	
FTE	<u>5.8</u>	<u>5.8</u>	<u>6.0</u>	<u>6.0</u>	
General Fund	598,034	606,094	612,987	615,286	
FTE	5.8	5.8	6.0	6.0	
Cash Funds	25,305	37,375	50,000	50,000	

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriated</b>	<b>Request</b>	<b>Request</b>
Colorado Welcome Centers	485,371	489,073	491,721	495,413	
FTE	<u>3.2</u>	<u>3.3</u>	<u>3.3</u>	<u>3.3</u>	
General Fund	389,958	393,660	396,308	400,000	
FTE	3.2	3.3	3.3	3.3	
Cash Funds Exempt	95,413	95,413	95,413	95,413	
Colorado Promotion - Other	5,419,782	7,270,942	18,904,587	19,300,533	
FTE	<u>3.0</u>	<u>2.8</u>	<u>3.0</u>	<u>3.0</u>	
General Fund	5,373,810	5,368,783	0	0	
FTE	3.0	2.8	0.0	0.0	
Cash Funds	0	0	18,854,587 a,/f/	19,250,533	
FTE	0.0	0.0	3.0 a,/f/	3.0	
Cash Funds Exempt	45,972	1,902,159	50,000	50,000	
Economic Development Commission					
General Economic Incentives and Marketing	1,484,832	2,185,154	961,623	964,336	
FTE	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
General Fund	956,669	959,795	961,623	964,336	
FTE	2.0	2.0	2.0	2.0	
Cash Funds Exempt	528,163	1,225,359	0	0	
Colo. First Customized Job Training - GF	2,725,022	2,725,022	2,725,022	2,725,022	
CAPCO Administration - CFE	74,315	85,660	76,508	78,716	
FTE - CFE	1.0	1.0	1.0	1.0	



	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriated	FY 2007-08 Request	Change Request
Colorado Council on the Arts - CF	0	0	1,500,000 b/	1,531,500	
FTE - CF	0.0	0.0	2.0 b/	2.0	
Film Incentives - CF	0	0	500,000 c/	510,500	
New Jobs Incentives - CF	0	0	3,000,000 d/	3,063,000	
Bioscience Discovery Evaluation - CF	0	0	2,000,000 e/	0	
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>14,855</u>	<u>14,855</u>	
Cash Funds			66	66	
Federal Funds			14,789	14,789	

**Request vs.  
Appropriation**

<b>SUBTOTAL - (4) ECONOMIC DEVELOPMENT PROGRAMS</b>					
<b>Total</b>	<b>13,289,249</b>	<b>16,444,654</b>	<b>33,899,807</b>	<b>32,455,433</b>	<b>-4.3%</b>
<b>FTE</b>	<b><u>34.8</u></b>	<b><u>35.7</u></b>	<b><u>39.0</u></b>	<b><u>39.0</u></b>	<b><u>0.0</u></b>
General Fund	11,845,584	11,932,301	6,446,279	6,498,785	0.8%
FTE	31.3	32.2	30.5	30.5	0.0
Cash Funds	25,305	39,303	25,924,603	24,425,549	-5.8%
FTE	0.0	0.0	5.0	5.0	0.0
Cash Funds Exempt	220,096	3,309,091	312,141	314,349	0.7%
FTE	1.0	1.0	1.0	1.0	0.0
Federal Funds	1,198,264	1,163,959	1,216,784	1,216,750	0.0%
FTE	2.5	2.5	2.5	2.5	0.0

a/ Reflects an increase of \$18.9 million and 3.0 FTE from the Colorado Travel and Tourism Promotion cash fund, pursuant to H.B. 06-1201

b/ Reflects the transfer of the State Council on the Arts from the Department of Higher Education, pursuant to S.B. 06-049.

c/ Reflects an increase of \$500,000 from the Limited Gaming cash fund, pursuant to H.B. 06-1201.

d/ Reflects an increase of \$3 million from the Limited Gaming cash fund, pursuant to H.B. 06-1201.

e/ Reflects an increase of \$2 million from the Limited Gaming cash fund, pursuant to H.B. 06-1360.

f/ Reflects a reduction of \$2.3 million and 3.0 FTE from the Colorado Travel and Tourism Promotion cash fund, pursuant to H.B. 06-1384.

	<b>FY 2004-05</b> <b>Actual</b>	<b>FY 2005-06</b> <b>Actual</b>	<b>FY 2006-07</b> <b>Appropriated</b>	<b>FY 2007-08</b> <b>Request</b>	<b>Change</b> <b>Request</b>
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**(5) OFFICE OF INNOVATION & TECHNOLOGY**  
**John Picanso, State Chief Information Officer**

**DI #2**

**Primary Function** Providing staff and support for the Commission on Information Management, managing State technology needs, examining ways to make Colorado government more efficient.

Personal Services - GF	730,939	670,287	1,025,424 a/	1,046,117	
FTE - GF	8.5	8.5	13.0 a/	13.0	
Operating Expenses - GF	132,478	144,328	159,283 a/	150,268	
Legal Services (26 hours) - GF	1,601	1,601	1,762	1,762	
					<b>Request vs.</b>
					<b>Appropriation</b>
<b>SUBTOTAL - (5) OFFICE OF INNOVATION &amp; TECHNOLOGY</b>					
<b>General Fund</b>	<b>865,018</b>	<b>816,216</b>	<b>1,186,469</b>	<b>1,198,147</b>	<b>1.0%</b>
<b>FTE</b>	<b>10.0</b>	<b>10.0</b>	<b>13.0</b>	<b>13.0</b>	<b>0.0</b>

a/ Reflects an increase of \$238,766 and 3.0 FTE in personal services and \$10,515 in operating expenses, pursuant to S.B. 06-063.

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriated</b>	<b>Request</b>	<b>Request</b>

**(6) OFFICE OF COLORADO BENEFITS MANAGEMENT SYSTEM**

**Dr. John Witwer, Director**

**Primary Function:** Oversees the ongoing development and enhancements to the Colorado Benefits Management System.

Personal Services - CFE	0	1,714,729	1,785,565	1,833,488	
FTE - CFE	0.0	18.7	26.0	26.0	
Operating Expenses - CFE	0	156,570	278,897	278,897	
					<b>Request vs.</b>
					<b>Appropriation</b>
<b>SUBTOTAL - (6) OFFICE OF COLORADO BENEFITS MANAGEMENT SYSTEM</b>					
<b>Cash Funds Exempt</b>	<b>0</b>	<b>1,871,299</b>	<b>2,064,462</b>	<b>2,112,385</b>	<b>2.3%</b>
<b>FTE</b>	<b>0.0</b>	<b>18.7</b>	<b>26.0</b>	<b>26.0</b>	<b>0.0</b>

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Appropriated	FY 2007-08 Request	Change Request
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**(7) OFFICE OF THE CHIEF INFORMATION SECURITY OFFICER (CISO)**

**Mark Weatherford, Chief Information Security Officer**

**Primary Function:** Develop and update information security policies, standards and guidelines for public agencies.

Program Costs	0	0	4,200,000	2,449,782	
FTE	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>	<u>2.0</u>	
General Fund	0	0	0	2,449,782	<b>DI #1</b>
FTE	0.0	0.0	0.0	2.0	<b>DI #1</b>
Federal Funds	0	0	4,200,000 a/	0	
FTE	0.0	0.0	1.0	0.0	
					<b>Request vs. Appropriation</b>

<b>SUBTOTAL - (7) OFFICE OF THE CHIEF INFORMATION SECURITY OFFICER (CISO)</b>					
<b>Total</b>	<b>0</b>	<b>0</b>	<b>4,200,000</b>	<b>2,449,782</b>	<b>-41.7%</b>
<b>FTE</b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>1.0</u></b>	<b><u>2.0</u></b>	<b><u>1.0</u></b>
General Fund	0	0	0	2,449,782	100.0%
FTE	0.0	0.0	0.0	2.0	2.0
Federal Funds	0	0	4,200,000	0	-100.0%
FTE	0.0	0.0	1.0	0.0	(1.0)

a/ Reflects a one-time appropriation of \$4,200,000 in federal funds, pursuant to H.B. 06-1157.

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriated</b>	<b>Request</b>	<b>Request</b>
					<b>Request vs. Appropriation</b>
<b>OFFICE OF THE GOVERNOR</b>	<b>29,137,352</b>	<b>34,931,205</b>	<b>62,922,876</b>	<b>61,287,810</b>	<b>-2.6%</b>
<b>FTE</b>	<b><u>104.7</u></b>	<b><u>124.3</u></b>	<b><u>139.4</u></b>	<b><u>140.9</u></b>	<b><u>1.5</u></b>
General Fund	15,852,349	16,048,348	11,230,755	14,002,220	24.7%
FTE	81.7	82.6	83.9	85.9	2.0
Cash Funds	100,305	113,825	31,125,440	30,702,222	-1.4%
FTE	0.0	0.0	5.5	6.0	0.5
Cash Funds Exempt	1,667,171	6,679,572	4,044,045	4,256,190	5.2%
FTE	20.5	39.2	46.5	46.5	0.0
Federal Funds	11,517,527	12,089,460	16,522,636	12,327,178	-25.4%
FTE	2.5	2.5	3.5	2.5	(1.0)

**FY 2007-08 JBC BUDGET BRIEFING  
OFFICE OF THE GOVERNOR**

**FOOTNOTE UPDATE**

2. All Departments, Totals -- The General Assembly requests that copies of all reports requested in other footnotes contained in this act be delivered to the Joint Budget Committee and the majority and minority leadership in each house of the General Assembly. Until such time as the Secretary of State publishes the code of Colorado regulations and the Colorado register in electronic form pursuant to section 24-4-103 (11) (b), C.R.S., each principal department of the state is requested to produce its rules in an electronic format that is suitable for public access through electronic means. Such rules in such format should be submitted to the Office of Legislative Legal Services for publishing on the Internet. Alternatively, the Office of Legislative Legal Services may provide links on its internet web site to such rules. It is the intent of the General Assembly that this be done within existing resources.

Comments: The department is in compliance.

3. All Departments, Totals – Every Department is requested to submit to the Joint Budget Committee information on the number of additional federal and cash funds exempt FTE associated with any federal grants or private donations that are applied for or received during FY 2006-07. The information should include the number of FTE, the associated costs (such as workers' compensation, health and life benefits, need for additional space, etc.) that are related to the additional FTE, the direct and indirect matching requirements associated with the federal grant or donated funds, the duration of the grant, and a brief description of the program and its goals and objectives.

Comment: *The Governor vetoed this footnote on the grounds that it violates the separation of powers in Article III of the Colorado Constitution in that it is attached to federal funds and private donations, which are not subject to legislative appropriation. Placing information requirements on such funds could constitute substantive legislation in the general appropriations bill in violation of Article V, Section 32 of the Colorado Constitution. The Governor contends that this footnote would require a significant devotion of resources.*

The Department did not submit a report.

12. Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Governor; and Office of State Planning and Budgeting -- As part of the FY 2007-08 budget submission, the Office of State Planning and Budgeting is requested to provide a report on indirect cost recoveries from federal programs that are administered through the Office of the Governor or that are not shown elsewhere in the Long Bill. The report should include an analysis, by federal program, of: Statewide and departmental indirect costs collected in FY 2004-05 and FY 2005-06; where funds collected were spent; the potential for additional indirect cost collections in FY 2006-07 and future years; and the potential for offsetting General Fund expenditures in the Office of the Governor or other departments through these collections. For each federal program that was not assessed statewide and departmental indirect costs, the report should explain why these costs were not assessed.

Comment: *The Governor vetoed this footnote* on the grounds that it violates the Colorado Constitution, Article III and possibly Article V, Section 32, because it interferes with the ability of the executive branch to administer the appropriation, dictates the content and format of the executive budget request, and may constitute substantive legislation that cannot be included in the general appropriations bill. The Governor further contends that the Governor's Office is already part of the statewide indirect cost plan developed by the Department of Personnel; thus provision of this information would be redundant.

13. Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Governor, Governor's Office, Administration of Governor's Office and Residence; and Other Programs and Grants -- The Governor's Office is requested to provide to the Joint Budget Committee, with its FY 2007-08 budget request, information pertaining to federal and cash exempt funds received and expected to be received. This information should include the amount and source of each grant, any matching and maintenance of effort requirements, duration of the grant, as well as the name of the program or project and number of FTE the funds will support.

Comment: *The Governor vetoed this footnote* on the grounds that it violates the separation of powers in Article III of the Colorado Constitution by attempting to administer the appropriation and by dictating the content of the executive budget request. It is the Department's contention that requesting additional information on non-appropriated sources within the Governor's Office restricts the flexibility of the Office and that the General Assembly has no authority to appropriate federal money or to prescribe limits on FTE.

14. 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 and Administration 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 of Personnel and Administration and the Office of State Planning and Budgeting are requested to submit a consolidated statewide personnel report to the General Assembly by September 1, 2006. 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 2005-06.

Comment: *The Governor vetoed this footnote* on the grounds that it is in violation of the Colorado Constitution, Article III and possibly Article V, Section 32, because it interferes with the ability of the executive branch to administer the appropriation and may constitute substantive legislation that cannot be included in the general appropriations bill.

The Department did not submit a report.

15. Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting -- The Office of State Planning and Budgeting is requested to submit a final report to the Joint Budget Committee, as soon as available, but not later than October 1, 2006, concerning the fiscal impact of the Office's contract to maximize federal revenues on a contingency basis. The report should include: (a) The total amount of net federal revenue generated for each initiative, by fiscal year; (b) the total amount of net federal revenue anticipated to be received annually in future fiscal years; (c) the total net reduction in General Fund expenditures for each initiative, by fiscal year; (d) the total net reduction in annual General Fund expenditures anticipated in future fiscal years; and (e) the total amount of contingency fees paid for each initiative.

Comment: *The Governor vetoed this footnote* on the grounds that this footnote is in violation of the Colorado Constitution, Article III and possibly Article V, Section 32, by attempting to administer the appropriation and by dictating the content of the executive budget request, and may constitute substantive legislation that cannot be included in the general appropriations bill. The Office of State Planning and Budgeting does not review budget requests from elected officials, the Legislative Branch, or the Judicial Branch.

The Department did not submit a report.

16. Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting -- The Commission on Information Management, in conjunction with the Office of State Planning and Budgeting, is requested to submit a priority list for all state information technology projects requested in the FY 2007-08 budget requests by November 1, 2006.

Comment: *The Governor vetoed this footnote* on the grounds that this footnote violates the separation of powers in Article III of the Colorado Constitution by directing the appropriation. In addition, this footnote may violate Article V, Section 32 because it constitutes substantive legislation that cannot be included in the general appropriations bill.

The Department did submit a report.

17. Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Office of Innovation and Technology -- The General Assembly requests the Office of State Planning and Budgeting and the Office of Innovation and Technology to work with Joint Budget Committee staff and departmental staff to develop recommendations for standardizing Long Bill information technology appropriations in order to achieve consistency in long bill appropriations for information technology. The Office of State Planning and Budgeting and the Office of Innovation and Technology are requested to report their recommendations for such a system to the General Assembly no later than November 1, 2006.

Comment: *The Governor vetoed this footnote* on the grounds that this footnote is in violation of the Colorado Constitution, Article III and possibly Article V, Section 32, because it interferes with the ability of the executive branch to administer the appropriation and may constitute substantive legislation that cannot be included in the general appropriations bill.

The Department did not submit a report.



18. Governor - Lieutenant Governor - State Planning and Budgeting, Economic Development Programs, International Trade Office -- The International Trade Office is requested to provide its FY 2005-06 annual report to the Joint Budget Committee by November 1, 2006. The report should include the following information: Number of new and existing companies assisted; activity reports from overseas representatives and offices; number of incoming missions; and regional export activities.

Comment: The International Trade Office (ITO) furnished a report on November 1, 2006. The report indicates that the ITO assisted 357 clients, including 167 Colorado companies with over \$254.6 million in export sales in FY 2005-06. The ITO has one satellite office located in Guadalajara, Mexico and five honorary representatives in Japan, Germany, Switzerland, Argentina, and Brazil. The office conducted a performance survey which indicated that the office provides quality service with 96 percent of respondents indicating that the ITO's assistance was excellent or good, up six points from FY 2004-05. The report did not include regional export activities.

19. Governor - Lieutenant Governor - State Planning and Budgeting, Economic Development Programs, Colorado First Customized Job Training; and Department of Higher Education, Division of Occupational Education, Colorado First Customized Job Training -- This program is requested to submit to the Joint Budget Committee by November 1, 2006, a detailed plan for accountability, including the following: Review criteria for selection of companies to participate; the number of new jobs created by the programs; the number of unemployed and underemployed individuals who were trained and employed by this program; the amount of new personal income, state personal, and corporate income tax generated by this program; the time period for repayment of state investment in this program; and the number of persons taken off state support programs and the money saved thereby.

Comment: The Department submitted its most recent report for FY 2004-05 (the FY 2005-06 report will be available in January 2007). Pursuant to section 23-60-306, C.R.S., the program is intended to "encourage quality economic development by providing incentives for the location of new industries or the expansion of existing firms, thereby improving employment opportunities for the citizens of this state." Companies must meet specific eligibility criteria (provide health insurance, pay a self-sufficiency wage, contributing at least 40% of the total training cost) to be eligible to receive a customized training grant.

In the reporting year (FY 2004-05), 32 companies were awarded grants, creating 2,219 new jobs including 1,490 trained new hires. Average post-training annual earnings was \$40,248, which represents more than a 5 percent wage increase during the year in which training occurred. The state's \$1.3 million investment in customized training leveraged \$3.3 million in company contributions to support training of net new employees. Employees of the 32 companies that benefited from the program received training in 12 different counties across the state.

**FY 2007-08 JBC BUDGET BRIEFING**  
**OFFICE OF THE GOVERNOR**  
**Office of the Governor Performance Measures**

**ISSUE:**

Office of the Governor Performance Measures

**DISCUSSION:**

**Department Mission & Vision**

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*Mission Statement:*

The Governor shall see that the laws of the State of Colorado are faithfully executed. As Chief Executive, the Governor exercises supervision over and management of the departments of the Executive Branch.

*Vision Statement:*

To work to expand opportunities for all Coloradans through sound public policy and good communication in order to create a better Colorado.

**Goals and Performance Measures**

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The Department's strategic plan is 22 pages long and is dispersed within the Department's annual budget request divisions. The plan is comprised of 18 strategic objectives and 30 performance measures.

**Staff Analysis**

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Joint Budget Committee staff reviewed the Office of the Governor's performance measures submitted in the budget. Staff assessed these performance measures using the following common checklist:

1. Do the goals and performance measures correspond to the program's directives provided in statute?
2. Are the performance measures meaningful to stakeholders, policymakers, and managers?
3. Does the Department use a variety of performance measures (including input, output, efficiency, quality, outcome)?
4. Do the performance measures cover all key areas of the budget?
5. Are the data collected for the performance measures valid, accurate, and reliable?
6. Are the performance measures linked to the proposed budget base?
7. Is there a change or consequence if the Department's performance targets are not met?

As a whole, **the Department's performance measures provided in FY 2007-08 budget briefing are generally consistent** with their respective statutory directives. Some programs have more clearly stated goals in statute than others. For instance, the Office of Economic Development has clear outcome based goals in its applicable statutes, where as the Governor and the Lieutenant Governor's Offices have very broad goals stated in statute.

Of note, **only two of the Department's seven divisions have written performance measures**, with the overwhelming majority of these (28 of 30) stemming from the Office of Economic Development and International Trade. The performance measures from this division cover a large span of this diverse budget area which includes entities such as the Business Development Office, Colorado First Customized Job Training, the Colorado Tourism Office, the Economic Development Commission, the Minority Business Office, Small Business Development Centers, and the Venture Capital Authority.

Excluding the Office of Economic Development and International Trade, most of the Department's performance measures are input/output workload based items or are simple "yes, this statutory duty was administered" in nature. **The Department lacks efficiency, quality, and outcome performance measures** which would contribute to an overall understanding of the Department's overall efficacy.

While the performance measures may have meaning to internal stakeholders like departmental staff or informed constituents, these measures may not have as much meaning to all stakeholders, namely policymakers and the general public. **Staff is concerned with the lack of performance measures within high profile divisions, namely the Office of Information Technology, the Office of the Chief Information Security Officer, and the Office of the Colorado Benefits Management System (CBMS).**

In five of the Department's seven divisions (excluding Office of Economic Development and the Office of the Chief Information Security Officer), it addressed each division's stakeholder requirements. While this information is beneficial to stakeholders themselves, these do not assist in communicating the division's effectiveness in delivering its statutory duties.

Staff has no reason to believe that the data reflected is not valid or reliable.

The performance measures are not linked to the proposed budget base in any of the areas evaluated. This is not a requirement which has been placed on the budget for the Department, nor for other budgets statewide. There is no impact to a program if the Department's performance targets are not met.

The following are examples of key goals and performance measures from selected programs or divisions.

- ❑ **Objective #4-2: To obtain 90 percent of data for revenue forecast in electronic form to improve efficiency, minimize data entry errors, and reduce paper work.**

*The Office of State Planning and Budgeting*

- Increase percent of submission in electronic form. [FY 2005-06 Actual: 97.5%; Target: 95.0%]

According to section 24-37-103 to 304, C.R.S., the Office of State Planning and Budgeting is to identify the short- and long-range resource needs of the agencies of the Executive Branch.

While the division's efforts to receive and utilize data from electronic forms assists in operational efficiency, this performance measure does not tie directly to its statutory obligations. It is also a "passive" measure, where the department is measuring what it receives rather than what it disseminates. A more effective performance measure would be the time or cost savings as a result of utilizing electronic sources versus other data resources and data entry errors.

- ❑ **Objective #5-1: To support the efforts of local communities to create and retain high quality jobs in Colorado.**

*The Office of Economic Development and International Trade*

- Total number of jobs created and retained. [FY 2005-06 Actual: 6,501; Target: 9,000]
- Jobs created and retained in lagging communities -- excluding job training. [FY 2005-06 Actual: 788; Target: 2,200]

According to section 24-48.5-101 (e), C.R.S., the Office of Economic Development "*shall provide technical assistance and research support for business recruitment, retention, and expansion assistance programs supported by local government and private-public partnerships...*".

The metrics provided are clearly and appropriately tied to local economic development, specifically job creation.

- ❑ **Objective #5-6: To increase Colorado's travel market share of total U.S. marketable pleasure trips.**

*Colorado Tourism Office, The Office of Economic Development and International Trade*

- Percent and (rank) of Colorado's travel market share based on information provided by Longwoods International. [CY 2005 Actual: 2.1% (23rd); Target: 2.2% (no goal)]
- State Welcome Centers visitors. [CY 2005 Actual: 956,054; Target: 1 million]

According to section 24-49-104 (c), C.R.S., the Colorado Tourism Board shall annually gather and disseminate statistical information on the travel and tourism marketing effort, the amount and manner of expending public and private moneys in promoting travel and

tourism, and the economic effect of the travel and tourism marketing effort upon the state.

While the performance measures provided are appropriately tied to statutory duty, with regards to the "percent and rank of Colorado's travel market share based on information provided by Longwoods International" performance measure, the Colorado Tourism Office does not set a rank target. While percent offers a pertinent benchmark for the division, rank may offer policymakers and other stake holders a more applicable benchmark to understand the program's effectiveness (improvement as compared to other state's tourism initiatives). Additionally, while the number of visitors to the state's welcome centers offers information about the number of people drawn into these facilities, it is by no means an indicator of the number of people that visit the state. Metrics pertaining to visitor location in relation to other viable rest stop locations may be more revealing to stakeholders.

**FY 2007-08 JBC BUDGET BRIEFING**  
**OFFICE OF THE GOVERNOR**  
**Decision Item # 1: Information Security Program Funding**

**ISSUE:**

The budget request for Decision Item #1 in its current form does not conform with state law.

**SUMMARY:**

- House Bill 06-1157 authorized the appointment of a chief information security officer (CISO) and provided the legislative authority to appropriate funding to support its programmatic efforts after the first fiscal year, which for FY 2006-07 was funded by federal funds.
- The Department has requested \$2.5 million General Fund and 2.0 FTE to support and continue information security initiatives created by H.B. 06-1157.
- The budget request is seeking an appropriation of \$2.5 million General Fund and 2.0 FTE to the Office of the Governor to support the Information Security Program, however the intent of the General Assembly, as outlined in Section 24-37.5-403 (3), C.R.S., was that the combined General Fund expenditure for FY 2007-08 come from General Fund appropriations to the applicable public agencies and that the transfer will be Cash Funds Exempt to the Office of the Governor.
- The budget request in its current form will need to be amended to conform with state law.

**RECOMMENDATION:**

Staff recommends that the JBC ask the Department to respond to the following six (6) questions at its hearing before the JBC:

1. Why didn't the Department comply with Section 24-37.5-403 (3), C.R.S., and fund this budget request decision item through the applicable public agencies?
2. Why should this decision item be subsidized by the General Fund rather than offset by other fund sources appropriated to the applicable state agencies?
3. Is it feasible to submit a budget request amendment to reflect the state agencies that will utilize this office?
4. Provide a summary of potential General Fund savings by funding the decision item through appropriations to the applicable state agencies, by using fund sources other than the General Fund.

5. Please justify the Department's request to utilize contracted professionals at the rates included in the budget request.
6. Please provide an overview of the policies, standards, and guidelines which will be placed on the public agencies, as well the anticipated impact these will have on the agencies' operational efficiency.

**DISCUSSION:**

1. **House Bill 06-1157: Information Technology Security in Public Agencies.** Authorizes the Governor to appoint a chief information security officer (CISO) and defines the duties of the position. Requires public agencies to develop and submit information security plans to the CISO and to report information security incidents. Reflects anticipated receipt of \$4.2 million federal funds and 1.0 FTE to the Office of the Governor in FY 2006-07 for implementation.

**This legislation will implement the following in FY 2006-07:**

- ✓ appoint a chief information security officer (CISO)
- ✓ provide upgrades to the state information security infrastructure
- ✓ establish security policies, standards, and compliance enforcement that is designed to protect Colorado state government information technology systems and citizen data.
- ✓ support security categorization and department level risk assessment of critical systems
- ✓ establish the Colorado Information Security Program (CISP) compliance framework
- ✓ provide key security control mechanisms
- ✓ conduct cyber security training
- ✓ development of a multi-agency cyber security incident response program

- Information Security Plans.** This legislation also requires that all public agencies develop and submit an information security plan utilizing the information security policies, standards, and guidelines developed by the Chief Information Security Officer. These security plans may provide for a phase-in period of three years and will include an implementation plan which will be completed by July 1, 2009. *These security plans comprise an organized approach to implementing needed information security improvements necessary to meet the CISO's standards and guidelines and will be drivers for additional funding.*

**Definitions.**

- *Public Agency:* any executive, legislative, or judicial department, division, commission, board, bureau, or institution, not including an institution of higher education, and any county, city and county, private school, school district, board of cooperative services, or library for which the state acts as a communications, network, or data services provider. The Department of

Higher Education is required to develop an information security plan as well. This plan will be submitted to the Colorado Commission on Higher Education and must contain the same components required of public agencies.

- *Security Incident*: an accidental or deliberate event resulting in or constituting a threat of the unauthorized access, loss, disclosure, modification, disruption, or destruction of communication and information resources.

2. **Decision Item #1.** The budget request for \$2.5 million General Fund and 2.0 FTE (including the Chief Information Security Officer) is an extension of the initiatives supported by H.B. 06-1157.

The request will provide the following initiatives, which are ordered by importance and resource usage:

- 1) Deploy risk mitigation strategies, processes, and procedures
- 2) Review and approve information technology security requests from state agencies
- 3) Obtain resources to support security audits and assessments
- 4) Conduct information security awareness and training programs

3. **Intent of the General Assembly.** According to Section 24-37.5-403 (3), C.R.S., "*for the state fiscal year commencing on July 1, 2006, the cost of the services provided by the chief information security officer to public agencies in administering the Office of the Chief Information Security Officer shall be paid from federal funds received by the state for such purposes. It is the intent of the General Assembly that the cost of the services provided by the Chief Information Security Officer to a public agency be adequately funded in fiscal years commencing on and after July 1, 2007, through an appropriation to the public agency to pay for such services*".

The budget request submitted by the Department in its current form is requesting a General Fund appropriation directly to the Office of the Governor, however the intent of the General Assembly was that the combined General Fund expenditure for FY 2007-08 come from General Fund appropriations to the applicable public agencies. The transfer would then be Cash Funds Exempt to the Office of the Governor.

4. **The Costs of Information Security.** The costs of mitigating information security incidents can be prohibitively expensive.

- Professional Services.** The budget request for Decision Item #1 is for approximately \$2.5 million and 2.0 FTE. Of this amount, 64.3 percent (\$1.6 million) will fund Professional Services or consulting fees. As outlined in the Detailed Cost Sheet provided in **Appendix A**, it is evident that the costs for staffing are significant, led by the request for a Cyber Security Engineering Lead (\$297,600 per annum) and a Cyber Security Incident Response Lead (\$290,004 per annum). These two contracted employees would comprise nearly 24 percent of the entire budget request. The



Department notes that the cost of retaining qualified information security professional services is significant, however the Department asserts that the rates they quote for the budget request are requisite with market costs for commensurate skills and experience.

It is the Department's intention to retain these professional services for approximately two to three years until the implementation process is completed. At this point the Department has expressed interest in backfilling these positions with full-time FTE, if necessary, to meet the office's statutory duty.

- **Information Security Cost Example.** "Spam" (unsolicited commercial mail) costs the average employee 1.4 percent of downtime per year. Based on 2,080 hours per year at approximately \$27.28/hr, this equals \$794 in downtime per employee. In a 30,000 user network, this can equate to a \$23.8 million operating efficiency loss per year (hourly salary is based on all full-time state personnel gross pay for September 2006).

**FY 2007-08 JBC BUDGET BRIEFING  
OFFICE OF THE GOVERNOR  
Office of Information Technology Performance Measures**

**ISSUE:**

The Office of Information Technology (OIT) lacks adequate performance measures.

**SUMMARY:**

- As directed by the Joint Budget Committee, staff has analyzed Department performance measures for FY 2007-08 budget briefings.
- In the analysis of performance measures for the Office of the Governor, staff discovered that the Office of Information Technology lacks performance measures.
- The demand for effective performance measures is critical to achieving the Office of Information Technology's statutory obligations. OIT should implement and use clear, measurable, and outcome-based performance measures.

**RECOMMENDATION:**

Staff recommends that the Office of Information Technology make it a priority to develop performance measures to assess the efficacy of the programs it governs by performing the following:

1. Link the mission of the Office of Information Technology to its objectives and goals.
2. Link goals/objectives to strategies and incorporate IT initiatives.
3. Monitor IT investments/projects through performance measures.
4. Address whether investments/projects are accomplishing those objectives.

Staff also recommends that the JBC ask the Department to respond to the following questions at its hearing before the JBC:

1. Does the Office of Information Technology believe its performance measures are accurate? If so, please elaborate.
2. Does OIT believe that its performance measures could be improved? If so, what changes does OIT believe should be made?
3. How can the JBC use OIT's performance measures to determine whether or not OIT is meeting its statutory obligations?
4. Provide metrics which demonstrate the Office of Information Technology's effectiveness in achieving the following actionable statutory obligations:
  - a. Developing and encouraging a world wide web-based state government and facilitate

the dissemination of information on the web.

- b. Evaluate and streamline systemwide business practices for the purpose of finding methods for the enhanced utilization of technology.
- c. Establish policies and procedures for acceptable project plans and feasibility studies.
- d. Certify to the state controller that the project is in compliance with best practices adopted by the state concerning the management of an information technology project.
- e. Establish and implement a training plan for all persons employed by the state.

## DISCUSSION:

1. The following questions were used by JBC staff when reviewing departmental performance measures. These questions are derived from the National Conference of State Legislatures "Legislating for Results".

1. Do the goals and performance measures correspond to the program's directives provided in statute?
2. Are the performance measures meaningful to stakeholders, policymakers, and managers?
3. Does the Department use a variety of performance measures (including input, output, efficiency, quality, outcome)?
4. Do the performance measures cover all key areas of the budget?
5. Are the data collected for the performance measures valid, accurate, and reliable?
6. Are the performance measures linked to the proposed budget base?
7. Is there a change or consequence if the Department's performance targets are not met?

2. **Statutory Duties.** Included here are statutory duties which are "actionable" whereby they are measureable:

- Section 24-37.5-105 (3) (b), C.R.S., Develop and encourage a world wide web-based state government and facilitate the dissemination of information onto the web
- Section 24-37.5-105 (3) (c), C.R.S., Evaluate and streamline systemwide business practices for the purpose of finding methods for the enhanced utilization of technology.
- Section 24-37.5-105 (4) (a), C.R.S., The office shall establish policies and procedures for acceptable project plans and feasibility studies.

- ❑ Section 24-37.5-105 (b), C.R.S., ... the office shall certify to the state controller that the project is in compliance with best practices adopted by the state concerning the management of an information technology project...
  - ❑ Section 24-37.5-105 (5) (c), C.R.S., The office shall establish and implement a training plan for all persons employed by the state as of the effective date of this subsection (5) who provide services or functions described in the job descriptions provided by the department of personnel for project managers and project management analysts...
3. **Department Mission Statement.** *"To increase the effectiveness of government through the use of shared information and technology. Information technology will be used to maximize the efficiency of service delivery and will operate as a seamless enterprise, delivering consistent, cost-effective, reliable, accessible and secure services that satisfy the needs of the citizens of Colorado, its business communities, and its public sector agencies."*
4. **Performance measurement** is a process of assessing progress toward achieving predetermined goals, including:
- ❑ Information on the *efficiency* with which resources are transformed into goods and services (outputs)
  - ❑ The *quality* of those outputs (how well they are delivered to clients and the extent to which clients are satisfied) and outcomes (the results of a program activity compared to its intended purpose)
  - ❑ The *effectiveness* of government operations in terms of their specific contributions to program objectives.

Because IT projects support the agencies' missions and programs, to effectively link strategic and capital planning along with the budget process, performance plans must:

1. Link to the mission of the Office of Information Technology
  2. Link the goals/objectives to strategies and incorporate IT initiatives
  3. Monitor IT investments/projects through performance measures
  4. Address whether investments/projects are accomplishing those objectives
5. **2006 Colorado State Information Technology Strategic Plan.** Identifies four key initiatives to focus its efforts on over the next four years:
- Initiative 1: *Cyber-Security*: The improved security of state-held information
  - Initiative 2: *e-Government / Portal*: Better integration and access to government services
  - Initiative 3: *Common / Shared Devices*: Better application of economies of scale and improved use of these items /entities.
  - Initiative 4: *IMC / Governance*: Further leveraging our information technology governance structure to assure continuity in planning and controlling

the state's investment in information technology.

The 2006 Colorado State Information Technology Strategic Plan **does not include any performance measures.**

6. Office of Information Technology does utilize the following tools to organize and *manage* its projects and programs:

❑ **IT Strategic Plan Schedule.** OIT has outlined a strategic plan schedule. This provides all applicable departmental staff and overview of what the Office's initiatives from December 2005 through December 2006. A copy of this IT Strategic Plan Schedule is provided in **Appendix B.**

❑ **2006 IT Strategic Plan Action Items - Status Dashboard.** OIT maintains a document which outlines the Office's initiatives and assigns a project agency or owner, a status of the initiative's action items schedule and progress status, as well as target and actual dates for the action items' deliverables. The "dashboard" assigns five levels of schedule and progress status:

- "show stopper": multi-week delays, budget or goals in jeopardy
- "caution": days late or overbudget, or issues to be resolved
- within state schedule, budget, goals
- task not started
- action item completed

A copy of the dashboard is provided in **Appendix C.**

❑ **Summary of IT projects reporting to the Commission on Information Management.** OIT provides the Commission on Information Management (IMC) a summary of the state's IT projects. The report includes the project name (GENESIS, CSTARS, CBMS), planned project budget, current status (red, yellow, green), and any current status comments. A copy of the Summary of IT Projects for the IMC is provided in **Appendix D.**

While these instruments are good for managers and internal stakeholders, *they are not necessarily effective in communicating to policy makers and other stakeholders* OIT's mission to increase the effectiveness of government through the use of shared information and technology.

7. **Intermediate Outcomes.** In the field of information technology, it is sometimes useful to distinguish "intermediate outcomes" from "end outcomes" especially when end outcomes can not be determined for two or more years into the future. Because of the massive nature of enterprise-level IT projects, intermediate outcomes, or "milestones" should be employed which can serve as a standard for determining a project's completion over a longer period of time. If outcomes can't be measured to, then intermediate outcomes should be substituted to demonstrate progress toward achieving long term goals.

8. Some **suggested Information Technology-related performance measures** which may be of value to OIT's internal and external stakeholders include:

- Enterprise Mission Goals
  - Percent mission improvement (cost, time, quality, quantity attribute to IT solutions and services).
  - Percent planned IT benefits realized
  - Percent IT strategies fully matched to enterprise strategies
  
- Portfolio Analysis and Management
  - Percent IT portfolio reviewed and disposed
  - Percent compliance to approved IT solution deployment
  - Percent reusability of core modules
  
- Financial and Investment Performance
  - Percent total IT costs by major asset categories (hardware, software, personnel, facilities, management)
  - IT budget as a percent of operational budget and compare to comparable states average processing time, public satisfaction, etc.
  
- Information Technology Resources Usage
  - Percent of databases that can be shared
  - Percent hardware/software with interoperability capabilities
  
- Project Performance
  - Percent projects on time, on budget
  - Number / size / quantity of backlog on enhancement and maintenance requests
  
- Workforce Competency and Development
  - Number of staff trained by skill area
  - Percent of staff trained in new uses of technology and techniques
  - Percent of staff professionally certified
  - Percent of IT budget devoted to training and staff development

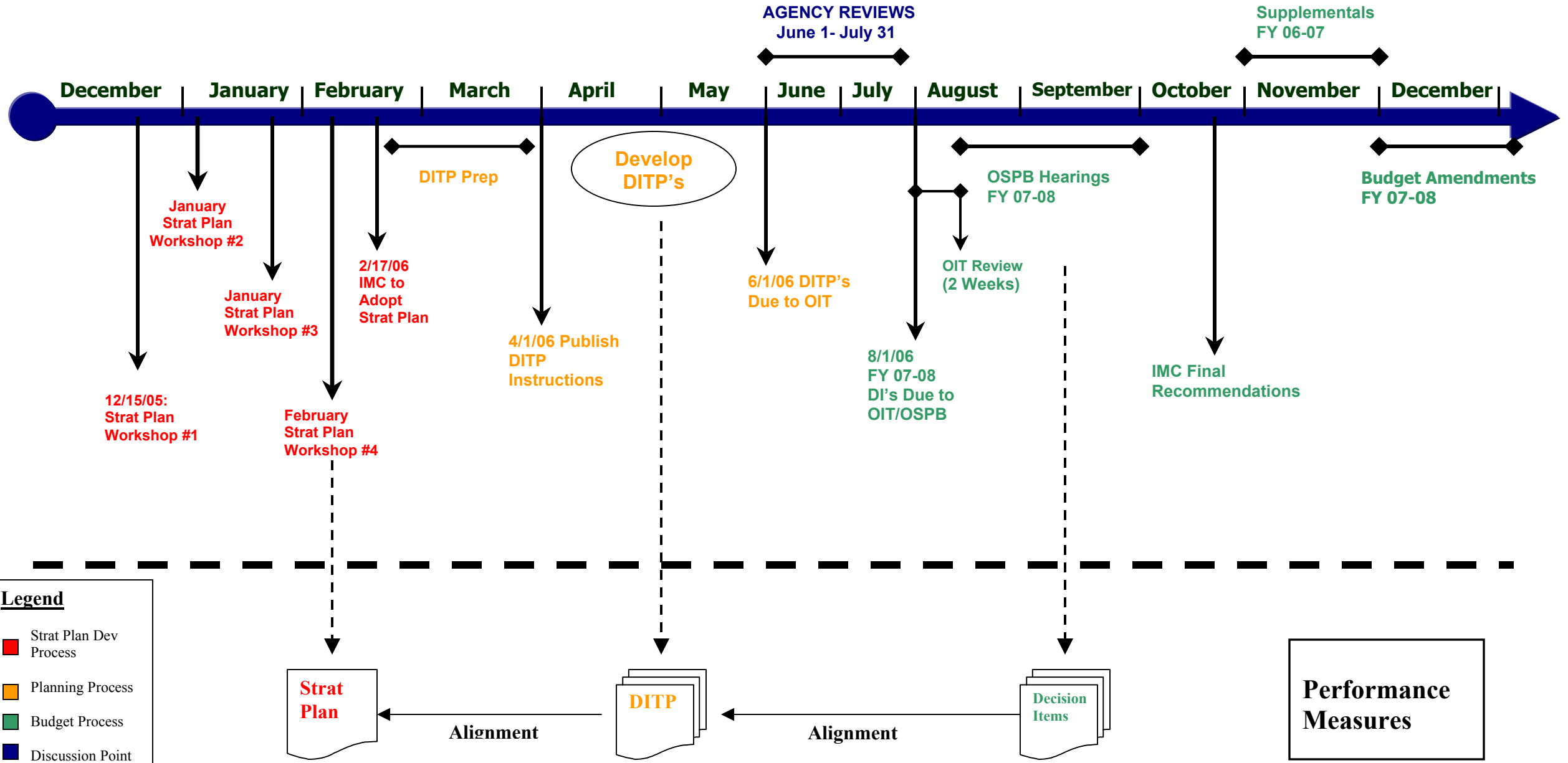
## Appendix A: Detailed Cost Sheet for Decision Item #1

Resource	Annualized Cost	Percent of Budget Request
<b>Staff</b>	<b><u>\$232,004</u></b>	<b><u>9.5%</u></b>
Chief Information Security Officer	111,100	4.5%
IT Professional V	96,789	4.0%
PERA	21,101	0.9%
FICA	3,014	0.1%
<b>Professional Services</b>	<b><u>\$1,575,385</u></b>	<b><u>64.3%</u></b>
Cyber Security Engineering Lead	297,600	12.1%
Cyber Security Incident Response Lead	290,004	11.8%
Vulnerability Assessment Analyst	211,200	8.6%
Cyber Security Architect	205,920	8.4%
Cyber Security Engineer	201,600	8.2%
Cyber Security Project Manager	182,400	7.4%
Network Security Engineer	144,000	5.9%
Administrative Support	42,661	1.7%
<b>Hardware/Software</b>	<b><u>\$621,000</u></b>	<b><u>25.3%</u></b>
Network Management System	216,000	8.8%
Change Control System	207,000	8.4%
Patch Mangement System	100,000	4.1%
Switch / Router Upgrades	98,000	4.0%
<b>Misc</b>	<b><u>\$21,394</u></b>	<b><u>0.9%</u></b>
Travel and Mileage	9,000	0.4%
Training	8,100	0.3%
Desktop Computers	2,800	0.1%
General Operating Expense	1,200	0.0%
Office Suite Software	294	0.0%
<b>Grand Total</b>	<b>\$2,449,783</b>	

Cost per hour (2,080 hrs/yr)
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\$143
\$139
\$102
\$99
\$97
\$88
\$69
\$21





# IT Strategic Plan Schedule





### 2006 IT Strategic Plan Action Items - Status Dashboard






**Status Legend:**

 "Show stopper"-Multi-week delays, Budget or goals in jeopardy	 Within stated schedule,budget,goals	√ Action Item completed
 "caution"- days late or overbudget, or issues to be resolved	 Task not started	






A I	Agency/ Owner	Status		Deliverables		Comments/Issues
		Schedule	Progress	Target	Actual	

**Initiative 1: Cyber-Security**

Objective 1: The State will develop and implement the Statewide Colorado Information Security Program (CISP)

1	The Chief Information Security Officer (CISO) will publish the Colorado Information Security Program (CISP) plan.	CISO/M. Weatherford			31-Jul-06		
2	The CISO will publish a comprehensive series of policies that address all facets of information security in IT operations	CISO/M. Weatherford			31-Jul-06		
3	The CISO shall report to the Governor and State Legislature on the general state of information security within Colorado Public Agencies	CISO/M. Weatherford			31-Dec-06		

Objective 2: The state will identify the most critical IT systems and assets and implement appropriate security measures to address and mitigate vulnerabilities

1	The CISO and OIT, in cooperation with state agency CIO's, and the State's Continuity of Government (COG) Project Manager (CDOLA/DEM), will complete an inventory of critical state systems	CISO/M. Weatherford			01-Sep-06		
2	The CISO, in cooperation with the state agency-CIOs, will identify and develop a confidential, prioritized list of critical State systems based upon FIPS 199 criteria.	CISO/M. Weatherford			01-Oct-06		
3	The CISO, in cooperation with the state agency-CIO's, will perform risk assessments of systems on the prioritized list.	CISO/M. Weatherford			01-Dec-06		
4	State agency-CIOs will provide a roadmap for identifying resources and requirements necessary to adequately secure their IT systems and assets according to the FIPS 199 criteria.	Agencies/ CIO's			31-Dec-06		
5	The CISO shall report to the Governor and Colorado General Assembly on the general state of information security for critical State systems.	CISO/M. Weatherford			31-Dec-06		

### 2006 IT Strategic Plan Action Items - Status Dashboard

**Status Legend:**

"Show stopper"-Multi-week delays, Budget or goals in jeopardy	Within stated schedule,budget,goals	Action Item completed
"caution"- days late or overbudget, or issues to be resolved	Task not started	

A I	Agency/ Owner	Status		Deliverables		Comments/Issues
		Schedule	Progress	Target	Actual	

Objective 3: The State will establish the Colorado Incident Response Program and train a cadre of security professionals to respond appropriately to cyber security incidents.





1	The CISO will develop the Colorado Incident Response Program including goals, scope, roles and responsibilities, and procedures	CISO/M. Weatherford			31-Jul-06		
2	The CISO will establish the Colorado Cyber Security website. This website will include links for Security Advisories and Incident Reporting.	CISO/M. Weatherford			31-Jul-06		
3	The CISO will establish the Computer Incident Response Team (CIRT) with members from all state agencies and provide CIRT training fundamentals.	CISO/M. Weatherford			30-Aug-06		
4	The State agencies will participate in a Cyber Security Exercise program to include department level, regional level, and state level cyber security exercises.	Agencies/ CIO's			31-Dec-06		

Objective 4: The State will establish an Information Security Training program for security professionals from state agencies and a statewide Information Security Awareness program for state agency employees and Colorado citizens.

1	The CISO will develop Standard Operating Procedures (SOPs) for content and delivery of cyber security awareness training.	CISO/M. Weatherford			31-Jul-06		
2	The CISO will deploy a web-based, centrally administered training system to provide cyber security training to state agency employees and security professionals.	CISO/M. Weatherford			31-Aug-06		
3	The CISO will provide statistical status to the Governor and Colorado General Assembly on the level of security awareness training completion among state agency employees.	CISO/M. Weatherford			31-Dec-06		

### 2006 IT Strategic Plan Action Items - Status Dashboard







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**Initiative 2: E-Government/State Internet Portal**

Objective 1: The State will adopt a Statewide Enterprise Architecture





1	The IMC will review all policies, standards, and guidelines and update those which require modification	IMC/OIT			30-Jun-06		In progress
2	Agencies will submit their compliance to the IMC policies and standards as part of their annual DITP	Agencies/ CIO's			01-Jun-06		In progress
3	The IMC/OIT will develop initial versions of the following Enterprise Architecture deliverables: BRM, DRM, SRM, and TRM	OIT/IMC			15-Dec-06		

Objective 2: The State will establish a common Internet portal infrastructure

1	OIT will document and communicate the State governance model, consistent with SIPA's governance model, for agency adoption and migration of portal services as part of the Annual IT Budget and Planning Process	OIT/A. Booker		√	01-Apr-06	31-Mar-06	Planning documents posted on website on 3/31/06; Portal opportunities will be captured in the capstone and discussed during agency meetings; EGE's are in progress with agencies ready to use portal services via Colorado Interactive.
2	The SIPA will establish a catalog of web development/ application services available for use by state agencies.	SIPA/ CI		√	01-Jun-06	01-Jun-06	A "Catalogue of Services" has been provided to OIT and added to the SIPA Web site. It can be found at:
3	State agencies will submit to OIT and SIPA a list of applications or services as candidates that can be supported/developed by the portal integrator.	Agencies/ CIO's			01-Jun-06		Agencies provided an additional 30 days to complete DITP's; Some agencies have met the initial deadline of June 1.

### 2006 IT Strategic Plan Action Items - Status Dashboard





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**Initiative 3: Common/Shared Services**

Objective 1: The State will consolidate e-mail service





1	The DoIT (CDPA) will submit an email consolidation plan (including overall approach, scope and budget) to the State CIO and the State Budget Director for final approval.	DoIT/G. Mellor			30-Apr-06		Phase 1 will provide a detail design of the IT architecture and an accurate cost projection. A survey of state agencies' requirements and existing hardware, software and operational infrastructure has been completed.
2	The DoIT (CDPA) will implement a production consolidation sized appropriately to measure key metrics for managing day-to-day operations, establish service level metrics, and key performance indicators.	DoIT/G. Mellor			30-Jun-06		
3	Each agency will have established its migration plan for subscribing to the centrally administered service based on the results of the department surveys and assessments.	Agencies/ CIO's			01-Sep-06		

Objective 2: The State will reform IT procurement

1	The IMC/OIT will facilitate reviewing and analyzing, in collaboration with state agencies, their IT procurements planned for the remainder of FY05-06.	OIT/D. Sullivan			01-May-06		No candidates identified to date
2	OIT will work with State Purchasing Office to administer an IT aggregated procurement for multiple state agencies.	OIT/D. Sullivan			01-Jun-06		On-Hold




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Objective 3: The State will utilize common data center facilities.

1	OIT, in partnership with the Division of Emergency Management (Department of Local Affairs), will assist all agencies in drafting Continuity of Operations Plans (COOPs) with complete documentation of IT disaster recovery capabilities and needs.	OIT/D. Sullivan			31-Dec-06		
2	OIT will work with State Purchasing Office to administer an IT aggregated procurement for multiple state agencies.	OIT/D. Sullivan			30-Jun-07		
3	50% of agencies with existing disaster recovery assets will have such located at the Statewide Disaster Recovery data center facility opened by CDOS.	OIT/D. Sullivan			30-Jun-07		





**Initiative 4: Commission on Information Management/Governance**

Objective 1: The state will implement strategic IT performance management

1	The State CIO and State Budget Director will evaluate the need for an enterprise portfolio management software tool	OIT/J. Picanso			01-Mar-06		Business case is in review.
2	The IMC will adopt an IT Asset Management standard for the State	IMC/D. Sullivan			01-Apr-06		OIT reviewed 2002 draft policy; Distributed to agency-CIOs and IMC EA Subcommittee for feedback
3	The IMC/OIT will distribute an assessment model illustrating how this IT Strategic Plan will be used in evaluating and providing recommendations on annual Department IT Plans (DITPs), IT budget requests, IT project proposals, and IT procurements.	OIT/D. Sullivan			01-May-06		









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A I	Agency/ Owner	Status		Deliverables		Comments/Issues
		Schedule	Progress	Target	Actual	

Objective 2: The State will prepare for more rigorous IT risk management evaluation

1	The IMC will adopt a new Model IT Contract and IT Administrative Guide.	IMC/E. Radford		√	01-Mar-06	20-Jan-06	Formally adopted at the January 20 IMC Meeting. Distributed to state agency Executive Directors and CIOs on 1-23-06.
2	IMC will adopt the common project management methodology as developed by the statewide Project Management User Group (PMUG).	IMC/PMUG		√	31-Mar-06	17-Mar-06	PM Common Methodology v1.0 distributed to PMUG members and agency CIOs for feedback. Work Group will finalize the methodology for presentation to the IMC Risk Mgmt. Subcommittee and full IMC.
3	The IMC will partner with the Attorney General's Office and State Controller's Office (SCO) to require state agency use of model IT contracts.	IMC/E. Radford			01-May-06		Sent IMC letters to SCO and AG requesting formal adoption and required use by state agencies.
4	IMC/OIT will establish, document and communicate an enterprise IT Risk Management process.	OIT/A. Booker			01-Aug-06		In progress
5	PMUG establish a training and mentoring program using the common project management methodology.	PMUG/E. Radford			01-Oct-06		In progress

**IMC Executive IT Project DASHBOARD**  
**SUMMARY of IT Projects Reporting to IMC**

	<b>IT Project Name</b>	<b>Planned Project Budget</b>	<b>Current STATUS</b>	<b>Current status comments</b>
1	CDLE - <i>genesis</i>	\$44,821,193	<b>RED</b>	Project was stopped in December 2005 and is awaiting results of the Project Recovery efforts.
2	CDLE - <i>genesis</i> PRA	\$2,279,060	<b>YELLOW</b>	09/01/06 a leadership change occurred resulting in the project re-baselined and compressed, but there is no anticipated change to the budget or end date. The project started on 10/02/06.
5	DOR - CSTARS	\$13,201,537	<b>YELLOW</b>	Deployment at the State site was completed 9-4-06 and live transactions initiated. Scheduling for deployment in the counties is currently being scheduled.
7	DPA-DoIT - Telephony & Network Convergence	\$1,168,451	<b>YELLOW</b>	A protest has been received from the incumbent vendor that will delay the procurement process directly impacts the project schedule and moves this project into YELLOW status until the procurement process is back on schedule or completed.
8	Judicial - ICON		<b>YELLOW</b>	Judicial has not yet submitted the required monthly project status report and will remain in YELLOW status until OIT receives this report. A presentation to the full IMC is scheduled for December 2006.
3	CDHS-DVR RISE	\$4,669,122	<b>GREEN</b>	In October 2006 HCL successfully completed the 3-month Project Recovery Plan and the State approved a new baselined Project Schedule, that did not extend the project completion date, and the HCL Staffing Plan. These positive developments allowed the project to move into GREEN status.
4	CDOT - ERP	\$23,015,466	<b>GREEN</b>	This two-phased ERP initiative replaces more than 50 standalone, custom-developed software systems with a new integrated system that allows CDOT to meet business and information needs more quickly and accurately. Phase 2 successfully went "live" on 11/01/2006!
6	DOS - HAVA/SCORE II	\$10,055,286	<b>GREEN</b>	The project will remain in YELLOW status until contract negotiations with SaBer are complete and the contract is signed. Contract negotiations began 8-21-06 and anticipate completion mid-late October 2006.
9	DPA-DoIT - DTRS	\$65,200,000	<b>GREEN</b>	Final phases will be switched to more closely tie to operational requirements of CSP, CDOT and Local Government participants with grant revenue awards.
10	DOR - CITA	\$45,000,000	<b>GREEN</b>	The CITA RFP Evaluation Committee is currently reviewing vendor proposals and is targeting mid-December 2006 for selection and intent to award.
11	PH&E - Mountain Plains States Consortium - WIC	\$10,059,568	<b>GREEN</b>	This multi-year project encompasses the development of a new WIC (Women's, Infants and Children) system that will be used for case management and payment control. In partnership with the States of Wyoming and Utah, this project is 100% federally funded and is under the gated process of the USDA. This project is currently in the "System Design" phase.
12	CDPS - CCIC Message Switch	\$7,600,000	<b>GREEN</b>	This multi-year project is in RFP development and is currently in contract negotiations with MTG Management Consultants. \$200,000 is allocated for RFP Development
13	HCPF - MMIS Re-Procurement	\$1,228,403	<b>GREEN</b>	Notice of Intent to Award went to the incumbent fiscal agent, ACS, on 8-31-06. Contract negotiations have begun targeting a final contract cleared by the State November 30, 2006.
14	HCPF - HIPAA NPI (HIPAA Rule #5)	\$857,562	<b>GREEN</b>	Department review was completed on the ACS assessment of the MMIS system to identify changes required to meet HIPAA NPI compliance, and final mitigation Scope work was decided. ACS contract amendments for Mitigation Scope of Work are currently in Department Clearance.
15	DPA-DoIT - Statewide Email Consolidation	\$500,000	<b>GREEN</b>	Phase I - detailed architectural design and cost estimation was completed July 1, 2006. Project is awaiting a go-no go decision for Phase II.
<b>TOTAL Planned Cost:</b>		<b>\$229,655,648</b>		

November 2006