

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2016-17 STAFF BUDGET BRIEFING
OFFICE OF THE GOVERNOR**

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

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OFFICE OF THE GOVERNOR

Department Overview

This Joint Budget Committee staff budget briefing document includes the following offices and agencies within the Office of the Governor:

- The **Office of the Governor (division)** oversees operation of the executive branch of State government including coordination, direction, and planning of agency operations. The Office represents the State, and serves as a liaison with local and federal governments. Includes the core functions of a traditional executive director's office, the Colorado Energy Office, and the Office of Marijuana Coordination;
- The **Office of the Lieutenant Governor** directly oversees the Colorado Commission of Indian Affairs, Commission on Community Service, and other initiatives. The Lieutenant Governor temporarily takes the Governor's place if the Governor is out of Colorado or is unable to perform his/her duties. Note, the passage of H.B. 11-1155 (Lt Gov As Head Of Principal Department) permitted the Lieutenant Governor to serve as the Executive Director of the Department of Higher Education in addition to his elected role as Lieutenant Governor;
- The **Office of State Planning and Budgeting (OSPB)** develops executive branch budget requests, reviews and analyzes departmental expenditures, and prepares quarterly revenue and economic estimates for the state. Additionally, the Office implements the Results First initiative, a cost benefit analysis model initially developed by the Washington State Institute for Public Policy, and now supported by the Pew Charitable Trusts and the MacArthur Foundation, that aims to determine the monetary value of State policies and programs;
- The **Office of Economic Development and International Trade (OEDIT)** assists in strengthening Colorado's prospects for long-term economic growth by providing broad-based support to businesses. The Office's support services include business funding and incentives, promotion of creative industries, international trade assistance, tourism promotion, minority business assistance, key industry promotion (including advanced industries, aerospace, and health and wellness), and film, television, and media industry development; and
- The **Governor's Office of Information Technology (OIT)** is responsible for the operation and delivery of all information and communications technology services across State executive branch agencies. The Office is tasked with providing information technology services, as well as promoting Colorado as the ideal location for information technology companies and technology-based workers.

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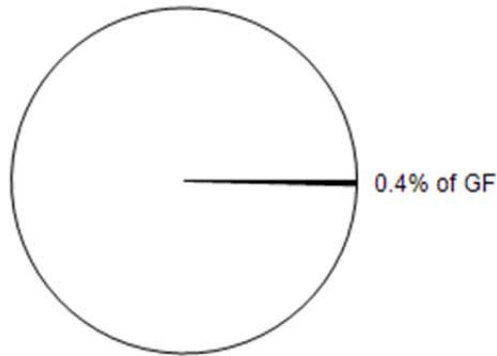
Department Budget: Recent Appropriations

Funding Source	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 *
General Fund	\$26,567,386	\$34,983,120	\$41,668,200	\$39,538,773
Cash Funds	37,122,540	41,899,571	42,239,163	42,205,349
Reappropriated Funds	165,570,329	210,000,641	180,261,421	216,652,429
Federal Funds	<u>6,755,621</u>	<u>6,440,371</u>	<u>6,492,609</u>	<u>6,511,867</u>
Total Funds	\$236,015,876	\$293,323,703	\$270,661,393	\$304,908,418
Full Time Equiv. Staff	1,060.9	1,073.1	1,088.7	1,090.4

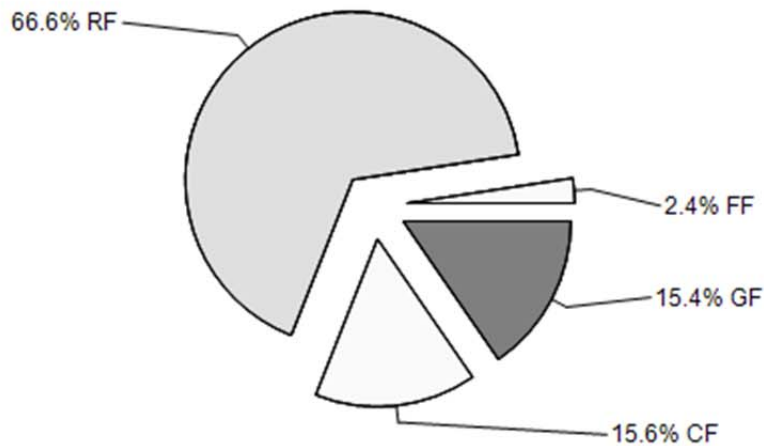
*Requested appropriation.

Department Budget: Graphic Overview

Department's Share of Statewide General Fund

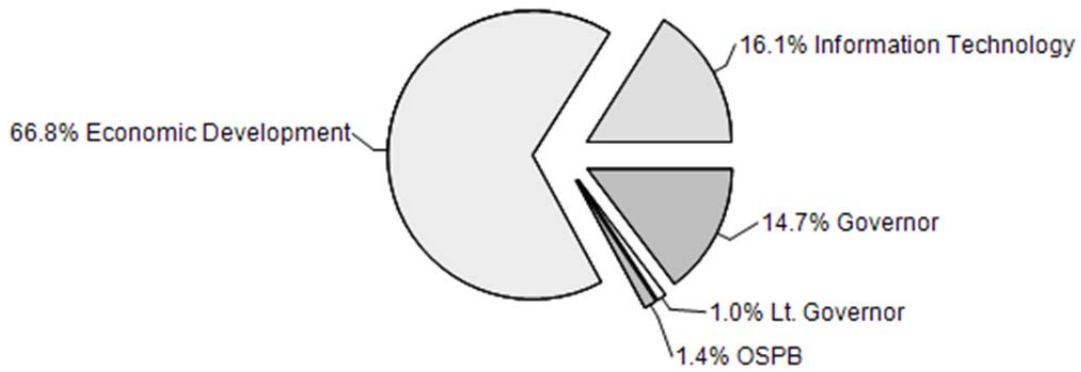


Department Funding Sources

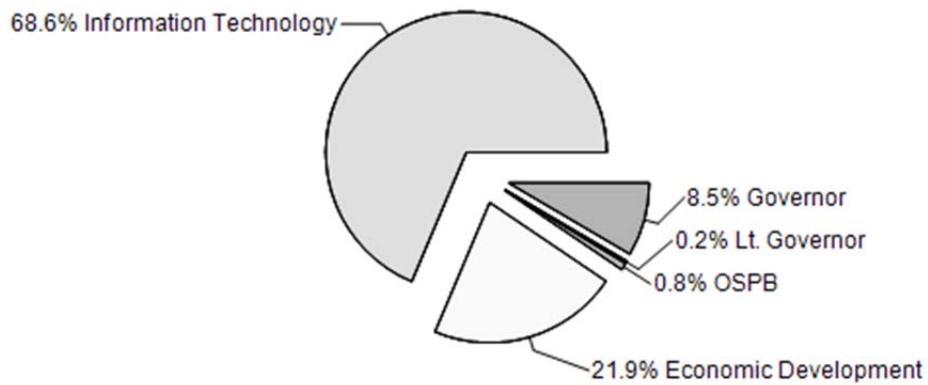


All charts are based on the FY 2015-16 appropriation.

Distribution of General Fund by Division



Distribution of Total Funds by Division



All charts are based on the FY 2015-16 appropriation.

General Factors Driving the Budget

Office of the Governor (division)

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$6,510,148	\$5,030,233	\$6,584,160	\$6,124,354
Cash Funds	8,219,368	11,443,396	11,675,566	12,205,245
Reappropriated Funds	12,701,302	18,895,969	19,668,956	684,171
Federal Funds	<u>3,161,863</u>	<u>4,299,291</u>	<u>3,876,657</u>	<u>3,868,011</u>
Total Funds	\$30,592,681	\$39,668,889	\$41,805,339	\$22,881,781
Full Time Equiv. Staff	65.1	65.1	67.1	67.1

Centrally Appropriated Line Items

The budget for the Office of the Governor (division) is driven by the centrally appropriated line items (e.g. health, life, and dental insurance coverage, short-term disability payments, and payments to PERA) supporting over 1,000 staff within the agencies of the department. The amount of funding provided is determined by common policies adopted by the General Assembly. Prior to FY 2015-16, the appropriations for centrally appropriated line items included moneys to support the employees of the Governor’s Office of Information Technology. Beginning in FY 2015-16, appropriations supporting this purpose were moved to the Governor’s Office of Information Technology division. This resulted in a decrease of \$23.4 million reappropriated funds in this division and an increase of a like amount in the Governor’s Office of Information Technology division.

Colorado Energy Office

The Colorado Energy Office (CEO) has historically been funded with federal moneys associated with weatherization projects and petroleum violation escrow funds (PVE) awarded to the State beginning in the early 1980s. PVE is a fixed source of funding, with a total allocation to Colorado of \$70.5 million. In preparation for the depletion of PVE funds, CEO migrated funding for its programs to alternative sources, such as limited gaming tax revenue, which were later eliminated due to the influx of federal moneys from the American Recovery and Reinvestment Act of 2009 (ARRA). Under federal guidelines, the Office exhausted the ARRA moneys by the end of FY 2011-12.

To address the future of the Office, H.B. 12-1315 (Reorganization Of Governor's Energy Office) changed the statutory mission of CEO from promoting renewable energy and energy efficiency to encouraging all sources of energy development and created to dedicated funding streams to support the Office (Clean and Renewable Energy Cash Fund and the Innovative Energy Fund).

Today, the budget for CEO is steered by transfers of moneys from severance tax revenue and the General Fund into numerous cash funds, per statute. The primary transfers that fund the

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operations of the agency are as follows:

Colorado Energy Office Cash Fund Transfers			
Cash Fund	Source	Amount	Final Transfer
Weatherization Low-Income Energy Assistance Fund	Severance Tax	*\$6,500,000	July 1, 2018
Energy Outreach Low-Income Energy Assistance Fund	Severance Tax	*3,250,000	July 1, 2018
Clean and Renewable Energy Fund	General Fund	1,600,000	July 1, 2016
Innovative Energy Fund	Severance Tax	1,500,000	July 1, 2016
Public School Energy Efficiency Fund	Severance Tax	210,000	September 1, 2015

*Note, under current law, the amount available for FY 2016-17 will be reduced by a forecasted amount of 16.3 percent. The forecasted amount available for transfer to the Weatherization Low-Income Energy Assistance Fund is \$5,440,500 and \$2,720,250 to the Energy Outreach Low-Income Energy Assistance Fund. The amount transferred to the Innovative Energy Fund does not change in FY 2016-17 under the current forecast because the transfer is made prior to revenue driven distributions (off the top).

The Office indicates it will pursue legislation during the 2017 session to fund its operations after the expiration of the model established with H.B. 12-1315. Staff recommends that the Joint Budget Committee take an active role in the process of drafting such legislation.

Other Programs

The Office of Marijuana Policy Coordination is housed within the Office of the Governor (division). The unit received an appropriation of \$190,097 and 2.0 FTE for FY 2015-16 from the Marijuana Tax Cash Fund. Moneys in the Fund are generated from taxes collected from the sale of recreational and medicinal marijuana.

Office of the Lieutenant Governor

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$301,010	\$301,010	\$316,223	\$429,386
Cash Funds	1,184	1,184	1,184	1,184
Reappropriated Funds	0	0	0	218,825
Federal Funds	0	0	0	0
Total Funds	\$302,194	\$302,194	\$317,407	\$649,395
Full Time Equiv. Staff	5.0	5.0	5.0	6.0

Base funding for the Office of the Lieutenant Governor has remained relatively constant in recent fiscal years at a level of \$0.3 million total funds, with nearly all the moneys coming from the General Fund. For FY 2015-16, the General Assembly provided an increase in appropriations for two special projects.

- Senate Bill 15-290 (Colorado Student Leaders Institute) created the Colorado Student Leaders Institute, a competitive summer residential education program for high school students. The initiative is funded by a transfer of \$218,825 from the Department of

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Education’s State Education to the Office. The moneys are used to pay for the administration (1.0 FTE) and per student costs of the Institute. This program is repealed on July 1, 2019.

- Serve Colorado, the Governor’s Commission on Community Service, received a one-time increase of \$100,000 General Fund for FY 2015-16. The initiative seeks to build a culture of civic engagement in the state by working in partnership with community-based organizations. Serve Colorado works under the leadership of a board of 15 Commissioners to distribute and administer Colorado’s allocation of AmeriCorps State funding from the Corporation for National and Community Service.

Office of State Planning and Budgeting (OSPB)

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$538,920	\$1,375,650	\$467,297	\$587,132
Cash Funds	0	0	176,454	0
Reappropriated Funds	1,471,281	1,471,281	1,519,721	1,546,654
Federal Funds	0	0	0	0
Total Funds	\$2,010,201	\$2,846,931	\$2,163,472	\$2,133,786
Full Time Equiv. Staff	19.5	19.5	19.5	19.5

Base funding for the Office of State Planning and Budgeting has remained relatively constant in recent fiscal years at a level of approximately \$1.5 million reappropriated funds transferred to the agency from the collection of Statewide indirect costs in other departments. Additionally, the General Assembly has provided funding to the Office for a variety of special projects in recent years, increasing General Fund appropriations.

OSPB Special Projects Appropriated General Fund	
FY 2012-13	
Prison Utilization Study	\$350,000
LEAN Implementation	188,920
FY 2013-14	
LEAN Implementation	\$965,650
IT Allocation Study	300,000
Results First	100,000
State Rules Review (S.B. 12-026)	10,000
FY 2014-15	
LEAN Implementation	\$407,297
Regional Tourism Act (H.B. 14-1350)	50,000
State Rules Review (S.B. 12-026)	10,000
FY 2015-16	
LEAN Implementation	\$420,232
Results First	156,900
State Rules Review (S.B. 12-026)	10,000

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Office of Economic Development and International Trade (OEDIT)

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$11,174,626	\$15,605,485	\$23,132,094	\$27,833,265
Cash Funds	23,536,024	23,745,032	28,795,439	28,781,806
Reappropriated Funds	87,765	87,765	189,336	91,520
Federal Funds	<u>2,335,330</u>	<u>2,335,330</u>	<u>2,442,714</u>	<u>2,503,598</u>
Total Funds	\$37,133,745	\$41,773,612	\$54,559,583	\$59,210,189
Full Time Equiv. Staff	49.0	51.3	55.6	60.3

The majority of funding for the Office of Economic Development and International Trade (OEDIT) is driven by General Fund moneys directly appropriated to the agency and statutorily-authorized transfers of moneys into cash funds that would otherwise be deposited in the General Fund in the absence of such statutory considerations. The table below highlights major increases in General Fund (and General Fund transfers or diversions to cash funds) from FY 2012-13 to FY 2015-16.

Summary of OEDIT General Fund Increases (Including Transfers to Cash Funds)	
FY 2012-13	
Economic Development Incentives (includes H.B. 12-1360)	\$5,000,000
Film Incentives (H.B. 12-1286)	3,000,000
FY 2013-14	
Tourism Promotion	\$2,000,000
Colorado First Job Training (H.B. 13-1004)	1,500,000
Prospect Pipeline and Branding	313,354
Advanced Industries Export (H.B. 13-1193)	300,000
Procurement Technical Assistance Center (H.B. 13-1301)	215,000
Small Business Development Centers (H.B. 13-1002)	200,000
Economic Gardening Project (H.B. 13-1003)	200,000
Economic impact analysis	175,000
Leased space	114,985
FY 2014-15	
Advanced Industries (includes S.B. 11-047)	\$10,000,000
Film Incentives	2,000,000
Minority / Women Owned Business Program	400,000
Aerospace Champion	300,000
Main Street Revitalization (H.B. 14-1311)	106,283
Creative Industries Loans (H.B. 14-1093)	100,000
By Colorado App	86,600
FY 2015-16	
Tourism Promotion	\$2,000,000
Competitive Intelligence and Marketing Plan	1,100,000

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Summary of OEDIT General Fund Increases (Including Transfers to Cash Funds)	
Colorado Credit Reserve Program	400,000
Jump-start Colorado Distressed Counties (S.B. 15-282)	125,983
Colorado First Job Training	274,978
Job Growth Tax Credit for Higher Education (H.B. 15-1366)	94,251

OEDIT also receives transfers from limited gaming tax revenue that would otherwise be deposited in the General Fund. Revenues available from this source vary from year to year. Senate Bill 13-133 (Distribution Of State Share Of Ltd Gaming Revenues) modified the distribution of the State share of the Limited Gaming Fund to bring more consistency to the transfers. Specifically, the bill amended the distribution to various cash funds at the close of each fiscal year from a percentage-based amount to a fixed-dollar amount.

Gaming Transfers to OEDIT per S.B. 13-133	
Travel and Tourism Promotion Fund	\$15,000,000
Bioscience Discovery Evaluation / Advanced Industries	5,500,000
Creative Industries	2,000,000
Film, TV, and Media	500,000

In addition to the appropriations described above, it is important to note that OEDIT is also responsible for implementing the State’s Job Growth Incentive Tax Credit program established via H.B. 09-1001 (Income Tax Credit For CO Job Growth). The incentive provides a State income tax credit equal to 50 percent of the Federal Insurance Contributions Act (FICA) moneys paid by the business on the net job growth for each calendar year in the credit period. Businesses need to create at least 20 new jobs in Colorado, with an average yearly wage of at least 110 percent of the county average wage rate based on where the business is located, and all new jobs must be maintained for at least one year after the positions are hired to qualify. For FY 2014-15 tax credits in the amount of \$6.4 million were issued based on the creation of 2,724 jobs. During the same time period, 41 projects received approval for up to \$195.7 million in tax credits associated with the creation of 11,026 jobs. While the Job Growth Incentive Tax Credit program does not impact State appropriations, it decreases the amount of General Fund revenue available to the State for appropriations.

Governor’s Office of Information Technology (OIT)

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$0	\$4,255,008	\$4,483,346	\$6,694,063
Cash Funds	1,250,928	1,932,928	1,250,928	1,250,928
Reappropriated Funds	134,967,954	145,115,314	188,622,628	177,720,251
Federal Funds	<u>121,000</u>	<u>121,000</u>	<u>121,000</u>	<u>121,000</u>
Total Funds	\$136,339,882	\$151,424,250	\$194,477,902	\$185,786,242
Full Time Equiv. Staff	897.5	920.0	925.9	935.8

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In May 2007, the Governor issued an executive order to begin centralizing the management of executive branch information technology resources in the Governor's Office of Information Technology (OIT). The purpose was to address infrastructure, purchasing, project planning and delivery, asset management, and strategic leadership needs. Senate Bill 08-155 (Centralize IT Management In OIT) statutorily consolidated the responsibility for information technology oversight of most of the State's executive branch agencies in OIT.

Specifically, S.B. 08-155 transferred several information technology functions and staff positions from various State agencies to OIT in FY 2008-09. The largest single agency transfer involved moving the Division of Information Technology from the Department of Personnel and Administration, along with its 178.8 FTE, to OIT. The Division of Information Technology transfer included the General Government Computer Center (GGCC), telecommunications coordination, public safety communications planning and maintenance, and Statewide information technology management and support functions. Additionally, the Department's FY 2008-09 appropriation included the transfer of 33.4 FTE from various State agencies to OIT as part of the migration of agency chief information officers to OIT.

Senate Bill 08-155 also allowed for the transfer of other information technology employees from State agencies to OIT between July 1, 2008 and July 1, 2012. Per statutory authority, the State Chief Information Officer, department executive directors, and department chief information officers jointly identified the additional positions and functions affiliated with the management and administration of each agency's information technology resources and enterprises to be transferred to OIT. The Department's FY 2010-11 appropriation included a transfer of 680.7 FTE and \$57.7 million from State agencies to OIT.

Funding historically dedicated to the associated information technology staff in specific State agencies and programs continues to be appropriated to those agencies in order for them to maintain consistency of program, State, and federal funding streams and reporting standards. Agencies make payments to OIT for their share of information technology staff payroll costs, including centrally appropriated items and personal services expenses. The payments are made from an information technology common policy line item (Payments to OIT) appropriation.

Outside of OIT's collection of recoverable costs associated with the information technology common policy, expenses for the operation of the Colorado Benefits Management System (CBMS) are billed directly to the Department of Human Services and Department of Health Care Policy and Financing. Beginning with the passage of H.B. 12-1339 (Colorado Benefits Management System Project), CBMS has played a prominent role in OIT's annual budget. The bill reappropriated funds to OIT from the Department of Human Services and the Department of Health Care Policy and Financing, and implemented a system of oversight for the project.

CBMS Modernization Project, Phases I and II	
Appropriations to OIT	
FY 2011-12	\$8,950,260
FY 2012-13	12,279,762
FY 2013-14	14,571,587

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CBMS Modernization Project, Phases I and II	
Appropriations to OIT	
FY 2014-15	35,342,773
Total	\$71,144,382

In addition to moneys collected from other State agencies, OIT received General Fund appropriations beginning in FY 2013-14 for a variety of projects. The table below summarizes these projects by the fiscal year in which they were originally funded.

OIT General Fund Projects Added by Fiscal Year	
FY 2012-13	
None	\$0
FY 2013-14	
H.B. 14-1203 (Public Safety Radio Funding)	\$3,500,000
IT Disaster Study	200,000
Secretary of State Project Management	110,000
H.B. 13-1079 (Staff to Support Joint Technology Committee)	99,673
FY 2014-15	
Backup Colorado Phase II	\$554,480
Broadband Mapping and Planning Services	428,866
FY 2015-16	
Elevation Data Acquisition and Comprehensive GIS Coordination	\$2,574,716
Colorado Information Marketplace	65,000

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Summary: FY 2015-16 Appropriation & FY 2016-17 Request

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
S.B. 15-234 (Long Bill)	\$268,978,544	\$41,427,966	\$42,239,163	\$178,818,806	\$6,492,609	1,085.7
Other legislation	<u>1,682,849</u>	<u>240,234</u>	<u>0</u>	<u>1,442,615</u>	<u>0</u>	<u>3.0</u>
TOTAL	\$270,661,393	\$41,668,200	\$42,239,163	\$180,261,421	\$6,492,609	1,088.7
FY 2016-17 Requested Appropriation						
FY 2015-16 Appropriation	\$270,661,393	41,668,200	\$42,239,163	\$180,261,421	\$6,492,609	1,088.7
<u>Office of the Governor (division)</u>						
R1 GOV Mansion activity fund	20,000	0	20,000	0	0	0.0
<u>Office of Economic Development and International Trade</u>						
R1 OEDIT Film incentive rebate program	3,000,000	3,000,000	0	0	0	0.0
<u>Office of Information Technology</u>						
R1 OIT Secure Colorado	1,000,000	0	0	1,000,000	0	0.0
R2 OIT CBMS/PEAK annual base adjustment request	22,428,801	0	0	22,428,801	0	0.0
R3 OIT End user configuration management tool	306,344	0	0	306,344	0	0.0
R4 OIT Niche Records Management System	158,873	0	0	158,873	0	1.0
<u>Other Changes</u>						
Centrally appropriated line items	17,598,936	74,699	(53,814)	17,558,793	19,258	0.0
Non-prioritized request items	15,150	7,630	0	7,520	0	0.0
Annualize prior year budget actions	(9,153,326)	(5,122,733)	0	(4,030,593)	0	0.7
Annualize prior year legislation	<u>(1,127,753)</u>	<u>(89,023)</u>	<u>0</u>	<u>(1,038,730)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$304,908,418	\$39,538,773	\$42,205,349	\$216,652,429	\$6,511,867	1,090.4
Increase/(Decrease)	\$34,247,025	(\$2,129,427)	(\$33,814)	\$36,391,008	\$19,258	1.7
Percentage Change	12.7%	(5.1%)	(0.1%)	20.2%	0.3%	0.2%

Description of Incremental Changes

Office of the Governor (division)

R1 GOV Mansion activity fund: The request includes an increase of \$20,000 cash funds spending authority for FY 2016-17 from fees charged to individuals and groups hosting events at the Governor’s Mansion located at 400 Eighth Avenue in Denver. The moneys generated by

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events at the Mansion are used to cover the costs of the events (e.g. staffing, maintenance, repairs, and equipment). The Office indicates that the Mansion generates approximately \$20,000 more each year than its current spending authority of \$200,000. In absence of additional spending authority, expenses for events have been absorbed with General Fund from the Administration of Governor's Office and Residence line item. Note, this request does not include an offsetting decrease to the General Fund appropriation in the Administration of Governor's Office and Residence line item.

Office of Economic Development and International Trade

R1 OEDIT Film incentive rebate program: The request seeks funding in the amount of \$3.0 million General Fund for FY 2016-17 to continue the Colorado Office of Film, Television, and Media's 20.0 percent rebate for production related expenses incurred in Colorado. The requested funding level equals the current FY 2015-16 appropriation for this purpose. *For more information on this request, see staff's briefing issue in this document entitled "Funding for Film Incentives."*

Office of Information Technology

R1 OIT Secure Colorado: The request seeks an increase of \$1.0 million reappropriated funds transferred from State agencies to the Office of Information Technology for FY 2016-17 to obtain advanced information security event analytics capabilities. *For more information on this request, see staff's briefing issue in this document entitled "New Information Technology Funding Requests (Operating/Capital)."*

R2 OIT CBMS/PEAK annual base adjustment request: The request includes an increase of \$22.4 million reappropriated funds (includes \$15.0 million General Fund) transferred from the Departments of Health Care Policy and Financing and Human Services for FY 2016-17 to enhance the Colorado Benefits Management System (CBMS) and the Program Eligibility Application Kit (PEAK). *This request will be addressed in a separate staff briefing presented by Kevin Neimond for the Department of Human Services on Friday, December 11th.*

R3 OIT End user configuration management tool: The request seeks an increase of \$306,344 reappropriated funds transferred from State agencies to the Office of Information Technology for FY 2016-17 to deploy an end user configuration management tool. This tool will assist in discovering assets (e.g. computers and software) and the status of assets. *For more information on this request, see staff's briefing issue in this document entitled "New Information Technology Funding Requests (Operating/Capital)."*

R4 OIT Niche Records Management System: The request includes an increase of \$158,873 reappropriated funds transferred from the Department of Public Safety to the Office of Information Technology and 1.0 FTE for FY 2016-17 to support and maintain the Niche Records Management System. The System is used by the Colorado State Patrol for records management of data associated with core policing activities. *For more information on this request, see staff's briefing issue in this document entitled "New Information Technology Funding Requests (Operating/Capital)."*

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Other Changes

Centrally appropriated line items: The request includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; and Payments to OIT. *With the exception of the Payments to OIT line item, all of these requests will be addressed in a separate staff briefing presented by Alfredo Kemm for the Department of Personnel on Wednesday, December 9th. The Payments to OIT request is addressed in a briefing issue in this document entitled “Statewide Information Technology Base Budget Request.”* The table below itemizes each requested centrally appropriated line item adjustment for FY 2016-17.

Centrally Appropriated Line Item Adjustments						
Adjustment	Total Funds	GF	CF	RF	FF	FTE
Payments to OIT adjustment	\$16,137,582	\$0	\$0	\$16,137,582	\$0	0.0
SAED adjustment (PERA)	565,253	68,933	26,354	462,355	7,611	0.0
AED adjustment (PERA)	486,587	64,021	21,733	394,382	6,451	0.0
CORE adjustment	203,247	14,539	14,937	158,713	15,058	0.0
Payment to risk management / property funds adjustment	181,623	57,831	0	123,792	0	0.0
Annualize prior year salary survey	138,797	58,591	50,914	16,382	12,910	0.0
Annualize merit base pay	136,083	58,851	49,730	16,307	11,195	0.0
Workers' compensation adjustment	119,187	12,331	0	106,856	0	0.0
Health, life, and dental adjustment	76,902	(7,932)	(52,253)	118,564	18,523	0.0
Leased space adjustment	24,000	0	0	24,000	0	0.0
Shift differential adjustment	20,310	0	0	20,310	0	0.0
Legal services adjustment	5,758	4,221	0	1,537	0	0.0
Merit pay adjustment	(137,258)	(59,178)	(50,005)	(16,818)	(11,257)	0.0
Salary survey adjustment	(116,375)	(58,589)	(50,917)	6,040	(12,909)	0.0
Capitol Complex leased space adjustment	(87,460)	(138,608)	0	51,148	0	0.0
Indirect cost assessment adjustment	(81,709)	0	(62,725)	8,972	(27,956)	0.0
Vehicle lease payments adjustment	(55,586)	0	0	(55,586)	0	0.0
Short-term disability adjustment	(18,005)	(312)	(1,582)	(15,743)	(368)	0.0
Total	\$17,598,936	\$74,699	(\$53,814)	\$17,558,793	\$19,258	\$0

Non-prioritized request items: Includes the annual fleet vehicle change from the Department of Personnel and the Office of the Governor's (division) share of the Secure Colorado decision item in the Office of Information Technology. *The annual fleet vehicle change request item will be addressed in a separate staff briefing presented by Alfredo Kemm for the Department of Personnel on Wednesday, December 9th. The Secure Colorado request item is addressed in a briefing issue in this document entitled “New Information Technology Funding Requests*

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(Operating/Capital).” The table below itemizes each requested non-prioritized item for FY 2016-17.

Non-prioritized Request Items						
Request	Total Funds	GF	CF	RF	FF	FTE
Annual Fleet Vehicle Request	\$10,220	\$2,928	\$0	\$7,292	\$0	0.0
Secure Colorado	4,930	4,702	0	228	0	0.0
Total	\$15,150	\$7,630	\$0	\$7,520	\$0	0.0

Annualize prior year budget actions: The request includes adjustments related to prior year budget actions, primarily decision items. The table below itemizes each requested annualization for FY 2016-17.

Annualization of Prior Year Budget Actions						
Annualization	Total Funds	GF	CF	RF	FF	FTE
OIT HCPF Legislative System and Tech Support	\$325,000	\$0	\$0	\$325,000	\$0	0.0
OIT HCPF DDD Web Stabilization	96,242	0	0	96,242	0	0.0
OIT Systems Infrastructure Staff	20,374	0	0	20,374	0	0.7
OEDIT Film Incentives	(3,000,000)	(3,000,000)	0	0	0	0.0
OIT Elevation Data Acquisition	(2,122,733)	(2,122,733)	0	0	0	0.0
OIT Eliminate Redundant Applications	(1,985,000)	0	0	(1,985,000)	0	0.0
OIT Backup Colorado, Phase II	(1,002,015)	0	0	(1,002,015)	0	0.0
OIT IT Service Management Ecosystem	(300,000)	0	0	(300,000)	0	0.0
OIT CDPHE Network Infrastructure	(240,000)	0	0	(240,000)	0	0.0
OIT IT Infrastructure	(235,000)	0	0	(235,000)	0	0.0
OIT Enterprise Wireless	(228,000)	0	0	(228,000)	0	0.0
OIT Data Governance and Analysis Plan	(226,800)	0	0	(226,800)	0	0.0
OIT Active Directory Consolidation	(128,376)	0	0	(128,376)	0	0.0
OIT Grants Management Application Support	(127,018)	0	0	(127,018)	0	0.0
Total	(\$9,153,326)	(\$5,122,733)	\$0	(\$4,030,593)	\$0	0.7

Annualize prior year legislation: The request includes adjustments related to prior year legislation. The table below itemizes each requested annualization for FY 2016-17.

Annualization of Prior Year Legislation						
Annualization	Total Funds	GF	CF	RF	FF	FTE
S.B. 15-014 (Medical Marijuana)	(\$884,500)	\$0	\$0	(\$884,500)	\$0	0.0
S.B. 15-239 (Transfer of Vocational Rehab from DHS to CDLE)	(59,280)	0	0	(59,280)	0	0.0
H.B. 15-1026 (Reserved Parking License Plate)	(52,942)	0	0	(52,942)	0	0.0
S.B. 15-282 (Rural Econ Development)	(45,000)	(45,000)	0	0	0	0.0
H.B. 15-1219 (EZ Tax Credit)	(20,000)	(20,000)	0	0	0	0.0

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Annualization of Prior Year Legislation						
Annualization	Total Funds	GF	CF	RF	FF	FTE
H.B. 15-1170 (Increase Postsecondary and Workforce Readiness)	(19,000)	0	0	(19,000)	0	0.0
H.B. 15-1366 (Expand Job Growth Tax Credit For Higher Ed Project)	(14,703)	(14,703)	0	0	0	0.0
S.B. 15-185 (Police Data Collection and Community Policing)	(9,800)	0	0	(9,800)	0	0.0
H.B. 14-1311 (Historic Preservation)	(9,320)	(9,320)	0	0	0	0.0
S.B. 15-229 (ALS License Plate)	(4,120)	0	0	(4,120)	0	0.0
H.B. 15-1004 (Firefighter License Plate)	(4,120)	0	0	(4,120)	0	0.0
H.B. 15-1313 (RMNP License Plate)	(4,120)	0	0	(4,120)	0	0.0
S.B. 15-029 (Firefighter Pension Study)	(848)	0	0	(848)	0	0.0
Total	(\$1,127,753)	(\$89,023)	\$0	(\$1,038,730)	\$0	0.0

Issue: Film Incentive Funding Request

The FY 2016-17 budget request for the Office of Economic Development and International Trade seeks \$3.0 million General Fund film incentives.

SUMMARY:

- The Office of Film, Television, and Media within the Office of Economic Development and International Trade promotes Colorado as a location for making feature films, television shows, television commercials, still photography, music videos, and emerging mass media projects; and
- The Office's FY 2016-17 budget request seeks \$3.0 million General Fund for film incentives.

DISCUSSION:

Background

The Office of Film, Television, and Media is legislatively tasked with promoting Colorado as a location for making feature films, television shows, television commercials, still photography, music videos, and emerging mass media projects. The benefit of using Colorado as a location for such endeavors is cited by the Office to be job creation, increased tax revenue collection, and tourism promotion.

To accomplish its legislatively-mandated goal, the Office provides performance-based financial incentives to companies for a percentage of their local expenditures for approved productions if they meet the 50.0 percent local hire requirement. The unit also offers a gap loan program to provide up to 20 percent of a production's costs in the form of a low-interest bank loan that is guaranteed by the State.

Colorado-based production companies must have qualified local expenditures of at least \$100,000 to be eligible for incentives. An out-of-state production company must have at least \$1.0 million in qualified local expenditures to be eligible for incentives. Television commercials and video game productions are unique in that they must have qualified local expenditures of \$250,000 to be eligible for incentives.

Incentive Process

A production company begins the process of seeking a financial incentive by submitting a pre-application to the Office of Film, Television, and Media with basic information about the project, including its budget and schedule. If the project meets the merit-based selection criteria of the Office, the production company submits a signed statement of intent and an application for conditional approval with more specific information related to the financing (including detailed data on Colorado-based expenditures and hires), budget, and schedule for the project.

After the proper paperwork is submitted, the State's Economic Development Commission (EDC) engages in the process. The EDC consists of nine members, five of whom are appointed by the

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Governor, two by the President of the Senate, and two by the Speaker of the House. The role of the EDC is to review and approve or reject loans, grants, and incentives for a variety of OEDIT programs, including film incentives. If the EDC approves a project for a film incentive, a contract is executed between the State and the production company. This contract must be completed before a production company can incur expenses eligible for a financial incentive.

During production, the company must complete two steps to ensure it remains eligible for funding. First, it must maintain a proper record of the percentage of Colorado residents employed on the production. Second, the company must set-up a Colorado tax withholding so that Colorado income tax is withheld for wages to be considered a qualified local expenditure. The Office indicates that issuing 1099 forms as documentation is not sufficient proof of withholding. If non-resident cast or crew members are being claimed as eligible expenditures, Colorado income tax must also be withheld.

After production, steps must be completed to receive funding. First, the company completes a Film Incentive Proof of Performance. This form is similar to the statement of intent and application for conditional approval that is filed with the Office of Film, Television, and Media prior to project commencement. Second, the company must work with a Colorado Certified Public Accountant to review and report in writing, and in accordance with professional standards, the accuracy of the financial documents of expenses incurred during Colorado production and all figures officially reported in the Film Incentive Proof of Performance. This information is submitted with a certification letter. If the materials submitted are deemed sufficient in meeting requirements, the Office of Film, Television, and Media issues a payment to the production company.

Recent Budget History

Prior to FY 2012-13, the Office of Film, Television, and Media received funding from revenues generated through the taxation of limited gaming. This amount varied from \$100,000 to \$300,000 depending on the amount of limited gaming tax revenue collected by the State. Senate Bill 13-133 (Distribution Of State Share Of Ltd Gaming Revenues) modified the distribution of limited gaming tax revenue such that the Office of Film, Television, and Media now receives \$500,000 each fiscal year for its programs.

Beginning with FY 2012-13, the legislature added General Fund as a fund source for the operation of the Office’s programs. The table below summarizes General Fund appropriations for the Office from FY 2011-12 through FY 2015-16. It is important to note that General Fund appropriations in this time period were each made on a one-time basis.

General Fund Appropriations for Film by Fiscal Year	
Fiscal Year	General Fund
FY 2011-12	\$0
FY 2012-13*	\$3,000,000
FY 2013-14	\$800,000
FY 2014-15	\$5,000,000
FY 2015-16	\$3,000,000

*Includes General Fund transferred to a cash fund, per H.B. 12-1286 (Film Production Activities In Colorado).

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Program Performance

It is staff's opinion that the agency has been successful in implementing a program that provides financial incentives to companies for performing portions (or all) of production activities in Colorado. From FY 2012-13 through FY 2015-16 (as of November 2015), the Office paid out a total of \$9.3 million in incentives for 26 completed projects. These projects created 1,456 jobs (does not include any multiplier effect) resulting in a cost of \$6,357 per job. The projects also attracted total production company expenditures in Colorado of \$66.3 million (does not include any multiplier effect). The Office estimates that State and local government taxes generated are equal to approximately 12 percent of the Colorado-based expenditures. Thus, for the 26 completed projects, it is estimated that \$8.0 million was collected in State and local government taxes. The table below summarizes the projects.

Film Incentive Projects Completed from FY 2012-13 through FY 2015-16					
Company	Project Title	Project Type	Incentive Approved	Colorado Expenditures	Cast and Crew Hires
FY 2015-16					
Cine-Manic Productions	The Hateful Eight	Feature Film	\$1,500,000	not available	not available
FY 2014-15					
Calvary, Inc.	Coors	Commercial	\$56,968	\$284,844	55
Cine-Manic Productions	The Hateful Eight	Feature Film	3,500,000	29,947,364	189
Walk the Line Productions	Play Along!	Educational Series	148,000	750,134	114
Universal Sports	2015 Alpine World Championships, Podium 360	Television Series - Sports	27,238	136,188	17
Being Evel, LLC	Verizon/Samsung 1 Day	Commercial	20,852	104,259	31
Impossible Pictures	Moneygram	Commercial	20,134	115,957	29
Christmastime, LLC	Christmastime/Heaven Sent	Feature Film	516,551	2,582,755	78
FY 2013-14					
Cop Car, LLC/Park Pictures	Cop Car	Feature	\$82,000	\$455,276	34
Being Evel, LLC	Being Evel	Documentary	94,270	471,350	23
Intrepid Adventures	Chris Hondros: A Life in Frames	Documentary	20,302	101,509	2
Colorado Public Television	Colorado Inside Out	Television Series - Factual	22,124	110,619	12
High Noon Productions	Prospectors, Season 3	Television Series - Reality	546,587	2,970,000	53
Detour Films	Coors	Commercial	66,893	334,465	52
Rocky Mountain PBS	Colorado Experience, Season 2	Television Series - Factual	20,665	103,325	6
Park Pictures	Hyundai Running Footage	Commercial	101,197	505,983	65
FF5 Productions/Universal Pictures	Furious 7	Feature	700,000	12,978,028	61
Universal Sports	Countdown to Sochi, Podium 360, Rugby Rising	Television Series - Sports	99,729	498,643	24
FY 2012-13					
Discovery Communications	Pawn in the Game, Catch & Release	Television Series - Reality	\$452,214	\$3,039,128	53
Nine Nights, LLC	Dear Eleanor	Feature	395,117	1,975,583	240
The Frame, LLC	The Frame	Feature	63,816	319,082	38
Universal Sports	Relocation Agreement	Post Production	307,241	5,965,000	42
Block Carter/Gartner	Coors	Commercial	67,501	374,223	95
Clean Guys Entertainment	Clean Guys of Comedy	Comedy Special	28,039	140,198	8
High Noon Productions	Prospectors, Season 1	Television Series - Reality	345,119	1,725,597	63

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Film Incentive Projects Completed from FY 2012-13 through FY 2015-16					
Company	Project Title	Project Type	Incentive Approved	Colorado Expenditures	Cast and Crew Hires
Rocky Mountain PBS	Colorado Experience, Season 1	Television Series - Factual	53,702	268,512	72
Totals for FY 2012-13 through FY 2015-16			\$9,256,259	\$66,258,022	1,456

Additionally, the Office, in conjunction with the EDC, has approved 16 projects that are currently in production. These projects are slated to be incented with \$3.4 million to create 679 jobs (does not include any multiplier effect) resulting in a cost of \$5,055 per job. The projects also hope to attract total production company expenditures in Colorado of \$19.4 million (does not include any multiplier effect). Using the 12 percent estimation for tax collections, these 16 projects are forecast to generate \$2.3 million in State and local government tax revenue.

Film Incentive Projects In Production (Pending) from FY 2012-13 through FY 2015-16					
Company	Project Title	Project Type	Incentive Approved	Colorado Expenditures	Cast and Crew Hires
FY 2015-16					
Ease Commercial Services	Toyota Rav 4 "Spartan Race"	Commercial	\$189,063	\$945,319	150
Amateur 5	Amateur	Feature Film	260,726	1,303,634	81
Trim Room, LLC	Miss Cannabis	Feature Film	600,000	3,500,000	65
James Havey Productions	Colorado Fuel & Iron	Documentary	39,240	196,200	25
FY 2014-15					
Exhibit A Pictures LLC	78/52	Documentary	\$41,200	\$206,000	8
High Noon Entertainment	Prospectors, Season 4	TV Series - Reality	250,000	3,003,000	53
Rocky Mountain PBS	Standing in the Gap	Television Series - Factual	35,110	175,550	50
The Holly, LLC	The Holly	Documentary	110,218	551,092	10
Cloud Imperium Games Corp.	Star Citizen	Video Game	763,954	3,819,769	35
Star Raiders, LLC	Star Raiders	Feature Film	51,392	256,963	33
Contrast Audio Visual	Max Lucado: Traveling Light	Television Special	37,000	185,000	30
Great Divide Productions	Colorado's National Parks	Documentary	89,016	445,081	18
Evergreen Studios	The Tales of Honor Harrington	Video Game	620,000	3,100,000	22
Orion Entertainment	Ultimate Sportsman's Lodge - Colorado	Television Series - Reality	189,353	946,769	16
FY 2013-14					
Rocky Mountain PBS	Odyssey, Discovering a Hidden Universe	Television Series - Factual	\$85,982	\$429,910	43
Havey Productions	The Great Divide	Documentary	70,049	350,245	40
Totals for FY 2012-13 through FY 2015-16			\$3,432,303	\$19,414,532	679

FY 2016-17 Budget Request

The Office's FY 2016-17 request seeks an ongoing appropriation of \$3,000,000 General Fund (equaling the FY 2015-16 appropriation of General Fund moneys), in addition to the \$500,000 cash funds from limited gaming tax revenue. Using prior performance data (as shown above), it is estimated that the requested \$3,000,000 General Fund would result in the creation of 505 jobs at a cost of \$5,941 per job, bring in \$20.2 million in Colorado-based expenditures, and yield \$2.4 million in State and local government tax revenues (none of the estimates include multiplier effects).

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Staff Recommendation

The Committee must consider one central question when weighing whether or not to fund a film incentive program for FY 2016-17 at the level requested: do the economic benefits associated with taxpayer-funded incentives to the film industry outweigh the needs of other State government priorities in Colorado?

It is staff's opinion that the economic benefits of film incentives do not outweigh the needs of other State government priorities in Colorado, and further, do not qualify as a function of State government, in general. First, on the economic side of the analysis, at a cost of approximately \$5,941 per job, the economic benefit does not better that of other incentive programs offered by OEDIT, including the Job Growth Incentive Tax Credit program (FY 2014-15 cost of approximately \$2,349 per job). Additionally, the film incentive program does not include requirements related to wages offered or the length of time for which a job must be retained, as are key components of other OEDIT incentive programs.

Second, on the State government priority side of the analysis, incenting film companies to locate activities in Colorado comes at the expense of core State government functions and needs in education, public safety, and the care and protection of vulnerable citizens. It is staff's opinion that taxpayer funds should be expended to meet basic State government priorities prior to using the funds to invest in programs that are of debatable value to core functions. The table below provides examples of investments in core State government program areas that could be made in FY 2016-17 with \$3.0 million General Fund.

Alternative Investments for \$3.0 Million General Fund	
Additional Need Based Aid Recipients (Based on average amount received per student in FY 2013-14)	2,266
New Teachers (Based on Average Starting Salary w/o benefits in FY 2012-13)	93
Additional DD Adult Comprehensive Services Waiting List Slots Eliminated (Based on Average General Fund)	81
New Child Welfare Case Workers (Based on Average Starting Salary / Benefits)	56
New DYC Correctional Youth Security Officers (Based on Average Starting Salary / Benefits)	53
New State Troopers (Based on Average Starting Salary / Benefits)	39
New DOC Mental Health Workers (Based on Average Starting Salary / Benefits)	37
Poor Bridges Replaced (Based on cost of completed projects around the state)	1

Thus, staff recommends that the Committee eliminate General Fund appropriations for FY 2016-17 for film incentives during the figure setting process for this agency. This recommendation leaves the Office with an appropriation of \$500,000 from limited gaming tax revenue to administer the program. In future years, if core government functions are fully funded, the Joint Budget Committee should consider whether investing General Fund moneys in a film incentive program would provide economic benefit to citizens that would not otherwise occur in the state.

Issue: Statewide Information Technology Base Budget Request

The Governor’s Office of Information Technology (OIT) provides services to State agencies on a cost reimbursement basis, with OIT acting as a vendor to State agencies. The Office’s FY 2016-17 base budget (does not include new funding requests) request includes \$127.2 million billed to State agencies for a variety of services.

SUMMARY:

- Services offered by OIT to State agencies have a mixture of costs (personal services, operating expenses, centrally appropriated line items, strategy and management, and overhead) associated with the service delivery. The costs are allocated to agencies based on the level of service consumed;
- For FY 2016-17, OIT requests \$127.2 million from State agencies for base-level services (does not include new funding requests) provided. Agencies request General Fund appropriations of \$56.8 million of the total \$130.6 million sought to cover the cost of the services; and
- The FY 2016-17 request for base-level services represents a 2.6 percent decrease compared to the FY 2015-16 costs recovered from State agencies by OIT (does not include legislation in addition to the Long Bill).

DISCUSSION:

Background

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

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

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

- Personal services;
- Operating expenses;
- Centrally appropriated line items;
- Strategy and management; and
- Overhead.

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

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

Once the cost per service per agency is identified, each agency receives an appropriation of funds from a variety of sources (General Fund, cash funds, reappropriated funds, and federal funds) to compensate OIT for all the services it provides. The appropriation is made to a Payments to OIT line item that generally appears in an agency’s Executive Director’s Office amongst its other centrally appropriated line items, though some agencies locate the line item in a division or subdivision dedicated to information technology expenses.

Requested Statewide Information Technology Common Policy Cost

OIT seeks to collect \$127.2 million from State agencies for FY 2016-17 to cover the costs associated with service provision. The decrease from the FY 2015-16 appropriation to the FY 2016-17 request is \$3.4 million, and is due to changes in centrally appropriated line items, including the elimination of salary survey and merit pay, the impact of decision items included in the FY 2015-16 Long Bill, and changes in compensated absences (e.g. annual leave payouts at retirement). The Office did not request any base adjustments for personal services, operating expenses, or program line items for FY 2016-17 outside of changes to centrally appropriated line items and the annualization of prior year decision items and legislation.

The following table summarizes the allocations by agency for the FY 2016-17 request.

Payments to OIT Appropriations by Agency			
Agency	FY 2015-16	FY 2016-17	Difference
Agriculture	\$1,248,817	\$1,347,537	\$98,720
Corrections	17,709,795	16,633,508	(1,076,287)
Education	734,983	321,189	(413,794)
Governor	1,540,635	0	(1,540,635)

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Payments to OIT Appropriations by Agency			
Agency	FY 2015-16	FY 2016-17	Difference
Health Care Policy and Financing	3,775,292	2,791,755	(983,537)
Higher Education (appropriated)	408,001	399,469	(8,532)
Higher Education (non-appropriated)	167,194	404,468	237,274
Human Services	25,122,963	24,583,221	(539,742)
Judicial	4,031,075	2,464,759	(1,566,317)
Labor and Employment	10,207,303	12,195,668	1,988,365
Law	444,965	224,065	(220,900)
Legislature	41,938	28,831	(13,107)
Local Affairs	1,139,232	1,678,093	538,860
Military and Veterans Affairs	260,299	120,365	(139,934)
Natural Resources	8,099,684	8,583,331	483,647
Personnel	3,768,565	5,632,096	1,863,531
Public Health and Environment	8,998,554	7,396,405	(1,602,148)
Public Safety	8,285,676	8,595,126	309,449
Regulatory Agencies	3,844,691	2,601,170	(1,243,521)
Revenue	15,027,853	15,818,187	790,334
State	0	339,201	339,201
Transportation	15,667,480	14,951,530	(715,950)
Treasury	31,277	43,367	12,089
Total	\$130,556,274	\$127,153,341	(\$3,402,932)

Issue: New Information Technology Funding Requests (Operating/Capital)

Executive branch agencies request \$43.3 million total funds, including \$21.5 million General Fund, for FY 2016-17 for new information technology projects. The projects include five operating budget items requested by two different agencies and four capital construction items requested by two different agencies.

SUMMARY:

- Senate Bill 14-169 (Office Of Information Technology Reports To GA), sponsored by the Joint Budget Committee, requires the Governor’s Office of Information Technology (OIT) and the Office of State Planning and Budgeting to prioritize all information technology-related budget requests from State executive branch agencies;
- Executive branch agencies submitted five prioritized proposals for new funding for FY 2016-17 in the operating budget. The requested projects total \$24.0 million total funds, including \$15.8 million General Fund;
- Executive branch agencies submitted four prioritized proposals for new funding for FY 2016-17 in the capital construction budget. The requested projects total \$19.3 million total funds, including \$5.8 million General Fund; and
- House Bill 14-1395 (Information Technology Budget Requests) requires the Joint Technology Committee to review each of the projects submitted as capital construction requests and report back to the Joint Budget Committee with a prioritized list of recommendations on each such request by February 25th each year.

DISCUSSION:

Senate Bill 14-169 Reporting Requirements

Senate Bill 14-169 (Office Of Information Technology Reports To GA), sponsored by the Joint Budget Committee, requires OIT to work in conjunction with the Office of State Planning and Budgeting to form a working group to annually evaluate and prioritize all information technology-related budget requests from State executive branch agencies. The prioritized list must be submitted to the Joint Budget Committee and the Joint Technology Committee with each year’s November budget submittal. For FY 2016-17, OIT provided its second annual prioritized submission, which includes both operating budget and capital construction budget requests.

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Operating Budget Information Technology Requests

The table below summarizes the prioritized list submitted by OIT for FY 2016-17. Following the table, each request is described in more detail. The Joint Budget Committee will be asked to make a decision on each of these proposals during the figure setting process for the requesting agency.

FY 2016-17 Operating Information Technology Prioritized Request List				
Priority	Requesting Agency	Title	Total Funds	General Fund
1	OIT	Secure Colorado	\$1,000,000	\$624,174
2	OIT	CBMS/PEAK Annual Base Adjustment Request	22,428,801	14,977,106
3	OIT	End User Configuration Management Tools	306,344	174,137
4	OIT	Niche Records Management System	158,873	0
5	Natural Resources	Automated Trust Land Asset System Licenses	90,000	0
Total			\$23,984,018	\$15,775,417

Operating Priority Number 1 – Secure Colorado (OIT)

OIT’s Office of Information Security is the State’s source for cyber security awareness, monitoring, and defense. The Office is responsible for protecting all executive branch agencies, the judicial branch, and the offices of State elected officials. In FY 2013-14, OIT began the implementation of a multi-phased initiative, known as Secure Colorado, to mitigate information security risks. The three year plan (FY 2013-14 through FY 2015-16) focused on implementing security controls that have been proven by industry experts and the federal government to prevent the majority of cyber security threats. Prior to FY 2013-14, the State had made only minimal investments in information security. Today, the Secure Colorado project has remediated over 500 outstanding overdue high-risk audit findings, has reduced malware infections by 75 percent, and is monitoring, auditing, and managing 95 percent of known systems (e.g. computers and servers) in near real-time.

Additionally, a key component of Secure Colorado was the formation of the Colorado Information Security Advisory Board to bring together experts in the cyber security field from all sectors to provide guidance to the Office as it progressed through its three year plan. The Colorado Information Security Advisory Board reconvened in 2015 to receive an update on the Office’s progress in implementing Secure Colorado, as well as to evaluate future needs. The Board indicated that the Office must take steps to better identify urgent threats. Specifically, the State experiences 8.4 million security events each day. An event may be as simple as a password entry error or as significant as an attack in progress. Regardless of the incident type, it is not possible to fully investigate each of the security events that occur every day. Staff currently spend much of their time performing analysis to determine which of the 8.4 million events require further investigation.

The FY 2016-17 budget request seeks an increase of \$1.0 million reappropriated funds transferred from State agencies to OIT to obtain advanced information security event analytics capabilities. This type of security tool takes all of the relevant data about the State’s assets in various locations and permits staff to look at all the data from a single point of view that makes it easier to spot trends and see patterns that are out of the ordinary. This would allow for staff to

more quickly deploy defensive measures and to more rapidly respond to confirmed incidents that capabilities allow today.

Operating Priority Number 2 – CBMS/PEAK Annual Base Adjustment Request (OIT)

The request includes an increase of \$22.4 million reappropriated funds (includes \$15.0 million General Fund) transferred from the Departments of Health Care Policy and Financing and Human Services to OIT for FY 2016-17 to enhance the Colorado Benefits Management System (CBMS) and the Program Eligibility Application Kit (PEAK). *This request will be addressed in a separate staff briefing presented by Kevin Neimond for the Department of Human Services on Friday, December 11th.*

Operating Priority Number 3 – End User Configuration Management Tools (OIT)

The Joint Budget Committee provided funding in FY 2014-15 for the software, licensing, training, and professional services needed to purchase and implement a system to track all OIT activities and functions within a single resource planning and service management environment. OIT seeks an increase of \$306,344 reappropriated funds transferred from State agencies for FY 2016-17 to deploy a tool to a subset of State agencies to automatically populate the system funded in FY 2014-15 with data on the end user computers it manages.

OIT has implemented (or is in the process of implementing) an end user configuration management tool for 12 State agencies. This request adds four agencies to the implementation schedule (Departments of Military and Veterans Affairs, Natural Resources, Public Health and Environment, and Revenue) to complete the tool installation in all State agencies under OIT's purview. Agencies that have implemented end user configuration management tools in conjunction with OIT have done so to monitor and resolve security issues (e.g. installation of security patches), consistently configure many computers at the same time, determine usage of software license, and to automatically inventory all end user hardware in use (e.g. computers and mobile devices).

Operating Priority Number 4 – Niche Records Management System (OIT)

The Colorado State Patrol uses records management tools in patrol cars to collect data about traffic stops, citations, driver contacts, and traffic accidents while in the field. This information is then used to support Patrol leadership in making troop deployment decisions, fulfilling various reporting requirements, and sharing data with other State agencies (Departments of Revenue and Transportation).

The agency recently replaced the system it uses to manage its records because it did not provide the functionality and reporting tools needed for business requirements. Specifically, the State Patrol licensed the Niche Records Management System as a replacement for the SharePoint Records Management System that had been in place for seven years. OIT has not provided support resources to the State Patrol for the operation and maintenance of the SharePoint Records Management System. Both agencies indicate that unlike the prior tool, the Niche Records Management System requires a dedicated OIT staff resource for ongoing administration duties. The FY 2016-17 budget request includes an increase of \$158,873 reappropriated funds transferred from the Department of Public Safety to the OIT and 1.0 FTE for this level of support.

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Staff agrees that the implementation of the Niche Records Management System would benefit from a dedicated OIT staff person. Staff has questions concerning the need for new funding for this service, however, as internal State Patrol resources dedicated to the SharePoint Records Management System may be available for transfer to OIT to maintain the new tool. Staff is working with the State Patrol to determine if a transfer of this type is feasible to assist in offsetting the costs associated with adding a staff resource at OIT.

Operating Priority Number 5 – Automated Trust Land Asset System Licenses (Natural Resources)

The request includes a budget neutral transfer of \$90,000 cash funds between two of the Department of Natural Resources' line items to cover the ongoing licensing costs associated with the asset management system used by the agency's State Land Board. The system, known as the Automated Trust Land Asset System (ATLAS), is a cloud-based system that tracks 9,000 leases, 5,000 customers, and 37,000 assets and facilitates the accurate distribution of revenues to public trust beneficiaries through the State accounting system, CORE.

Prior to the implementation of ATLAS, the State Land Board's legacy asset management system required maintenance and operational support from one full-time staff person at OIT. OIT was reimbursed for the services using moneys appropriated to the Department of Natural Resources' Payments to OIT line item. ATLAS, however, does not require services from OIT for maintenance and operations, but it does require annual licensing costs to an external vendor. As such, the Department of Natural Resources proposes transferring \$90,000 cash funds from the Payments to OIT line item in the Executive Director's Office to the Program Costs line item in the State Board of Land Commissioners budgetary division. The source of cash funds is the State Land Board Trust Administration Fund, and is derived from mineral royalties, bonus income, lease rental revenue, timber sales, and related interest income and fees.

The Joint Budget Committee will be asked to make a decision on this request item during the figure setting process for the Department of Natural Resources. If the Committee has questions on the technology component of this request during this briefing presentation, staff will note them at this time and include them in the OIT hearing agenda. If the Committee has questions concerning the programmatic business processes as they relate to this request, they may be considered during the briefing for the Department of Natural Resources on Thursday, December 3rd and/or the Department's hearing on Thursday, December 10th.

Capital Construction Budget Information Technology Requests

The Joint Budget Committee will be asked to consider each of these projects for funding during the figure setting process. Per H.B. 14-1395 (Information Technology Budget Requests), the Joint Technology Committee is tasked with producing written reports setting forth recommendations, prioritization, findings, and other comments with respect to each information technology budget request submitted as capital construction requests. The reports must be submitted to the Joint Budget Committee by February 15th of each year. The Joint Budget Committee is required to consider the prioritized list of information technology budget requests made by the Joint Technology Committee, and, if the Joint Budget Committee alters the determinations of priority established by the Joint Technology Committee, the Joint Budget

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Committee is required to notify the Joint Technology Committee of the changes and allow for a joint meeting of the two committees to discuss the differences.

Note, the Information Technology Procurement Working Group, led by Representative Tate of the Joint Technology Committee and consisting of legislative and executive branch staff, held its inaugural meeting on November 5th to begin developing options for improving the procurement process for information technology projects. Much of the initial conversation (as it relates to the Joint Budget Committee) was focused on identifying challenges in obtaining accurate cost information for a project needed to inform the appropriation request. The challenges identified include the length of a project lifecycle from need determination through reception of funding (18 months), finding an effective tool to “test the waters” to gain pricing information prior to submitting a formal request for proposals, and a rigid budget cycle that awards funding in a specific amount prior to negotiations of a project contract. Staff will continue to participate in the Working Group and report back to the Joint Budget Committee with any pertinent information or recommendations for specific actions.

The table below summarizes the prioritized list submitted by OIT for FY 2016-17. Following the table, each request is described in more detail.

FY 2016-17 Capital Construction Information Technology Prioritized Request List				
Priority	Requesting Agency	Title	Total Funds	General Fund
1	Human Services	Interoperability, Phase II	\$10,611,882	\$1,061,188
2	Public Health and Environment	Laboratory Information Management System	515,972	0
3	Human Services	Modernizing the Child Welfare Case Management System	6,749,617	4,709,617
4	Human Services	Child Care Automated Tracking System Modernization	1,458,125	0
Total			\$19,335,596	\$5,770,805

Capital Construction Priority Number 1 – Interoperability, Phase II (Human Services)

The Department of Human Services seeks \$10.6 million total funds, including \$1.1 million General Fund, for FY 2016-17 for the second year of a five year request to standardize all existing information technology systems the agency uses in an effort to allow the data contained in the systems to be made available without removing the data from the core systems. The solution would create interfaces to access the data directly rather than exporting data from the core systems for import into other systems.

This project comes on the heels of a 15 month analysis of the Department’s information technology systems and protocols and was funded by a \$1.1 million grant from the federal Department of Health and Human Services’ Administration from Children and Families. The analysis found that the Department has no standard policy, procedure, or practice addressing interoperability between its systems. To solve this issue (and to ultimately leverage data for decision making purposes), the agency is implementing a broad-based plan that calls for:

- Building out data governance strategies (e.g. bring all parties together to work toward a common goal);

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- Inventorying all information technology systems and data (e.g. knowledge of what data looks like now and what it should like in the future);
- Deploying tools for proof of concept studies and for evaluative purposes (e.g. what tools work and what tools do not work);
- Reaching agency-wide agreement on a strategy going forward (e.g. stakeholder buy-in);
- Changing and improving existing business processes and workflows based on the implementation of tools that assist in combining data into an analytical tool; and
- Managing the organizational change that is required to make the initiative successful.

If the Committee has questions on the technology component of this request during this briefing presentation, staff will note them at this time and include them in the OIT hearing agenda. If the Committee has questions concerning the programmatic business processes as they relate to this request, they may be considered during the briefing for the Department of Human Services' Office of Information Technology Services on Friday, December 11th and/or the hearing for the Department of Human Services' Office of Information Technology Services on Monday, January 11th.

Capital Construction Priority Number 2 – Laboratory Information Management System (Public Health and Environment)

The Department of Public Health and Environment's FY 2016-17 budget request includes an increase of \$515,972 total funds to purchase an off-the-shelf Laboratory Information Management System (LIMS) to replace the existing Laboratory Information Tracking System (LITS) that has been in place since 2001. LITS, which is no longer supported by the vendor, is inadequate in the areas of data capture, data reporting, financial data reconciliation, data exchange with the State's accounting system, and information security.

If the Committee has questions on the technology component of this request during this briefing presentation, staff will note them at this time and include them in the OIT hearing agenda. If the Committee has questions concerning the programmatic business processes as they relate to this request, they may be considered during the hearing for the Department of Public Health and Environment on Tuesday, December 1st.

Capital Construction Priority Number 3 – Modernizing the Child Welfare Case Management System (Human Services)

Colorado Trails is a statewide system, operational since 2002, that supports activities in the Department of Human Services' Division of Child Welfare and the Division of Youth Corrections (DYC). The Trails database links all divisions of DYC staff located in facilities and offices throughout the state, as well as State and county child welfare workers, supervisors, and support staff. The system provides case management support for direct client workers, decision-making support tools for managers, and access to client information across all DYC and child welfare populations in the state. The client/server-based system also provides an interface with the Colorado Integrated Criminal Justice Information System (CICJIS).

The Division of Child Welfare portion of Trails includes functions for intake, eligibility, resource management, court processing, case management, facilities management, financial

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management, and administration. The DYC portion of Trails allows users to track the stages a youth goes through in terms of their placements and counselor assignments. Workers can create, modify, and maintain treatment plans and release goals, and identify and assess resource providers.

For FY 2014-15, the legislature provided an appropriation of \$6.8 million total funds, including \$4.6 million General Fund, for the first year of a CHATS modernization project. This project is intended to make changes to the existing system (rather than fully replacing it) to make Trails more mobile-friendly for case workers, better able to integrate data from a variety of sources into a case file, and easier for users to interface with for different purposes based on agency or job-specific tasks. The Department of Human Services seeks \$6.8 million total funds, including \$4.6 million General Fund, for FY 2016-17 for the continuation of the CHATS modernization project. This is the second year funding request for this project. The third, and final, year funding request is anticipated to be \$6.7 million total funds, including \$4.7 million General Fund, for FY 2017-18.

If the Committee has questions on the technology component of this request during this briefing presentation, staff will note them at this time and include them in the OIT hearing agenda. If the Committee has questions concerning the programmatic business processes as they relate to this request, they may be considered during the briefing for the Department of Human Services' Office of Information Technology Services on Friday, December 11th and/or the hearing for the Department of Human Services' Office of Information Technology Services on Monday, January 11th.

Capital Construction Priority Number 4 – Child Care Automated Tracking System Modernization (Human Services)

The Child Care Automated Tracking System (CHATS) supports the Colorado Child Care Assistance Program (CCCAP) in the Department of Human Services. CCCAP provides financial assistance to low-income families that are working, searching for employment or are in training, and families that are enrolled in the Colorado Works Program and need child care services to support their efforts toward self-sufficiency. CCCAP is administered through county departments of social services under the direction of the Department's Division of Child Care.

For FY 2013-14, the General Assembly provided funding to conduct a needs assessment to identify options for the future operational and functional sustainability of CHATS. The Department of Human Services contracted with BerryDunn to undertake the assessment, which included in-depth interviews with county CHATS personnel. The consultant recommended a hybrid approach to incrementally enhance and replace current CHATS modules, as opposed to a full system replacement or doing nothing.

For FY 2014-15, the legislature provided an appropriation of \$1.5 million federal funds from the Child Care Development Fund for the first year of the hybrid approach to enhancing and replacing CHATS. The Department seeks \$1.5 million federal funds for FY 2016-17 for the continuation of the CHATS modernization project. This is the second, and final, year funding request for this project.

If the Committee has questions on the technology component of this request during this briefing presentation, staff will note them at this time and include them in the OIT hearing agenda. If the Committee has questions concerning the programmatic business processes as they relate to this request, they may be considered during the briefing for the Department of Human Services' Office of Information Technology Services on Friday, December 11th and/or the hearing for the Department of Human Services' Office of Information Technology Services on Monday, January 11th.

Capital Construction Request Yet To Be Submitted – WyCAN (Labor and Employment)

The Office of State Planning and Budgeting writes in its October 1st submittal of capital construction information technology requests that:

“Today’s submission does not include a request surrounding the premium and benefits system for Unemployment Insurance. You [Joint Technology Committee] have already been informed that some significant challenges have arisen with the UI project, commonly known as WyCAN, entered into by a consortium of states including Arizona, North Dakota, Wyoming and Colorado. The Department of Labor and Employment continues to investigate the impact of these challenges on the WyCAN project, and will present a plan to the JTC for addressing these challenges at a later date.”

Staff has reviewed the issues with implementing the WyCAN project with the Department of Labor and Employment. The key points for the Joint Budget Committee to be aware of at this time are as follows:

- The four year project was behind schedule;
- The independent verification and validation (IV&V) had flagged several issues with the vendor (HCL America, Inc.) deliverables;
- The contract was terminated with two years remaining and with a only a fraction of funds expended;
- The contract termination is being challenged by the vendor;
- The Department of Labor and Employment had expended \$6.1 million of State funds prior to the contract termination. A total of \$20.0 million of State funds budgeted for the project were not expended due to the contract termination;
- The Department of Labor and Employment and OIT are in the process of developing an alternative solution to complete the unemployment insurance project; and
- Staff anticipates receiving a capital construction information technology request after the solution has been agreed upon.

Issue: Senate Bill 14-169 (OIT Reports To General Assembly) Asset Update

Pursuant to S.B. 14-169 (Office Of Information Technology Reports To GA), the Governor's Office of Information Technology (OIT) is required to annually submit an inventory and refresh cycle information to the Joint Budget Committee and the Joint Technology Committee for specific types of information technology assets.

SUMMARY:

- Per the requirements of S.B. 14-169, OIT submitted an asset inventory report to the Joint Budget Committee and Joint Technology Committee by November 1, 2015 on personal computers and network infrastructure in use by State agencies;
- Personal computer data reported includes the count of computers by type, operating system, and productivity software;
- Network Infrastructure data reported includes the count of routers, switches, access points, firewalls, and other devices;
- OIT forecasts that refresh costs for personal computers (including service hours) averages \$12.2 million per year from FY 2016-17 to FY 2019-20; and
- OIT forecasts that refresh costs for network infrastructure averages \$0.9 million per year from FY 2016-17 to FY 2019-20.

DISCUSSION:

Senate Bill 14-169 (Office Of Information Technology Reports To GA)

This bill requires OIT to develop, prepare, and submit requested information to the Joint Budget Committee and the Joint Technology Committee, as follows. First, on or before November 1, 2014, and each November 1 thereafter, OIT is to submit information on the State's information technology asset inventory and the Office's refresh cycle schedule, including cost projections. The bill phases in the types of information required to be included in each year's report.

- Personal computers, including operating systems and productivity software (begins November 1, 2014);
- Network infrastructure (begins November 1, 2015);
- Servers (begins November 1, 2016); and
- Non-productivity software (begins November 1, 2017).

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Personal computers, including operating systems and productivity software

The report indicates that executive branch agencies (and the Treasury) have 32,485 total personal computers, including 20,261 desktop computers, 11,751 laptop computers and 473 Windows tablets. 4,305 of these computers were purchased five years or more ago.

The personal computers run five flavors of operating systems:

- AppleiOS (93 computers);
- Windows XP (1,271 computers);
- Windows 7 (30,736 computers);
- Windows 8 (381 computers); and
- Windows 10 (4 computers).

Personal computers use nine types of productivity software from Google, Apple, and Microsoft:

- Apple iWork (77 installs);
- Mac Office (71 installs);
- Google Apps (32,485 installs);
- MS Office XP (3,403 installs);
- MS Office 2003 (65 installs);
- MS Office 2007 (4,225 installs);
- MS Office 2010 (11,877 installs);
- MS Office 2013 (9,087 installs); and
- MS Office 365(580 installs).

Senate Bill 14-169 also dictates that the report submitted annually by OIT must include a refresh cycle schedule for assets, including cost projections. The estimates submitted by the Office assume an industry-standard four year refresh cycle. Cost estimates were generated using vendor quotes, existing contract costs, and contractor costs and standard hours for asset replacement. The data show that Statewide costs for personal computer replacement, including operating system and productivity software, would average \$12.2 million per year from FY 2016-17 through FY 2019-20. The table below summarizes the cost projections:

Refresh Cost Forecast: Personal computers, including operating systems and productivity software					
Fiscal Year	Computers	HW Refresh Cost	SW Refresh Cost	Professional Services	Total Cost
FY 2016-17	8,350	\$8,646,681	\$2,857,658	\$521,875	\$12,026,214
FY 2017-18	8,349	8,727,523	2,857,230	521,813	12,106,566
FY 2018-19	8,350	8,816,982	2,857,304	521,875	12,196,161
FY 2019-20	8,350	8,911,383	2,857,658	521,875	12,290,916
Total		\$35,102,569	\$11,429,850	\$2,087,438	\$48,619,857

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Costs for personal computers and software are generally covered out of the operating expenses line item appropriations, not with OIT appropriations. This is due to the fact that the consolidation of resources from State agencies into OIT did not include operating expenses, only personal services. If the legislature opts to work with OIT to fund a refresh cycle for personal computers, a plan must be put in place in parallel to reduce appropriations to agencies for operating expenses currently used for personal computers (*see the briefing issue in this document entitled Information Technology Expenditures Outside of OIT for more information on this topic*).

Network infrastructure

The report provides data on four types of equipment:

- **Routers** are devices that forward data packets along networks. A router is connected to at least two networks, commonly two local access networks (LANs) or wide access networks (WANs) or a LAN and its internet service providers (ISPs) network. Routers are located at gateways, the places where two or more networks connect, and are the critical device that keeps data flowing between networks and keeps the networks connected to the Internet.
- **Switches** serve as controllers, enabling networked devices to talk to each other efficiently.
- **Wireless Access Points** are devices that allow wireless devices to connect to a wired network using Wi-Fi.
- **Firewalls** are network security systems that monitor and control the incoming and outgoing network traffic based on predetermine rules.
- **Other Devices** include a variety of other equipment, including power supplies, load balancers, wireless controllers, and others.

The network infrastructure asset inventory found the following equipment across State agencies:

Network Infrastructure Count	
Equipment Type	Number
Routers	747
Switches	2,376
Wireless Access Points	836
Firewalls	228
Other Devices	726

Senate Bill 14-169 also dictates that the report submitted annually by OIT must include a refresh cycle schedule for assets, including cost projections. The estimates submitted by the Office are based on refreshes due to new technology requirements, critical business needs, and products reaching the end of support (no longer being sold or supported by the vendor). The following table summarizes the cost projections:

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Refresh Cost Forecast: Network Infrastructure				
FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
\$1,707,936	\$535,759	\$902,814	\$192,288	\$1,004,641

OIT received an appropriation of approximately \$1.0 million total funds for FY 2015-16, and ongoing each fiscal year thereafter, to develop and implement a five year plan to refresh network infrastructure components each year. The Office is in the process of creating a statewide refresh life-cycle that aims to replace 20 percent of existing network infrastructure each year that is at the manufacturer’s end of support.

It is important to note that the decision item that was approved by the legislature for funding the network infrastructure refresh did not include a reduction in the operating budgets of agencies under the purview of OIT. Costs for network infrastructure were generally covered out of the operating expenses line item appropriations, not with OIT appropriations. With OIT assuming the responsibility for network infrastructure, agencies no longer have this expense. The moneys previously appropriated to agencies for this purpose should be eliminated (*see the briefing issue in this document entitled Information Technology Expenditures Outside of OIT for more information on this topic*).

Issue: Information Technology Expenditures Outside of OIT

Senate Bill 08-155 (Centralize IT Management In OIT) consolidated information technology resources from State agencies in the Governor’s Office of Information Technology (OIT) for the purpose of coordinating and directing the use of information technology by executive branch agencies. During FY 2010-11, the executive branch completed the transfer of personnel resources. A plan has not yet been submitted to transfer operating expenses for information technology assets from executive branch agencies to OIT, as recommended by the State Auditor’s Office.

SUMMARY:

- The Governor's Office of Information Technology (OIT) is responsible for the operation and delivery of information and communications technology services across all executive branch State agencies;
- OIT oversees technology initiatives, recommending strategies and maximizing efficiencies of service delivery in a cost-effective manner through the application of enterprise technology solutions with the goals of saving money through service sharing across agencies and providing effective services that allow agencies to focus on programmatic objectives; and
- During FY 2010-11, the executive branch completed the transfer of personnel resources. A plan has not yet been submitted to transfer operating expenses for information technology assets from executive branch agencies to OIT, as recommended by the State Auditor’s Office; and
- For FY 2014-15, agencies spent \$139.0 million on information technology products and services outside of OIT. This illustrates the ongoing inability of OIT to have complete oversight of information technology costs and introduces potentially redundant or expensive purchases made at the agency level.

DISCUSSION:

Background

Senate Bill 08-155 (Centralize IT Management In OIT) consolidated information technology resources from State agencies in the Governor’s Office of Information Technology (OIT) for the purpose of coordinating and directing the use of information technology by executive branch agencies. During FY 2010-11, the executive branch completed the transfer of personnel resources from agencies to the centralized service provider, OIT. However, OIT does not have full control of the overall information technology spending for the State, as envisioned. Executive branch agencies continue to receive appropriations that are expended on information technology assets, such as computers, software, and network equipment. Agencies are able to procure the assets in conjunction with OIT or outside of OIT’s formal processes.

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Issue

The Office of the State Auditor indicated in its March 2012 report that OIT controlled “roughly 20 percent of the State’s IT operating expenditures, while approximately 80% has been controlled by the agencies.” In the same report, the Auditor reported that agency expenses for information technology operating assets totaled \$83.2 million total funds while OIT costs amounted to \$24.5 million in the same year. The State Auditor concluded that “we found that IT operating expenditures continue to remain decentralized when comparing state agencies’ IT operating expenditures over the past three fiscal years with the operating expenses controlled by OIT during the same period.”

It is staff’s opinion that this is a problem because, as echoed by the State Auditor in the March 2012 report, without OIT’s ownership of the statewide information technology budget, State agencies will continue to procure information technology products (e.g. personal computers and software) and services (e.g. project-based consulting) that may not be aligned with the overall goals and objectives of the State. Thus, the ability of OIT to have complete oversight of information technology costs is compromised due to potentially redundant or expensive purchases made at the agency level that could have been avoided if OIT had a larger role in coordinating such expenditures.

For example, if an agency buys a new server in an effort to meet programmatic goals in a timely manner without consulting OIT, the server may cost more than OIT would have been able to provide the agency within existing server capacity. This example illustrates a key tenant of the S.B. 08-155 aim to establish OIT in the roll of providing insight into the existence of unused information technology resources at another agency that can be repurposed and further introduce potential cost savings.

Current Data on the Issue

Using data contained the State’s accounting system, CORE, the following table summarizes information technology expenditures made by executive branch agencies outside of OIT for FY 2014-15 by agency. Note, the data do not include expenditures made by the judicial branch, legislative branch, Department of Higher Education, Department of Law, Secretary of State, or the Treasurer’s Office since these agencies typically operate outside of OIT’s purview by statute and/or custom.

IT Expenditures Outside of OIT by Agency	
Agency	Funds Expended
Agriculture	\$940,177
Corrections	5,727,248
Education	2,947,152
Governor	0
Health Care Policy and Financing	26,632,796
Human Services	43,202,761
Labor	5,963,093
Local Affairs	952,258
Military Affairs	179,368
Natural Resources	4,075,101
Personnel	(335,408)

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IT Expenditures Outside of OIT by Agency	
Agency	Funds Expended
Public Health and Environment	4,753,715
Public Safety	15,095,295
Regulatory Affairs	2,591,323
Revenue	11,259,019
Transportation	15,052,464
Total	\$139,036,361

Recommendation

The State Auditor’s March 2012 report contains the following recommendation:

“OIT should work with the Governor’s Office of State Planning and Budgeting, Joint Budget Committee, and General Assembly to move all Executive Branch IT appropriations so as to be under the control of OIT.”

OIT agreed with this recommendation, but has not submitted a plan to the legislature to date. The lack of a plan has created negative budgetary outcomes, as described in the following example that mirrors actual occurrences.

1. Agencies have purchased and maintained information technology asset “X” using moneys from operating line items other than the Payments to OIT line item. Across the State, agencies have spent \$500,000 on asset “X” each fiscal year.
2. To leverage OIT’s expertise and create economies of scale savings opportunities, the legislature provides OIT with an appropriation of \$400,000 to centralize the purchase and maintenance of asset “X.”
3. Agencies receive an appropriation of \$400,000 in their Payments to OIT line items to cover OIT’s expenses for the centralized purchase and maintenance of asset “X.”
4. In the absence of a strategy to transfer operating appropriations under the management of OIT, the legislature does not receive a request to reduce agency operating line item appropriations by \$500,000 even though the moneys are no longer needed to purchase and maintain asset “X.”
5. The legislature appropriates \$500,000 to agencies’ operating line items that is now used for other agency priorities rather than reducing appropriations in these line items by \$500,000 or approving new uses for the \$500,000.

To curtail scenarios like the example above from continuing to occur, staff has two recommendations that provide both a short-term and long-term solution to this ongoing problem that is negatively impacting the budget. First, the Committee should only support future funding proposals to centralize infrastructure purchases and maintenance in OIT if they include reductions to operating line items in State agencies for moneys historically used for the same purpose. Second, the Committee should sponsor legislation requiring the Office of State

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Planning and Budgeting and the Governor’s Office of Information Technology to submit a plan to the Joint Technology Committee and the Joint Budget Committee by July 1, 2017 to reduce operating appropriations in executive branch agencies and increase OIT appropriations in FY 2018-19 such that OIT will centrally manage information technology operating appropriations and expenditures. It is staff’s opinion that a plan of this nature will not come to fruition from the executive branch in the absence of a legislative mandate. OIT’s lack of action on the State Auditor’s 2012 recommendation serves to reinforce this opinion.

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Appendix A: Number Pages

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING

John Hickenlooper, Governor

(1) OFFICE OF THE GOVERNOR

The Office of the Governor oversees operation of the executive branch of State government including coordination, direction, and planning of agency operations. The Office represents the State, and serves as a liaison with local and federal governments. Includes the core functions of a traditional executive director's office, the Colorado Energy Office, and the Office of Marijuana Coordination.

(A) Governor's Office

Administration of Governor's Office and Residence	<u>2,224,702</u>	<u>2,306,968</u>	<u>2,326,735</u>	<u>2,389,360</u>	
FTE	31.7	31.4	31.4	31.4	
General Fund	2,117,003	2,212,386	2,307,606	2,370,231	
Cash Funds	88,570	75,453	0	0	
Reappropriated Funds	19,129	19,129	19,129	19,129	
Discretionary Fund	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>	
General Fund	19,500	19,500	19,500	19,500	
Mansion Activity Fund	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>220,000</u>	*
Cash Funds	200,000	200,000	200,000	220,000	

SUBTOTAL - (A) Governor's Office	2,444,202	2,526,468	2,546,235	2,628,860	3.2%
FTE	<u>31.7</u>	<u>31.4</u>	<u>31.4</u>	<u>31.4</u>	<u>0.0%</u>
General Fund	2,136,503	2,231,886	2,327,106	2,389,731	2.7%
Cash Funds	288,570	275,453	200,000	220,000	10.0%
Reappropriated Funds	19,129	19,129	19,129	19,129	0.0%

*Line item contains a decision item.

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(B) Special Purpose					
Health, Life, and Dental	<u>7,190,684</u>	<u>7,285,432</u>	<u>1,322,136</u>	<u>1,203,893</u>	
General Fund	417,135	539,734	525,046	467,873	
Cash Funds	25,253	324,562	494,945	442,692	
Reappropriated Funds	6,395,504	6,332,655	192,740	165,400	
Federal Funds	352,792	88,481	109,405	127,928	
Short-term Disability	<u>136,250</u>	<u>162,428</u>	<u>28,125</u>	<u>24,539</u>	
General Fund	7,694	11,121	11,716	10,802	
Cash Funds	2,841	6,511	10,183	8,601	
Reappropriated Funds	124,496	143,633	3,645	2,923	
Federal Funds	1,219	1,163	2,581	2,213	
S.B. 04-257 Amortization Equalization Disbursement	<u>2,604,881</u>	<u>2,965,620</u>	<u>565,522</u>	<u>646,143</u>	
General Fund	145,583	202,969	235,632	284,432	
Cash Funds	54,174	118,764	204,740	226,473	
Reappropriated Funds	2,381,875	2,622,680	73,319	76,956	
Federal Funds	23,249	21,207	51,831	58,282	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>2,351,165</u>	<u>2,720,000</u>	<u>546,248</u>	<u>639,412</u>	
General Fund	130,964	190,285	227,599	281,469	
Cash Funds	48,907	111,340	197,760	224,114	
Reappropriated Funds	2,150,305	2,398,494	70,825	76,154	
Federal Funds	20,989	19,881	50,064	57,675	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Salary Survey	<u>1,581,030</u>	<u>1,993,593</u>	<u>140,695</u>	<u>0</u>	
General Fund	80,822	136,732	58,589	0	
Cash Funds	32,460	80,054	50,917	0	
Reappropriated Funds	1,453,818	1,762,511	18,280	0	
Federal Funds	13,930	14,296	12,909	0	
Merit Pay	<u>1,161,444</u>	<u>780,681</u>	<u>137,258</u>	<u>0</u>	
General Fund	65,376	56,422	59,178	0	
Cash Funds	23,947	32,648	50,005	0	
Reappropriated Funds	1,061,720	686,002	16,818	0	
Federal Funds	10,401	5,609	11,257	0	
Workers' Compensation	<u>445,361</u>	<u>392,682</u>	<u>48,926</u>	<u>63,821</u>	
General Fund	57,353	41,695	40,502	52,833	
Reappropriated Funds	388,008	350,987	8,424	10,988	
Legal Services	<u>958,116</u>	<u>381,547</u>	<u>479,896</u>	<u>485,654</u>	
General Fund	958,116	381,547	351,781	356,002	
Reappropriated Funds	0	0	128,115	129,652	
Payment to Risk Management and Property Funds	<u>214,323</u>	<u>287,212</u>	<u>107,244</u>	<u>168,046</u>	
General Fund	66,316	91,451	102,004	159,835	
Cash Funds	148,007	0	0	0	
Reappropriated Funds	0	195,761	5,240	8,211	
Vehicle Lease Payments	<u>67,117</u>	<u>80,458</u>	<u>0</u>	<u>2,077</u>	*
General Fund	0	0	0	0	
Reappropriated Funds	67,117	80,458	0	2,077	

*Line item contains a decision item.

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Capitol Complex Leased Space	<u>591,187</u>	<u>435,346</u>	<u>485,166</u>	<u>320,682</u>	
General Fund	366,921	258,904	408,842	270,234	
Reappropriated Funds	224,266	176,442	76,324	50,448	
Payments to OIT	<u>0</u>	<u>1,645,795</u>	<u>1,540,635</u>	<u>1,545,565</u> *	
General Fund	0	1,645,795	1,469,323	1,474,025	
Reappropriated Funds	0	0	71,312	71,540	
CORE Operations	<u>42,859</u>	<u>131,808</u>	<u>174,701</u>	<u>377,948</u>	
General Fund	21,141	65,016	57,036	71,575	
Cash Funds	21,718	66,792	58,594	73,531	
Reappropriated Funds	0	0	0	158,713	
Federal Funds	0	0	59,071	74,129	
Shift Differential	<u>81,671</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	81,671	0	0	0	
Federal Funds	0	0	0	0	
Leased Space	<u>3,147,964</u>	<u>3,043,275</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	3,147,964	3,043,275	0	0	
Purchase of Services from Computer Center	<u>972,982</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	256,298	0	0	0	
Cash Funds	716,684	0	0	0	
Reappropriated Funds	0	0	0	0	

*Line item contains a decision item.

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Colorado State Network	<u>400,791</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	168,641	0	0	0	
Reappropriated Funds	232,150	0	0	0	
Management and Administration of OIT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Information Technology Security	<u>14,036</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	14,036	0	0	0	
Reappropriated Funds	0	0	0	0	
SUBTOTAL - (B) Special Purpose	21,961,861	22,305,877	5,576,552	5,477,780	(1.8%)
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	2,756,396	3,621,671	3,547,248	3,429,080	(3.3%)
Cash Funds	1,073,991	740,671	1,067,144	975,411	(8.6%)
Reappropriated Funds	17,708,894	17,792,898	665,042	753,062	13.2%
Federal Funds	422,580	150,637	297,118	320,227	7.8%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(C) Colorado Energy Office					
Program Administration	<u>4,997,099</u>	<u>9,785,473</u>	<u>6,495,813</u>	<u>6,549,724</u>	
FTE	26.4	28.5	32.3	32.3	
General Fund	0	0	0	0	
Cash Funds	3,356,050	3,813,021	2,959,296	2,996,182	
Federal Funds	1,641,049	5,972,452	3,536,517	3,553,542	
Low-Income Energy Assistance	<u>7,505,165</u>	<u>10,074,356</u>	<u>7,100,000</u>	<u>7,100,000</u>	
FTE	0.0	1.3	0.0	0.0	
Cash Funds	7,505,165	10,074,356	7,100,000	7,100,000	
School Energy Efficiency	<u>121,218</u>	<u>71,902</u>	<u>210,318</u>	<u>210,318</u>	
FTE	0.5	0.5	1.4	1.4	
Cash Funds	121,218	71,902	210,318	210,318	
Electric Vehicle Charging Station Grants	<u>0</u>	<u>0</u>	<u>313,000</u>	<u>313,000</u>	
Cash Funds	0	0	313,000	313,000	
Legal Services	<u>73,088</u>	<u>0</u>	<u>104,511</u>	<u>104,511</u>	
Cash Funds	73,088	0	70,135	70,135	
Federal Funds	0	0	34,376	34,376	
Indirect Cost Assessment	<u>29,890</u>	<u>0</u>	<u>94,255</u>	<u>31,530</u>	
Cash Funds	29,890	0	94,255	31,530	
Federal Funds	0	0	0	0	
SUBTOTAL - (C) Colorado Energy Office	12,726,460	19,931,731	14,317,897	14,309,083	(0.1%)
FTE	<u>26.9</u>	<u>30.3</u>	<u>33.7</u>	<u>33.7</u>	<u>(0.0%)</u>
General Fund	0	0	0	0	0.0%
Cash Funds	11,085,411	13,959,279	10,747,004	10,721,165	(0.2%)
Federal Funds	1,641,049	5,972,452	3,570,893	3,587,918	0.5%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(D) Other Programs and Grants					
Disabled Parking Education	0	436,996	251,000	251,000	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	436,996	250,000	250,000	
Cash Funds	0	0	1,000	1,000	
Office of Marijuana Coordination	0	187,798	190,097	191,590	
FTE	0.0	2.0	2.0	2.0	
Cash Funds	0	187,798	190,097	191,590	
SUBTOTAL - (D) Other Programs and Grants	0	624,794	441,097	442,590	0.3%
FTE	0.0	2.0	2.0	2.0	0.0%
General Fund	0	436,996	250,000	250,000	0.0%
Cash Funds	0	187,798	191,097	192,590	0.8%
TOTAL - (1) Office of the Governor	37,132,523	45,388,870	22,881,781	22,858,313	(0.1%)
FTE	58.6	63.7	67.1	67.1	(0.0%)
General Fund	4,892,899	6,290,553	6,124,354	6,068,811	(0.9%)
Cash Funds	12,447,972	15,163,201	12,205,245	12,109,166	(0.8%)
Reappropriated Funds	17,728,023	17,812,027	684,171	772,191	12.9%
Federal Funds	2,063,629	6,123,089	3,868,011	3,908,145	1.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(2) OFFICE OF THE LIEUTENANT GOVERNOR

The Office of the Lieutenant Governor directly oversees the Colorado Commission of Indian Affairs, Commission on Community Service, and other initiatives. The Lieutenant Governor temporarily takes the Governor's place if the Governor is out of Colorado or is unable to perform his/her duties. Note, the passage of H.B. 11-1155 (Lt Gov As Head Of Principal Department) permitted the Lieutenant Governor to serve as the Executive Director of the Department of Higher Education in addition to his elected role as Lieutenant Governor.

Administration	<u>221,233</u>	<u>232,491</u>	<u>342,254</u>	<u>350,135</u>	
FTE	2.7	2.7	2.7	2.7	
General Fund	221,233	232,491	342,254	350,135	
Discretionary Fund	<u>2,875</u>	<u>2,875</u>	<u>2,875</u>	<u>2,875</u>	
General Fund	2,875	2,875	2,875	2,875	
Commission of Indian Affairs	<u>78,123</u>	<u>80,857</u>	<u>85,441</u>	<u>87,201</u>	
FTE	1.0	1.0	2.3	2.3	
General Fund	78,123	80,857	84,257	86,017	
Cash Funds	0	0	1,184	1,184	
Colorado Student Leaders Institute Pilot	<u>0</u>	<u>0</u>	<u>218,825</u>	<u>218,825</u>	
FTE	0.0	0.0	1.0	1.0	
Reappropriated Funds	0	0	218,825	218,825	

TOTAL - (2) Office of the Lieutenant Governor	302,231	316,223	649,395	659,036	1.5%
FTE	<u>3.7</u>	<u>3.7</u>	<u>6.0</u>	<u>6.0</u>	0.0%
General Fund	302,231	316,223	429,386	439,027	2.2%
Cash Funds	0	0	1,184	1,184	0.0%
Reappropriated Funds	0	0	218,825	218,825	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(3) OFFICE OF STATE PLANNING AND BUDGETING

The Office of State Planning and Budgeting (OSPB) develops executive branch budget requests, reviews and analyzes departmental expenditures, and prepares quarterly revenue and economic estimates for the state. Additionally, the Office implements the Results First initiative, a cost benefit analysis model initially developed by the Washington State Institute for Public Policy, and now supported by the Pew-MacArthur Results First initiative, that aims to determine the monetary value of State policies and programs.

Personal Services	<u>2,618,528</u>	<u>1,848,797</u>	<u>2,055,580</u>	<u>2,088,056</u>
FTE	19.5	19.5	19.5	19.5
General Fund	1,214,553	406,627	576,232	577,274
Cash Funds	0	14,755	0	0
Reappropriated Funds	1,403,975	1,427,415	1,479,348	1,510,782
Operating Expenses	<u>50,944</u>	<u>61,614</u>	<u>61,844</u>	<u>61,844</u>
General Fund	0	10,670	10,900	10,900
Reappropriated Funds	50,944	50,944	50,944	50,944
Economic Forecasting Subscriptions	<u>6,196</u>	<u>15,940</u>	<u>16,362</u>	<u>16,362</u>
Reappropriated Funds	6,196	15,940	16,362	16,362

TOTAL - (3) Office of State Planning and Budgeting	2,675,668	1,926,351	2,133,786	2,166,262	1.5%
FTE	<u>19.5</u>	<u>19.5</u>	<u>19.5</u>	<u>19.5</u>	0.0%
General Fund	1,214,553	417,297	587,132	588,174	0.2%
Cash Funds	0	14,755	0	0	0.0%
Reappropriated Funds	1,461,115	1,494,299	1,546,654	1,578,088	2.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(4) ECONOMIC DEVELOPMENT PROGRAMS

The Office of Economic Development and International Trade (OEDIT) assists in strengthening Colorado's prospects for long-term economic growth by providing broad-based support to businesses. The Office's support services include business funding and incentives, promotion of creative industries, international trade assistance, tourism promotion, minority business assistance, key industry promotion (including advanced industries, aerospace, and health and wellness), and film, television, and media industry development.

Administration	<u>597,994</u>	<u>(501,947)</u>	<u>669,164</u>	<u>657,624</u>	
FTE	6.0	6.0	6.0	6.0	
General Fund	590,510	15,475	657,095	645,555	
Cash Funds	0	(464,176)	2,435	2,435	
Reappropriated Funds	7,484	(20,492)	7,484	7,484	
Federal Funds	0	(32,754)	2,150	2,150	
Vehicle Lease Payments	<u>12,166</u>	<u>9,515</u>	<u>9,516</u>	<u>12,444</u>	*
General Fund	12,166	9,515	9,516	12,444	
Leased Space	<u>346,525</u>	<u>304,395</u>	<u>346,525</u>	<u>346,525</u>	
General Fund	346,525	304,395	346,525	346,525	
Global Business Development	<u>1,974,777</u>	<u>2,186,738</u>	<u>4,942,343</u>	<u>4,965,052</u>	
FTE	21.2	21.2	24.4	24.4	
General Fund	1,928,019	2,186,738	4,029,861	4,041,948	
Cash Funds	26,487	0	540,408	548,626	
Federal Funds	20,271	0	372,074	374,478	
Leading Edge Program Grants	<u>50,976</u>	<u>50,976</u>	<u>151,407</u>	<u>151,407</u>	
General Fund	50,976	50,976	75,976	75,976	
Cash Funds	0	0	75,431	75,431	

*Line item contains a decision item.

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Small Business Development Centers	<u>2,241,309</u>	<u>2,328,560</u>	<u>1,686,416</u>	<u>1,691,870</u>	
FTE	4.0	4.0	4.0	4.0	
General Fund	284,522	383,692	392,029	394,144	
Cash Funds	0	0	18,750	18,750	
Federal Funds	1,956,787	1,944,868	1,275,637	1,278,976	
Colorado Office of Film, Television, and Media	<u>2,410,228</u>	<u>9,493,444</u>	<u>3,500,000</u>	<u>3,514,223</u> *	
FTE	4.5	4.5	4.5	4.5	
General Fund	800,000	5,515,982	3,000,000	3,000,000	
Cash Funds	1,610,228	3,977,462	500,000	514,223	
Colorado Promotion - Colorado Welcome Centers	<u>515,096</u>	<u>500,000</u>	<u>500,000</u>	<u>510,430</u>	
FTE	3.3	3.3	3.3	3.3	
Cash Funds	515,096	500,000	500,000	510,430	
Colorado Promotion - Other Program Costs	<u>16,731,444</u>	<u>16,433,498</u>	<u>18,500,000</u>	<u>18,512,644</u>	
FTE	4.0	4.0	4.0	4.0	
General Fund	2,000,000	1,999,950	4,000,000	4,000,000	
Cash Funds	14,731,444	14,433,548	14,500,000	14,512,644	
Economic Development Commission - General					
Economic Incentives and Marketing	<u>4,929,304</u>	<u>750,632</u>	<u>5,833,482</u>	<u>5,834,544</u>	
FTE	4.0	5.0	5.5	5.5	
General Fund	4,850,788	690,611	5,696,280	5,692,602	
Cash Funds	78,516	60,021	137,202	141,942	
Colorado First Customized Job Training	<u>4,275,022</u>	<u>2,774,943</u>	<u>4,500,000</u>	<u>4,500,000</u>	
General Fund	4,275,022	2,725,022	4,500,000	4,500,000	
Cash Funds	0	49,921	0	0	

*Line item contains a decision item.

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
CAPCO Administration	<u>48,829</u>	<u>114,915</u>	<u>84,036</u>	<u>85,291</u>	
FTE	2.0	2.0	2.0	2.0	
Cash Funds	0	36,037	0	0	
Reappropriated Funds	48,829	78,878	84,036	85,291	
Council on Creative Industries	<u>2,348,086</u>	<u>2,867,400</u>	<u>2,764,397</u>	<u>2,772,055</u>	
FTE	3.0	3.0	3.0	3.0	
General Fund	0	100,000	0	0	
Cash Funds	1,792,645	2,078,259	2,000,000	2,006,321	
Reappropriated Funds	0	0	0	0	
Federal Funds	555,441	689,141	764,397	765,734	
Advanced Industries	<u>0</u>	<u>6,248,178</u>	<u>15,507,580</u>	<u>15,514,396</u>	
FTE	0.0	1.5	2.6	2.6	
General Fund	0	5,000,000	5,000,000	5,001,127	
Cash Funds	0	1,248,178	10,507,580	10,513,269	
Rural Jump Start	<u>0</u>	<u>0</u>	<u>125,983</u>	<u>80,983</u>	
FTE	0.0	0.0	1.0	1.0	
General Fund	0	0	125,983	80,983	
Indirect Cost Assessment	<u>30,713</u>	<u>0</u>	<u>89,340</u>	<u>61,384</u>	
Federal Funds	30,713	0	89,340	61,384	
Bioscience Discovery Evaluation	<u>5,634,245</u>	<u>10,206,867</u>	<u>0</u>	<u>0</u>	
FTE	2.5	1.1	0.0	0.0	
Cash Funds	5,634,245	10,206,867	0	0	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
TOTAL - (4) Economic Development Programs	42,146,714	53,768,114	59,210,189	59,210,872	0.0%
<i>FTE</i>	<u>54.5</u>	<u>55.6</u>	<u>60.3</u>	<u>60.3</u>	<u>(0.0%)</u>
General Fund	15,138,528	18,982,356	27,833,265	27,791,304	(0.2%)
Cash Funds	24,388,661	32,126,117	28,781,806	28,844,071	0.2%
Reappropriated Funds	56,313	58,386	91,520	92,775	1.4%
Federal Funds	2,563,212	2,601,255	2,503,598	2,482,722	(0.8%)

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(5) OFFICE OF INFORMATION TECHNOLOGY

The Governor’s Office of Information Technology (OIT) is responsible for the operation and delivery of all information and communications technology services across the Executive Branch agencies in the State. The Office is tasked with providing the information technology services, as well as promoting Colorado as the ideal location for information technology companies and technology-based workers.

(A) OIT Central Administration

Central Administration	0	12,322,468	9,796,505	9,622,537	
FTE	0.0	95.0	95.0	95.0	
Reappropriated Funds	0	12,322,468	9,796,505	9,622,537	
Project Management	0	4,983,544	5,408,362	5,317,475	
FTE	0.0	50.0	50.0	50.0	
Reappropriated Funds	0	4,983,544	5,408,362	5,317,475	
Health, Life, and Dental	0	0	7,838,099	8,041,171	*
General Fund	0	0	0	49,241	
Reappropriated Funds	0	0	7,838,099	7,991,930	
Short-term Disability	0	0	148,236	134,046	*
General Fund	0	0	0	602	
Reappropriated Funds	0	0	148,236	133,444	
S.B. 04-257 Amortization Equalization Disbursement	0	0	2,981,646	3,392,188	*
General Fund	0	0	0	15,221	
Reappropriated Funds	0	0	2,981,646	3,376,967	

*Line item contains a decision item.

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>0</u>	<u>0</u>	<u>2,880,236</u>	<u>3,356,745</u>	*
General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,063</u>	
Reappropriated Funds	<u>0</u>	<u>0</u>	<u>2,880,236</u>	<u>3,341,682</u>	
Salary Survey	<u>0</u>	<u>0</u>	<u>743,395</u>	<u>24,320</u>	
General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	<u>0</u>	<u>0</u>	<u>743,395</u>	<u>24,320</u>	
Merit Pay	<u>0</u>	<u>0</u>	<u>683,941</u>	<u>0</u>	
General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	<u>0</u>	<u>0</u>	<u>683,941</u>	<u>0</u>	
Shift Differential	<u>0</u>	<u>0</u>	<u>74,362</u>	<u>94,672</u>	
General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	<u>0</u>	<u>0</u>	<u>74,362</u>	<u>94,672</u>	
Workers' Compensation	<u>0</u>	<u>0</u>	<u>342,563</u>	<u>446,855</u>	
General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	<u>0</u>	<u>0</u>	<u>342,563</u>	<u>446,855</u>	
Legal Services	<u>0</u>	<u>43,821</u>	<u>46,460</u>	<u>46,460</u>	
Reappropriated Funds	<u>0</u>	<u>43,821</u>	<u>46,460</u>	<u>46,460</u>	
Payment to Risk Management and Property Funds	<u>0</u>	<u>0</u>	<u>213,108</u>	<u>333,929</u>	
General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	<u>0</u>	<u>0</u>	<u>213,108</u>	<u>333,929</u>	

*Line item contains a decision item.

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Vehicle Lease Payments	<u>0</u>	<u>0</u>	<u>88,634</u>	<u>38,263</u>	*
General Fund	0	0	0	0	
Reappropriated Funds	0	0	88,634	38,263	
Leased Space	<u>0</u>	<u>0</u>	<u>3,148,018</u>	<u>3,172,018</u>	
General Fund	0	0	0	0	
Reappropriated Funds	0	0	3,148,018	3,172,018	
Capitol Complex Leased Space	<u>0</u>	<u>0</u>	<u>165,932</u>	<u>242,956</u>	
General Fund	0	0	0	0	
Reappropriated Funds	0	0	165,932	242,956	
Payments to OIT	<u>0</u>	<u>0</u>	<u>4,050,114</u>	<u>20,187,696</u>	
General Fund	0	0	0	0	
Reappropriated Funds	0	0	4,050,114	20,187,696	
Indirect Cost Assessment	<u>0</u>	<u>316,509</u>	<u>378,861</u>	<u>387,833</u>	
Reappropriated Funds	0	316,509	378,861	387,833	
SUBTOTAL - (A) OIT Central Administration	0	17,666,342	38,988,472	54,839,164	40.7%
<i>FTE</i>	<u>0.0</u>	<u>145.0</u>	<u>145.0</u>	<u>145.0</u>	<u>0.0%</u>
General Fund	0	0	0	80,127	0.0%
Reappropriated Funds	0	17,666,342	38,988,472	54,759,037	40.4%

(B) IT Infrastructure

Infrastructure Administration	<u>0</u>	<u>3,502,349</u>	<u>5,589,426</u>	<u>5,618,063</u>
FTE	0.0	20.0	20.0	20.0
Reappropriated Funds	0	3,502,349	5,589,426	5,618,063

*Line item contains a decision item.

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Data Center Services	<u>0</u>	<u>763,583</u>	<u>800,180</u>	<u>788,645</u>	
FTE	0.0	8.0	8.0	8.0	
General Fund	0	54,180	0	0	
Reappropriated Funds	0	709,403	800,180	788,645	
Mainframe Services	<u>0</u>	<u>4,261,552</u>	<u>4,319,532</u>	<u>4,351,821</u>	
FTE	0.0	31.0	31.0	31.0	
Cash Funds	0	0	2,328	2,328	
Reappropriated Funds	0	4,261,552	4,317,204	4,349,493	
Server Management	<u>0</u>	<u>8,258,152</u>	<u>12,532,101</u>	<u>11,721,901</u>	
FTE	0.0	61.0	68.3	69.0	
General Fund	0	488,111	0	0	
Reappropriated Funds	0	7,770,041	12,532,101	11,721,901	
SUBTOTAL - (B) IT Infrastructure	0	16,785,636	23,241,239	22,480,430	(3.3%)
FTE	0.0	120.0	127.3	128.0	0.5%
General Fund	0	542,291	0	0	0.0%
Cash Funds	0	0	2,328	2,328	0.0%
Reappropriated Funds	0	16,243,345	23,238,911	22,478,102	(3.3%)

(C) Network Services

Network Administration	<u>0</u>	<u>1,820,308</u>	<u>4,635,580</u>	<u>3,933,304</u>	
FTE	0.0	3.6	4.0	4.0	
Reappropriated Funds	0	1,820,308	4,635,580	3,933,304	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Colorado State Network Core	0	<u>6,318,681</u>	<u>5,657,716</u>	<u>5,716,189</u>	
FTE	0.0	36.0	36.0	36.0	
Reappropriated Funds	0	6,318,681	5,657,716	5,716,189	
Colorado State Network Circuits	0	<u>6,908,088</u>	<u>6,016,138</u>	<u>6,016,138</u>	
Cash Funds	0	607,685	0	0	
Reappropriated Funds	0	6,300,403	6,016,138	6,016,138	
Data Services	0	<u>219,000</u>	<u>219,000</u>	<u>219,000</u>	
Reappropriated Funds	0	219,000	219,000	219,000	
Voice Services	0	<u>6,671,480</u>	<u>7,224,406</u>	<u>7,003,555</u>	
FTE	0.0	12.0	12.0	12.0	
Cash Funds	0	1,200,005	1,200,000	1,200,000	
Reappropriated Funds	0	5,471,475	6,024,406	5,803,555	
Public Safety Network	0	<u>8,521,112</u>	<u>12,277,083</u>	<u>12,334,720</u>	
FTE	0.0	44.0	44.0	44.0	
General Fund	0	0	3,500,000	3,500,000	
Cash Funds	0	3,711	48,600	48,600	
Reappropriated Funds	0	8,517,401	8,607,483	8,665,120	
Federal Funds	0	0	121,000	121,000	
SUBTOTAL - (C) Network Services	0	30,458,669	36,029,923	35,222,906	(2.2%)
FTE	<u>0.0</u>	<u>95.6</u>	<u>96.0</u>	<u>96.0</u>	<u>0.0%</u>
General Fund	0	0	3,500,000	3,500,000	0.0%
Cash Funds	0	1,811,401	1,248,600	1,248,600	0.0%
Reappropriated Funds	0	28,647,268	31,160,323	30,353,306	(2.6%)
Federal Funds	0	0	121,000	121,000	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(D) Information Security					
Security Administration	<u>0</u>	<u>378,626</u>	<u>390,461</u>	<u>397,656</u>	
FTE	0.0	3.0	3.0	3.0	
Reappropriated Funds	0	378,626	390,461	397,656	
Security Governance	<u>0</u>	<u>5,511,391</u>	<u>5,944,277</u>	<u>6,955,430</u> *	
FTE	0.0	5.8	6.0	6.0	
Reappropriated Funds	0	5,511,391	5,944,277	6,955,430	
Security Operations	<u>0</u>	<u>2,370,926</u>	<u>2,435,371</u>	<u>2,471,604</u>	
FTE	0.0	28.0	28.0	28.0	
Reappropriated Funds	0	2,370,926	2,435,371	2,471,604	
SUBTOTAL - (D) Information Security	0	8,260,943	8,770,109	9,824,690	12.0%
FTE	<u>0.0</u>	<u>36.8</u>	<u>37.0</u>	<u>37.0</u>	<u>(0.0%)</u>
Reappropriated Funds	0	8,260,943	8,770,109	9,824,690	12.0%

(E) Applications

Applications Administration	<u>0</u>	<u>2,157,937</u>	<u>5,300,929</u>	<u>1,215,240</u>
FTE	0.0	8.0	12.0	12.0
General Fund	0	296,458	3,194,063	1,071,330
Reappropriated Funds	0	1,861,479	2,106,866	143,910
Enterprise Services	<u>0</u>	<u>2,950,287</u>	<u>2,977,837</u>	<u>3,020,064</u>
FTE	0.0	29.0	29.0	29.0
Reappropriated Funds	0	2,950,287	2,977,837	3,020,064

*Line item contains a decision item.

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Health Services	<u>0</u>	<u>11,591,296</u>	<u>11,663,717</u>	<u>11,500,526</u>	
FTE	0.0	97.0	97.0	97.0	
Reappropriated Funds	0	11,591,296	11,663,717	11,500,526	
Colorado Benefits Management System	<u>0</u>	<u>42,527,588</u>	<u>29,103,800</u>	<u>51,532,601</u>	*
FTE	0.0	52.5	52.5	52.5	
Reappropriated Funds	0	42,527,588	29,103,800	51,532,601	
Revenue and Regulatory Services	<u>0</u>	<u>6,599,930</u>	<u>6,549,878</u>	<u>6,586,497</u>	
FTE	0.0	77.0	77.0	77.0	
Reappropriated Funds	0	6,599,930	6,549,878	6,586,497	
Financial Management Services	<u>0</u>	<u>5,999,593</u>	<u>1,172,771</u>	<u>1,056,979</u>	
FTE	0.0	13.0	11.0	11.0	
Reappropriated Funds	0	5,999,593	1,172,771	1,056,979	
Personnel Management Services	<u>0</u>	<u>2,856,748</u>	<u>1,679,982</u>	<u>1,702,036</u>	
FTE	0.0	13.0	13.0	13.0	
Cash Funds	0	582,319	0	0	
Reappropriated Funds	0	2,274,429	1,679,982	1,702,036	
Safety and Transportation Services	<u>0</u>	<u>3,969,370</u>	<u>4,262,745</u>	<u>4,463,013</u>	*
FTE	0.0	49.0	49.0	50.0	
Reappropriated Funds	0	3,969,370	4,262,745	4,463,013	
Labor and Employment Services	<u>0</u>	<u>2,348,762</u>	<u>2,437,126</u>	<u>2,459,345</u>	
FTE	0.0	25.0	25.0	25.0	
Reappropriated Funds	0	2,348,762	2,437,126	2,459,345	

*Line item contains a decision item.

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
SUBTOTAL - (E) Applications	0	81,001,511	65,148,785	83,536,301	28.2%
<i>FTE</i>	<u>0.0</u>	<u>363.5</u>	<u>365.5</u>	<u>366.5</u>	<u>0.3%</u>
General Fund	0	296,458	3,194,063	1,071,330	(66.5%)
Cash Funds	0	582,319	0	0	0.0%
Reappropriated Funds	0	80,122,734	61,954,722	82,464,971	33.1%

(F) End User Services

End User Administration	<u>0</u>	<u>195,088</u>	<u>204,173</u>	<u>208,410</u>	
<i>FTE</i>	0.0	2.0	2.0	2.0	
Reappropriated Funds	0	195,088	204,173	208,410	
Service Desk Services	<u>0</u>	<u>2,925,139</u>	<u>3,011,304</u>	<u>3,065,771</u>	
<i>FTE</i>	0.0	48.0	48.0	48.0	
Reappropriated Funds	0	2,925,139	3,011,304	3,065,771	
Deskside Support Services	<u>0</u>	<u>8,237,571</u>	<u>8,455,782</u>	<u>8,894,218</u> *	
<i>FTE</i>	0.0	112.0	112.0	112.0	
Reappropriated Funds	0	8,237,571	8,455,782	8,894,218	
Email Services	<u>0</u>	<u>1,828,823</u>	<u>1,936,455</u>	<u>1,942,045</u>	
<i>FTE</i>	0.0	3.0	3.0	3.0	
Reappropriated Funds	0	1,828,823	1,936,455	1,942,045	
SUBTOTAL - (F) End User Services	0	13,186,621	13,607,714	14,110,444	3.7%
<i>FTE</i>	<u>0.0</u>	<u>165.0</u>	<u>165.0</u>	<u>165.0</u>	<u>0.0%</u>
Reappropriated Funds	0	13,186,621	13,607,714	14,110,444	3.7%

*Line item contains a decision item.

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(A) Management and Administration of OIT					
Personal Services	<u>1,028,883</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	8.5	0.0	0.0	0.0	
General Fund	0	0	0	0	
Reappropriated Funds	1,028,883	0	0	0	
Operating Expenses	<u>558,744</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Reappropriated Funds	558,744	0	0	0	
Statewide IT Management	<u>5,709,212</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	52.2	0.0	0.0	0.0	
General Fund	196,332	0	0	0	
Reappropriated Funds	5,512,880	0	0	0	
Office of Information Security Program	<u>1,075,700</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Reappropriated Funds	1,075,700	0	0	0	
Legal Services	<u>44,538</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Reappropriated Funds	44,538	0	0	0	
Indirect Cost Assessment	<u>71,667</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Reappropriated Funds	71,667	0	0	0	

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H.B. 10-1119 Feasibility Study	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
SUBTOTAL - (A) Management and Administration of OIT	8,488,744	0	0	0	0.0%
<i>FTE</i>	<u>60.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	196,332	0	0	0	0.0%
Reappropriated Funds	8,292,412	0	0	0	0.0%

(B) Computer Center Services

(I) Computer Services

Personal Services	46,237,637	<u>0</u>	<u>0</u>	<u>0</u>
FTE	550.4	0.0	0.0	0.0
General Fund	0	0	0	0
Reappropriated Funds	46,237,637	0	0	0
Operating Expenses	8,524,588	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	430,337	0	0	0
Cash Funds	0	0	0	0
Reappropriated Funds	8,094,251	0	0	0
Rental, Lease, or Lease/Purchase of Central Processing Unit	336,034	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0
Reappropriated Funds	336,034	0	0	0

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Indirect Cost Assessment	<u>149,839</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Reappropriated Funds	149,839	0	0	0	
SUBTOTAL	55,248,098	0	0	0	0.0%
<i>FTE</i>	<u>550.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	430,337	0	0	0	0.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	54,817,761	0	0	0	0.0%

(II) Statewide Information Technology Services Administration

Personal Services	<u>354,978</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	6.7	0.0	0.0	0.0	
General Fund	0	0	0	0	
Reappropriated Funds	354,978	0	0	0	
Operating Expenses	<u>4,712</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Reappropriated Funds	4,712	0	0	0	
SUBTOTAL	359,690	0	0	0	0.0%
<i>FTE</i>	<u>6.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Reappropriated Funds	359,690	0	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(III) Customer Service					
Personal Services	814,226	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	13.6	0.0	0.0	0.0	
General Fund	0	0	0	0	
Reappropriated Funds	814,226	0	0	0	
Operating Expenses	14,624	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Reappropriated Funds	14,624	0	0	0	
SUBTOTAL	828,850	0	0	0	0.0%
<i>FTE</i>	13.6	0.0	0.0	0.0	0.0%
General Fund	0	0	0	0	0.0%
Reappropriated Funds	828,850	0	0	0	0.0%
(IV) Technology Management Unit					
Personal Services	2,786,213	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	27.7	0.0	0.0	0.0	
General Fund	0	0	0	0	
Reappropriated Funds	2,786,213	0	0	0	
Operating Expenses	364,369	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Reappropriated Funds	364,369	0	0	0	
SUBTOTAL	3,150,582	0	0	0	0.0%
<i>FTE</i>	27.7	0.0	0.0	0.0	0.0%
General Fund	0	0	0	0	0.0%
Reappropriated Funds	3,150,582	0	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
SUBTOTAL - (B) Computer Center Services	59,587,220	0	0	0	0.0%
<i>FTE</i>	<u>598.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	430,337	0	0	0	0.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	59,156,883	0	0	0	0.0%

(C) Network Services

(I) Network Services

Personal Services	<u>7,332,211</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	72.2	0.0	0.0	0.0
General Fund	0	0	0	0
Reappropriated Funds	7,332,211	0	0	0
Operating Expenses	<u>17,616,685</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	57,499	0	0	0
Cash Funds	228,342	0	0	0
Reappropriated Funds	17,330,844	0	0	0
Indirect Cost Assessment	<u>38,763</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0
Reappropriated Funds	38,763	0	0	0
Toll-free Telephone Access to Members of the General Assembly	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0
Reappropriated Funds	25,000	0	0	0

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
SUBTOTAL	25,012,659	0	0	0	0.0%
<i>FTE</i>	<u>72.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	57,499	0	0	0	0.0%
Cash Funds	228,342	0	0	0	0.0%
Reappropriated Funds	24,726,818	0	0	0	0.0%

(II) Order Billing

Personal Services	<u>600,566</u>	<u>0</u>	<u>0</u>	<u>0</u>	
<i>FTE</i>	7.6	0.0	0.0	0.0	
General Fund	0	0	0	0	
Reappropriated Funds	600,566	0	0	0	
Operating Expenses	<u>5,098</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Reappropriated Funds	5,098	0	0	0	
SUBTOTAL	605,664	0	0	0	0.0%
<i>FTE</i>	<u>7.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Reappropriated Funds	605,664	0	0	0	0.0%

SUBTOTAL - (C) Network Services	25,618,323	0	0	0	0.0%
<i>FTE</i>	<u>79.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	57,499	0	0	0	0.0%
Cash Funds	228,342	0	0	0	0.0%
Reappropriated Funds	25,332,482	0	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(D) Communication Services					
Personal Services	<u>7,958,662</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	40.4	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	4,337,588	0	0	0	0
Reappropriated Funds	3,621,074	0	0	0	0
Operating Expenses	<u>3,980,853</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	3,846,222	0	0	0	0
Reappropriated Funds	134,631	0	0	0	0
Training	<u>7,308</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Reappropriated Funds	7,308	0	0	0	0
Utilities	<u>182,480</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Reappropriated Funds	182,480	0	0	0	0
Local Systems Development	<u>230,842</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Federal Funds	230,842	0	0	0	0
Indirect Cost Assessment	<u>66,909</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Reappropriated Funds	66,909	0	0	0	0

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
SUBTOTAL - (D) Communication Services	12,427,054	0	0	0	0.0%
<i>FTE</i>	<u>40.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	8,183,810	0	0	0	0.0%
Reappropriated Funds	4,012,402	0	0	0	0.0%
Federal Funds	230,842	0	0	0	0.0%

(E) Colorado Benefits Management System

Personal Services	<u>4,741,821</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>FTE</i>	44.2	0.0	0.0	0.0
General Fund	0	0	0	0
Reappropriated Funds	4,741,821	0	0	0
Operating Expenses - Contract Costs	<u>21,575,518</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0
Reappropriated Funds	21,575,518	0	0	0
H.B. 12-1339 CBMS Modernization Project	<u>11,604,875</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>FTE</i>	2.2	0.0	0.0	0.0
General Fund	0	0	0	0
Reappropriated Funds	11,604,875	0	0	0

SUBTOTAL - (E) Colorado Benefits Management System	37,922,214	0	0	0	0.0%
<i>FTE</i>	<u>46.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Reappropriated Funds	37,922,214	0	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
TOTAL - (5) Office of Information Technology	144,043,555	167,359,722	185,786,242	220,013,935	18.4%
<i>FTE</i>	<u>825.7</u>	<u>925.9</u>	<u>935.8</u>	<u>937.5</u>	<u>0.2%</u>
General Fund	684,168	838,749	6,694,063	4,651,457	(30.5%)
Cash Funds	8,412,152	2,393,720	1,250,928	1,250,928	0.0%
Reappropriated Funds	134,716,393	164,127,253	177,720,251	213,990,550	20.4%
Federal Funds	230,842	0	121,000	121,000	0.0%
TOTAL - Governor - Lieutenant Governor - State					
Planning and Budgeting	226,300,691	268,759,280	270,661,393	304,908,418	12.7%
<i>FTE</i>	<u>962.0</u>	<u>1,068.4</u>	<u>1,088.7</u>	<u>1,090.4</u>	<u>0.2%</u>
General Fund	22,232,379	26,845,178	41,668,200	39,538,773	(5.1%)
Cash Funds	45,248,785	49,697,793	42,239,163	42,205,349	(0.1%)
Reappropriated Funds	153,961,844	183,491,965	180,261,421	216,652,429	20.2%
Federal Funds	4,857,683	8,724,344	6,492,609	6,511,867	0.3%

Appendix B: **Recent Legislation Affecting Department Budget**

2014 Session Bills

S.B. 14-005 (Wage Protection Act): Authorizes the Department of Labor and Employment to establish an administrative process to handle wage claim cases received and requires the division to investigate and adjudicate all wage claim cases up to \$7,500 per employee. Reappropriates \$16,480 from the Department of Labor and Employment to the Governor's Office of Information Technology for FY 2014-15 to make programming changes.

S.B. 14-012 (Aid To The Needy Disabled Program): Requires the Department of Human Services to increase the monthly benefit amount for Aid to the Needy and Disabled program by 8.0 percent in FY 2014-15. From FY 2015-16 to FY 2018-19, subject to available appropriations, the Department is encouraged to increase the monthly award until it is equal to the award level in FY 2006-07, and then to increase the award to account for cost of living in future years. Reappropriates \$13,764 from the Department of Human Services to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado Benefits Management System (CBMS).

S.B. 14-014 (Prop Tax Rent Heat Fuel Grants For Low-income): Makes changes to the Property Tax, Rent, and Heat Rebate Program to increase the maximum property tax and rent rebate for income-eligible claimants, establish a flat rate rebate for both the property tax and rent rebate and the heat rebate in an expanded range of income eligibility, and implement various recommendations of the August 2013 legislative audit of the program. Reappropriates \$4,092 from the Department of Human Services to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado Benefits Management System (CBMS).

S.B. 14-030 (Distinguished Flying Cross License Plate Waive Fee): Eliminates all fees for one set of Distinguished Flying Cross license plates, if the cross was awarded for valor. Reappropriates \$824 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System.

S.B. 14-036 (Emergency Medical Services License Plate): Creates the Emergency Medical Services special license plate. The license plate will be available to an applicant who provides documentation to the Department of Revenue confirming that he or she has donated \$10 to the Emergency Medical Services Association of Colorado. Reappropriates \$4,120 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System.

S.B. 14-041 (USS Colorado Submarine Special License Plate): Creates the USS Colorado special license plate. The plate will indicate that the owner is a supporter of the USS Colorado submarine, and will be available on January 1, 2015. Reappropriates \$4,120 from the

Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System.

S.B. 14-075 (Deployed Military Motor Vehicle Fee & Taxes): Exempts members of the United States armed forces who are Colorado residents and deployed outside of the United States for a full year from paying certain motor vehicle registration fees. Reappropriates \$104,030 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System and the GenTax system.

S.B. 14-087 (Identification Card Issuance Standards): Requires the Department of Revenue to report to the Transportation Legislation Review Committee of the General Assembly each year regarding the effectiveness of exceptions processing for identification cards for individuals who are lawfully present in the United States but may have difficulty with certain documentary evidence. Reappropriates \$43,260 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Driver's License System.

S.B. 14-129 (Marijuana Criminal Provision Clean Up): Makes various changes to criminal penalties for offenses involving marijuana, and reappropriates \$4,120 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 for computer programming changes.

S.B. 14-130 (Increase Personal Care Allowance Nursing Facility): Raises the per month basic minimum amount that State licensed nursing facilities and intermediate care facilities allow a long-term care resident as a personal needs allowance. Reappropriates \$6,203 from the Department of Human Services to the Governor's Office of Information Technology for FY 2014-15 for changes to the Colorado Benefits Management System (CBMS).

S.B. 14-166 (Create By Colorado App To Promote Businesses In CO): Requires the Office of Economic Development and International Trade to contract for the creation of the By Colorado App, mobile application software that allows a user to search for goods and services offered by businesses that are located, owned, headquartered in, or conduct manufacturing in the state. Appropriates \$86,600 General Fund to the Office of Economic Development and International Trade for FY 2014-15 to contract for the creation of the mobile application. Reappropriates \$85,000 of this amount to the Governor's Office of Information Technology to procure the services to develop the mobile application.

S.B. 14-172 (Firefighter Heart Circulatory Malfunction Benefits): Requires any municipality, special district, fire authority, or county improvement district employing one or more firefighters to provide benefits for heart and circulatory malfunctions for full-time firefighters, as long as the State provides sufficient funding to cover the cost. Reappropriates \$20,960 from the Department of Local Affairs to the Governor's Office of Information Technology for FY 2014-15 for programming services.

S.B. 14-194 (Driver's License Fee Allocations): Modifies the statutory provisions associated with the collection and processing of fees for the issuance of driver's licenses. Reappropriates

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\$6,077 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Driver's License System to allow county clerks to retain the adjusted amount of a driver's license fee.

S.B. 14-215 (Disposition Of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund for tax revenue collected in connection with the retail marijuana industry. The taxes include the excise tax revenue on wholesale marijuana in excess of \$40.0 million per year, the 10.0 percent sales tax revenue less 15.0 percent to local government, and sales tax revenue from the 2.9 percent State sales tax on both retail and medical marijuana. Appropriates \$190,097 from the Marijuana Tax Cash Fund and 2.0 FTE to the Office of the Governor for the creation of the Office of Marijuana Coordination.

S.B. 14-223 (Payment Claims Lower North Fork Wildfire): Amends the Colorado Governmental Immunity Act to include specific provisions governing the settlement of outstanding claims relating to the Lower North Fork Wildfire. Reduces \$1.0 million General Fund for economic development incentives in the Office of Economic Development and International Trade for FY 2014-15 to cover the costs associated with S.B. 14-223. The bill also includes a provision whereby the reduction in funds for the Office for economic development incentives will be replenished in a like amount if the State's General Fund revenues for FY 2013-14 are greater than obligations.

H.B. 14-1012 (Advanced Industry Investment Income Tax Credit): Repeals the Colorado Innovation Investment Income Tax Credit and replaces it with the Advanced Industry Investment Income Tax Credit. The total amount of the tax credit shall not exceed \$375,000 for the 2014 calendar year and \$750,000 for each of the 2015, 2016, and 2017 calendar years. Appropriates \$80,307 from the Advanced Industry Investment Tax Credit Cash Fund and 0.5 FTE to the Office of Economic Development and International Trade for FY 2014-15 to implement and administer the tax credit.

H.B. 14-1029 (Disabled Parking License Plates Placards): Repeals and reenacts the laws governing reserved parking for persons with disabilities, and makes clarifying changes to the program. Reappropriates \$4,120 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System to update registration and title modules.

H.B. 14-1034 (Wine Packaging Permits): Creates a wine packaging permit to be issued by the Department of Revenue that allows a licensed winery to package wine manufactured by another winery. Reappropriates \$4,102 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make programming changes to the licensing system.

H.B. 14-1066 (County Clerk And Recorder Driver's License Fee): Adjusts the amount of a driver's license fee that may be retained by a county clerk when issuing a driver's license. Reappropriates \$6,592 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Driver's License System to allow county clerks to retain the adjusted amount of a driver's license fee.

H.B. 14-1093 (Establish Creative District Community Loan Fund): Creates the Creative District Community Loan Fund in the Office of Economic Development and International Trade. Loans or loan guarantees are made for projects in State-certified creative districts or candidate districts, administered by the Creative Industries Division in the Office. Loans are available to fund the development and construction of commercial and mixed-use real estate projects, community facilities, and infrastructure. Loans from the fund must be accompanied by matching funds of at least three times the amount of the loan, including in-kind contributions of property. Appropriates \$100,000 General Fund to the Creative District Community Loan Fund for FY 2014-15 and reappropriates a like amount to the Office for FY 2014-15 for loans and loan guarantees, as well as for the administration of the program.

H.B. 14-1100 (Motor Vehicle Title Branding): Requires that branding be placed on the certificate of title of a motor vehicle in instances where the vehicle is non-repairable, flood-damaged, has had the odometer tampered with, has an incorrect odometer, or has a designation placed on the title by another jurisdiction. Reappropriates \$97,850 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System to capture and retain title brand information and to print the brand information on the title.

H.B. 14-1203 (Funding For Digital Trunked Radio System Maintenance): Establishes a \$3.5 million annual appropriation beginning in FY 2013-14 and continuing for 12 years from the General Fund or any other designated fund to replace legacy radio equipment and hardware at radio tower sites that are part of the Digital Trunked Radio System (DTRS). In addition, beginning in FY 2017-18 and continuing for eight years, the bill establishes an annual appropriation of \$3.7 million from the General Fund or any other designated fund to upgrade and maintain software used to operate the DTRS. The General Assembly shall annually determine the amount to be appropriated from the General Fund or any other designated fund source. Appropriates \$3.5 million from the General Fund to the Public Safety Communications Trust Fund for FY 2013-14 and FY 2014-15 and reappropriates a like amount to the Governor's Office of Information Technology for FY 2013-14 and FY 2014-15.

H.B. 14-1311 (Job Creation & Main Street Revitalization Act): Creates an income tax credit for a property owner that completes a qualified rehabilitation project on a historical property. Appropriates \$106,283 General Fund and 0.5 FTE to the Office of Economic Development and International Trade for a program manager to partner with the Historical Society and the Department of Revenue to assist in developing the criteria, processes, and procedures for determining eligibility for the income tax credit. In addition, the Office will incur other operating expenses such as hiring a consultant to facilitate the development of the program. The Office will also require programming changes to its Salesforce computer program.

H.B. 14-1317 (Colorado Child Care Assistance Program Changes): Makes various changes to the Colorado Child Care Assistance Program (CCCAP) administered by the Department of Human Services. Reappropriates \$1,387,841 from the Department of Human Services to the Governor's Office of Information Technology for FY 2014-15 to make programming changes to the Colorado Benefits Management System (CBMS), Child Care Automated Tracking System (CHATS), and Automated Child Support Enforcement System (ACSES).

H.B. 14-1326 (Tax Incentives For Alternative Fuel Trucks): Makes changes to areas of tax policy affecting low-emission and alternative fuel vehicles. Reappropriates \$412 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System for the taxable value of Class A and Class B vehicles.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1350 (Modifications To Regional Tourism Act): Changes the application process for Regional Tourism Act projects, and limits the amount of State sales tax increment financing that can be approved for each future project. Provides the Office of State Planning and Budgeting with \$176,454 cash funds spending authority for FY 2014-15 to contract with a third party to conduct an economic analysis of regional tourism projects. Appropriates \$50,000 General Fund to the Office for additional analytical work related to regional tourism projects.

H.B. 14-1360 (Sunset Review Licensure Of Home Care Agencies): Continues the regulation of home care agencies and home care placement agencies until September 1, 2019, and implements the recommendations contained in the Department of Regulatory Agencies' sunset report. Reappropriates \$53,560 from the Department of Public Health and Environment to the Governor's Office of Information Technology for FY 2014-15 to make programming modifications to the licensing system and the survey and inspection tracking system.

H.B. 14-1367 (Autocycles, Motorcycles, & Motor Vehicles): Defines "autocycle" and removes this type of vehicle from classification and regulation as a motorcycle. Reappropriates \$33,990 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System to create a new "autocycle" license plate type, to allow for autocycle registration, and to collect and distribute fees.

2015 Session Bills

S.B. 15-014 (Medical Marijuana): Makes several changes to the regulation of medical marijuana in Colorado. As it relates to the Governor's Office of Information Technology, it transfers \$1,068,560 from the Department of Public Health and Environment's Medical Marijuana Program Cash Fund to the Office for FY 2015-16 to enhance the Medical Marijuana Registry Database.

S.B. 15-029 (Volunteer Firefighter Pension Plan Study): Requires the Office of the State Auditor (OSA) to coordinate a study concerning the structure and tax consequences of current volunteer firefighter pension plans (VFPPs) in Colorado. As it relates to the Governor's Office of Information Technology, it transfers \$848 General Fund to the Office for FY 2015-16 to support the Department of Local Affairs subject matter expert.

SB 15-185 (Police Data Collection and Community Policing) Creates the "Community Law Enforcement Action Reporting (CLEAR) Act." As it relates to the Governor's Office of

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Information Technology, it transfers \$9,800 General Fund to the Office for FY 2015-16 to support the Department of Corrections in updating its computer system to separate race from ethnicity for data tracking purposes.

S.B. 15-229 (ALS Motor Vehicles License Plate): Creates the Amyotrophic Lateral Sclerosis (ALS) license plate. The license plate will be available to any applicant who pays the standard license plate taxes and fees and a one-time additional special license plate fee of \$50 on January 1, 2016, or when the Rocky Mountain Chapter of the ALS Association has collected 3,000 signatures of individuals committing to purchase the plate, whichever is later. Appropriates \$5,304 cash funds to the Department of Revenue for FY 2015-16. Of this amount, \$4,120 is reappropriated to the Governor’s Office of Information Technology.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

SB 15-239 (Transfer Vocational Rehab from DHS to CDLE): Transfers the state's vocational rehabilitation programs from the Department of Human Services (DHS) to the Colorado Department of Labor and Employment (CDLE) beginning July 1, 2016. As it relates to the Governor’s Office of Information Technology, it transfers \$59,280 General Fund to the Office for FY 2015-16 to support the IT needs associated with the personnel transfer.

SB 15-282 (Jump-start Prog Econ Dev Distressed Counties): Provides tax benefits to approved new businesses that locate inside a rural jump-start zone and establish a relationship with a State institution of higher education, junior college, or an area vocational school. A rural jump start zone is an area within a distressed county. The Colorado Economic Development Commission will be responsible for developing guidelines for the administration of the rural jump-start zone program and identifying eligible distressed countries. Appropriates \$125,983 and 1.0 FTE to the Office of Economic Development and International Trade for FY 2015-16 to manage the program and to modify the computer system that manages program data.

S.B. 15-288 (Compensation Paid to Elected Officials): Replaces the existing fixed dollar salaries listed in statute for certain state officials and state legislators with a new method for determining salaries that aligns them to certain judicial officers' salaries. The new method for determining these salaries will begin January 2019, and salary amounts will be adjusted every four years to maintain the alignment.

Change in Salaries for Selected State Officials Beginning January 2019				
State Official	Current Salary (established January 1999)	Benchmarks for Salaries Beginning January 2019		
		Colorado Judicial Officer	Percent of Judicial Officer Salary	Estimated Salaries as of January 2019 ^{1/}
Governor	\$90,000	Chief Justice, Colorado Supreme Court	66.0%	\$128,049
Lieutenant Governor	68,500	County Court Judges, Class B Counties	58.0%	97,040
Attorney General	80,000	Chief Judge, Colorado Court of Appeals	60.0%	111,916

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Change in Salaries for Selected State Officials Beginning January 2019				
State Official	Current Salary (established January 1999)	Benchmarks for Salaries Beginning January 2019		
		Colorado Judicial Officer	Percent of Judicial Officer Salary	Estimated Salaries as of January 2019 ^{1/}
State Legislators	30,000	County Court Judges, Class B Counties	25.0%	41,828
Secretary of State	68,500	County Court Judges, Class B Counties	58.0%	97,040
Treasurer	68,500	County Court Judges, Class B Counties	58.0%	97,040

^{1/} Estimates are based on judicial officer salaries established for FY 2015-16 through footnote 45 of the FY 2015-16 Long Bill (S.B. 15-234), increased by estimated inflation rates of 2.5 percent in FY 2016-17 and 2.3 percent each fiscal year thereafter.

Increases statutory salaries for county commissioners, sheriffs, treasurers, assessors, clerks, coroners, and surveyors by 30.0 percent, effective January 2016. Requires the Director of Research of the Legislative Council to periodically adjust the salaries of these elected county officials for inflation, and post the adjusted salary amounts on the General Assembly's web site.

SB 15-290 (Colorado Student Leaders Institute): Creates the “Colorado Student Leaders Institute,” a competitive summer residential education program for high school students. The institute will operate for four weeks each summer on the campus of an institution of higher education. Transfers \$218,825 from the Department of Education’s State Education Fund to the Office of the Lieutenant Governor for FY 2015-16. The Office will use the funds to implement the program and hire 1.0 FTE for program administration.

H.B. 15-1004 (Firefighter Motorcycle License Plate): Directs the Department of Revenue to issue firefighter license plates for motorcycles, passenger cars, trucks, or recreational motor vehicles that do not exceed 16,000 pounds empty weight. This adds motorcycles to the list of vehicles that may use a firefighter license plate. Transfers \$4,120 from the Department of Revenue’s Colorado State Titling and Registration Account in the Highway Users Tax Fund to the Governor’s Office of Information Technology to update the Colorado State Titling and Registration System (CSTARS).

H.B. 15-1026 (Reserved Parking Disabled Military License Plates): Allows the Division of Motor Vehicles (DMV) within the Department of Revenue to create and issue a people with disabilities (PWD) version for each of the 36 other military special license plates. The DMV will also create a people with disabilities version of each of the 36 military motorcycle special license plates. In total, 72 new PWD military veterans license plates will be created. Appropriates \$58,134 cash funds to the Department of Revenue in FY 2015-16. Of this amount, \$52,942 is reappropriated to the Governor’s Office of Information Technology to update the Colorado State Titling and Registration System (CSTARS).

H.B. 15-1170 (Increasing Postsecondary and Workforce Readiness): Creates the position of postsecondary and workforce readiness statewide coordinator within the Department of Labor

and Employment to work with local education providers, businesses, industry, area vocational schools, community colleges, the Department of Education, the Department of Higher Education, and the career and technical education division within the community college system to raise the level of postsecondary and workforce readiness achieved by high school students. Beginning in FY 2016-17, modifies the statewide education accountability system by requiring the Department of Education to include the percentages of high school graduates who enroll in a career and technical education program, community college, or four-year institution of higher education as measures of postsecondary and workforce readiness. For FY 2015-16, makes the following appropriations: (1) \$92,934 General Fund and 0.7 FTE to the Department of Education; (2) \$118,969 General Fund to the Department of Labor and Employment (DOLE); and (3) \$20,000 reappropriated funds (from the appropriation to the DOLE) to the Office of the Governor for information technology services.

H.B. 15-1219 (Enterprise Zone Investment Tax Credit for Renewable Energy Projects):

Allows a taxpayer who places a renewable energy project in an enterprise zone and receives certification to claim an Enterprise Zone Investment Tax Credit (ITC) for the project an option to receive a refund of the credit. The amount of the refund is equal to 80 cents for every one dollar of ITC credit and is capped at \$750,000 per tax year and taxpayer. Renewable energy investments completed on or after January 1, 2015 may elect to receive a refund. A taxpayer can only receive a refund from one new renewable investment at a time. The taxpayer must exhaust the full amount of the refund from one project before electing to receive a refund from another renewable energy investment that generated ITC credits. Requires the Governor's Office of Economic Development and International Trade to annually post on its website the level of renewable energy investment and other information resulting from the refund. Appropriates \$20,000 General Fund to the Office for FY 2015-16 to modify the computer system that manages program data. Additionally, appropriates \$33,000 General Fund to the Department of Revenue in FY 2015-16. Of this amount, \$1,200 is reappropriated to the Department of Personnel.

H.B. 15-1313 (Rocky Mountain National Park License Plate): Creates the Rocky Mountain National Park License Plate. For FY 2015-16, it appropriates \$5,452 cash funds to the Department of Revenue and \$4,120 in reappropriated funds to the Governor's Office of Information Technology to update the Colorado State Titling and Registration System (CSTARS).

H.B. 15-1366 (Expand Job Growth Tax Credit for Higher Education Projects): Changes the job growth incentive tax credit for taxpayers who enter into a partnership with a state institution of higher education. In particular, this bill allows the credit to be refundable under certain conditions and relaxes the requirements to qualify for the credit. Firms must create at least five jobs with wages of at least 100.0 percent of the average wage within the county in which the new jobs are located, and retain those jobs for one year. For FY 2015-16, appropriates \$94,251 General Fund and 1.0 FTE to the Office of Economic Development and International Trade to administer the program and to modify the computer system that manages program data.

Appendix C: Update on Long Bill Footnotes & Requests for Information

Long Bill Footnotes

The Office of the Governor’s FY 2015-16 Long Bill did not contain any footnotes that require an update.

Requests for Information

- 1 Governor – Lieutenant Governor – State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Public Safety, Division of Homeland Security and Emergency Management, Office of Emergency Management, Disaster Response and Recovery --** The Office of Emergency Management is requested to work with the Office of State Planning and Budgeting to provide a report to the Joint Budget Committee by November 1, 2015, concerning revenues credited to and expenditures made from the Disaster Emergency Fund in fiscal years 2014-15 and 2015-16 year-to-date. The report is requested to include the following: (a) amounts authorized to be transferred to the Disaster Emergency Fund, by Executive Order and fund source; (b) amounts actually transferred to the Fund, by date and fund source; and (c) actual expenditures from the Fund, by date and declared disaster emergency.

Comment: The Office of the Governor and the Department of Public Safety provided a response to this request. It will be addressed in a separate staff briefing for the Department of Public Safety on Monday, December 7th.

- 2 Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Governor, Colorado Energy Office --** The Colorado Energy Office is requested to submit a report to the Joint Budget Committee on November 1, 2015. At a minimum, the report shall specify the following information with regard to the programs administered by the Office in FY 2014-15: (1) the amount of moneys expended in FY 2014-15 from the Clean and Renewable Energy Fund, Innovative Energy Fund, Colorado Low-income Energy Assistance Fund, and Public School Energy Efficiency Fund; (2) the goals and objectives that the moneys in section (1) were intended to achieve; (3) the performance measures used by the Office to monitor the status of moneys outlined in section (1) against said measures; and (4) the status of the performance measures outlined in section (3).

Comment: The Colorado Energy Office provided a report with the required information. The following funds were used for the following purposes. Note, the full report, including specific goals and measures, is available, upon request.

JBC Staff Budget Briefing – FY 2016-17
Staff Working Document – Does Not Represent Committee Decision

FY 2014-15 Colorado Energy Office Expenditures		
Fund	Amount	Purposes of Expenditures
Clean and Renewable Energy Fund	\$2,033,519	Increase the number of highly energy efficient facilities, increase the percentage of electric (EV) light duty vehicles, communications and outreach
Innovative Energy Fund	\$1,760,330	Increase the percentage of new medium and heavy duty compressed natural gas (CNG) vehicles, increase the diversity of the electric generation portfolio, increasing opportunities for innovative projects in the oil and gas industry, communications and outreach
Low-income Energy Assistance Fund	\$7,508,826	Install energy efficiency measures in homes
Public School Energy Efficiency Fund	\$71,902	Improve energy efficiency in schools

- 3 Governor - Lieutenant Governor - State Planning and Budgeting, Office of Information Technology** -- The Governor’s Office of Information Technology is requested to submit a report to the Joint Budget Committee and all executive branch agencies on September 1, 2015. At a minimum, the report shall include recoverable costs and rates for each service and service category for the FY 2015-16 base information technology appropriation contained in the FY 2015-16 Long Bill appropriations act. Additionally, the report shall include FY 2015-16 base information technology appropriations contained in the FY 2015-16 Long Bill appropriations act by agency, service name, utilization, allocated rate, utilization criteria, and appropriation allocation.

Comment: The report was submitted to the Joint Budget Committee and has been incorporated into the briefing issue entitled “*Statewide Information Technology Base Budget Request.*”

Appendix D: SMART Act Annual Performance Report

Pursuant to Section 2-7-205 (1) (b), C.R.S., the Office of the Governor is required to publish an Annual Performance Report by November 1 of each year. This report is to include a summary of the Office's performance plan and most recent performance evaluation. For consideration by the Joint Budget Committee in prioritizing the Office's budget request, the FY 2014-15 reports for units within the Office can be found at the following links:

- Office of Economic Development and International Trade – <https://goo.gl/xV0JyD>
- Colorado Energy Office – <https://goo.gl/KZfFi0>
- Office of Information Technology – <https://goo.gl/7lrBJ2>

Pursuant to Section 2-7-204 (3) (a) (I), C.R.S., the Office of the Governor is required to develop a performance plan and submit that plan to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year. For consideration by the Joint Budget Committee in prioritizing the Office's budget request, the FY 2015-16 plans for units within the Office can be found at the following links:

- Office of Economic Development and International Trade – <https://goo.gl/SkDeJJ>
- Colorado Energy Office – <https://goo.gl/8decwk>
- Office of Information Technology – <https://goo.gl/Wc4ttW>

Appendix E: House Bill 14-1203 Accountability Report

House Bill 14-1203 (Funding For Digital Trunked Radio Sys Maintenance) established a \$3.5 million annual appropriation beginning in FY 2013-14 and continuing for 12 years from the General Fund to replace legacy radio equipment and hardware at radio tower sites that are part of the Digital Trunked Radio System (DTRS). In addition, beginning in FY 2017-18 and continuing for eight years, the bill established an annual appropriation of \$3.7 million from the General Fund to upgrade and maintain software used to operate the DTRS.

To assist the legislature in maintaining adequate oversight of the ongoing upgrade projects, H.B. 14-1203 required the Office of Information Technology (OIT) to submit a report by November 1st each year through 2025 detailing the use of the moneys appropriated each year via this legislation. The annual reports must include the purposes for which the moneys appropriated were used during the prior fiscal year, are being used during the current fiscal year, and the anticipated use of the moneys that will be appropriated in future fiscal years.

The following pages include the November 1, 2015 report in its entirety (eight pages).

EXECUTIVE SUMMARY

ABOUT THE PUBLIC SAFETY COMMUNICATIONS NETWORK

The Governor's Office of Information Technology (OIT) is statutorily required (*C.R.S. 24-37.5-502*) to serve the two-way radio communications needs of all state departments, including but not limited to the departments of public safety, transportation, corrections, and natural resources. The Public Safety Communications Network (PSCN) under the OIT is responsible for all things directly, and in some cases indirectly, related to public safety two-way radio voice communications. The safety of the citizens and first responders in Colorado is always the top priority and primary focus for the members of the PSCN team. Two-way voice communications systems providing service to public safety first responders must meet or exceed the industry standard 'Rule of Five-Nines.' Translated, that means that public safety voice communications systems must remain in service and available for first responder access a minimum of 99.999% of the time. The dedicated PSCN team is proud to uphold those standards for the digital trunked radio system (DTRS) and other public safety communications systems in use by state agencies statewide.



The state has ownership and maintains full responsibility for the primary Zone Master Site Controller (also known as 'Zone 1') located at the Denver Transmitter Building. The Zone 1 Master Site is the 'hub' of all DTRS network connectivity and system control. In addition to the Zone 1 Master Site, the state owns, manages and supports two of the other four Zone Master Site Controllers currently supporting the DTRS statewide. Zone 2 is located in Grand Junction and provides system connectivity for the transmitter (tower) sites on the western slope. Zone 3 is located in Fort Collins and provides connectivity for transmitter sites primarily in the northeast quadrant of the state.

Support and maintenance of the DTRS is broad in scope and includes all things related to all systems that directly impact the performance and reliability of the DTRS. Engineering and electronic specialists must be trained and remain proficient at installation, service, repair and maintenance of all systems at state owned and managed Zone Master Sites and transmitter sites. This includes, but is not limited to knowledge and proficiency of all computer software programs operating various components of the system, 24-hour system monitoring and alarm notification, installation, service and maintenance of all backup power generators and heating/air conditioning units at transmitter sites and routine safety checks and preventive maintenance and repairs of the tower structures and equipment shelters at the sites. Winter survival training and safe operation of the state Sno-cats is mandatory for all specialists responsible for the operation and maintenance of our mountain top sites. Our electronic specialists are geographically and strategically stationed in shops across the state to ensure an immediate response to alarm notifications of any system component trouble or failure. Routine preventive maintenance by the regional specialists ensures the highest level of performance and prevents interruptions in service and loss of availability. Technicians providing onsite maintenance are able to identify early warning signs of potential failure and immediately take the necessary preventive actions to make repairs and/or plan for replacement of failed or failing components. Our teams are accomplished FCC licensed professionals that are acutely proficient at utilizing the resources required to provide this mission critical service to our users.

Our technical staff provides programming, installation, and repair of mobile (vehicle) and portable (hand-held) radios for state agencies and administrative staff manages leases, rights of way, and easements for state transmitter sites.

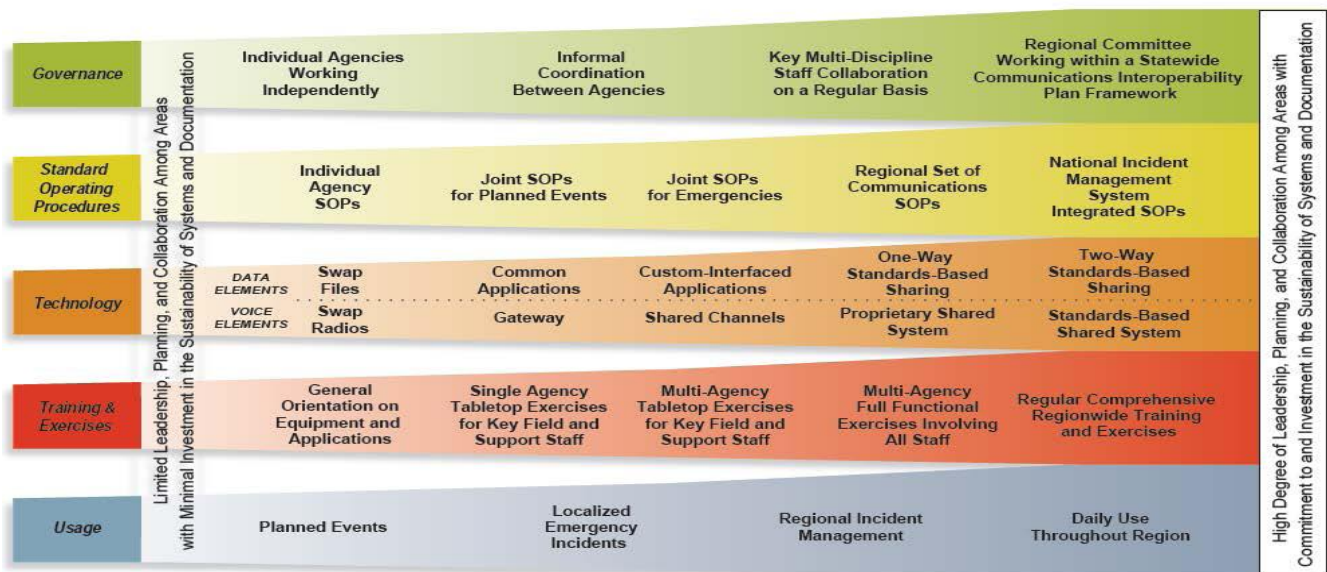
In addition to the responsibilities of the DTRS, the PSCN team also provides support, service, and maintenance for the network of VHF repeaters across the state. This network of VHF repeaters serves to provide state agencies with a means of interoperable communications in some of the state’s remote areas and areas with difficult terrain where DTRS coverage is not optimal or unavailable.

ABOUT DTRS

- DTRS provides a near seamless statewide wireless system that enables direct communications between first responder / public safety agencies across jurisdictional and regional boundaries. Ownership is shared among jurisdictions.
- DTRS capabilities include replacement of multiple disparate and obsolete radio systems operated by state and local agencies with a single integrated system. Partnerships between state, local, regional, tribal and federal government agencies make this mission critical public safety communications network possible.
- DTRS is available to all public safety, public service and other governmental agencies that choose to use DTRS as their primary radio system for daily operations, or for agencies that may choose to utilize the resources of the DTRS for communications interoperability only.
- This system is available with 24x7x365 maintenance and support from local, state and vendor partners.
- DTRS supports reliable wireless voice communications.
- DTRS meets the highest level of interoperability for Technology on the Department of Homeland Security SAFECOM Interoperability Continuum.



SAFECOM - Interoperability Continuum



DTRS FACTS & RECORDED STATISTICS

As of October 1, 2015

- 220 active radio (tower) sites operating on five Master Zone Switch Controllers and 45+ dispatch sites
- Mobile (in vehicle) radio coverage provided to approximately 93%-95% of state roadways, using state OIT coverage modeling software.
- Utilizes frequencies in both the 700 MHz and 800 MHz bands.
- Over 82,000 subscriber radios operating on DTRS, representing over 1,000 local, regional, tribal, state and federal agency first responders. Approximately 18% represent users from state government. The remaining 82% are divided between local, regional, tribal and federal government agencies.
- State of Colorado PSCN engineers and technicians are responsible for the service and maintenance of 60% of the Zone Master Site Controllers and roughly 70% of the statewide transmitter sites with local government agencies being responsible for the remainder.
- Calendar year 2014 records define a total of 96,299,794 voice calls on the DTRS, or a monthly average of just over 8 million voice calls totaling 163,742 hours of talk time. The majority of these voice calls are serving day-to-day operations for primary DTRS user agencies.
- January through September 2015 records show a 9-month total of 71,043,999 voice calls on the DTRS, or a monthly average of just under 8 million voice calls totaling 128,656 hours of talk time. The majority of these voice calls are serving day-to-day operations for primary DTRS user agencies.

PSCN PROJECT FY15 ACCOMPLISHMENTS

- Ongoing replacement of legacy DTRS radio transmitters at state tower sites is underway. We have currently completed full replacement of DTRS transmitters (channels) at 98 state transmitter sites, containing 552 radio transmitters. Appropriations received from the General Fund through the Public Safety Trust Fund, per HB 14-1203.
- Replacement of the legacy microwave equipment used for DTRS networking was recently approved from FY16. Draft RFP is currently in review and will be released for vendor consideration and response by end of calendar year 2015. This project will be implemented over a five-year period. The new technology will provide greater capacity, increased reliability, enhanced performance, significantly improved redundancy, and greater ability to remotely monitor the health and wellbeing of the network. Appropriation received through Capital Development Funding.
- Replacement of antiquated microwave rectifiers and supporting microwave battery banks is currently underway at State owned/managed sites. The project is estimated at 65% complete, with all sites on the western slope done, and eastern slope sites in progress. Appropriations from Controlled Maintenance Fund.
- The Walton Peak equipment shelter replacement project is complete. Crews recently completed DTRS and microwave equipment relocation to the new facility. A CDOT Aeronautics Division Automated Weather Observing System (AWOS) site was also installed at this site. The addition of the AWOS equipment will provide the aviation community with immediate access to current and/or rapidly changing weather conditions as they fly in and through the area. Appropriations from Controlled Maintenance Fund.
- Replacement of eleven (11) aged backup power generators at state owned DTRS sites is complete. Installation of the final four generators is pending. Appropriations received from the Controlled Maintenance Fund.
- Tower replacements are in progress. Appropriations from the Controlled Maintenance Fund.

- o The permitting process for the Sunlight DTRS site in Garfield County is complete. Groundbreaking for the Sunlight DTRS tower took place the end of August, 2015 and the concrete base has been poured; construction has been halted due to weather and will resume following the 2016 spring thaw. Completion of the project is anticipated by mid-summer 2016.
 - o Permitting for the tower replacement at the La Veta Pass DTRS site is in progress. Land lease with the BLM is complete, and construction permits are in progress.
 - o Tower replacements are scheduled at the Reiradon (Logan), Buckhorn (Larimer), Cheyenne Mountain (El Paso), and Toonerville (Bent) state DTRS sites over a period of the next 36-months.
- The PSCN currently has a communications tower and regional comm services maintenance shop located on Colorado Department of Transportation (CDOT)-Region 4 property in Greeley. This tower hosts DTRS transmitters and is a major microwave relay site and fiber hub for northeast Colorado DTRS site connectivity. This site location also provides fiber connectivity to the State Zone 3 Master Site (Controller) located in Fort Collins. CDOT-Region 4 is nearing completion of construction of new facilities west of Greeley. CDOT intends to sell their existing property and use proceeds from the sale to offset costs of their new facility. The PSCN tower site must be relocated from its current central location the property, to a proposed parcel at the extreme northwest corner of the CDOT property. Civil work is underway to subdivide the property, purchase the northwest parcel of the property, and relocate the tower and maintenance shop to the parcel. CDOT has announced plans to move to their new facilities in November, 2015. PSCN is guiding efforts to move this project forward, with the assistance of the Office of the State Architect (OSA). Project approved by the Capital Development Committee. Funded through the Long Bill.
- Connectivity of the Inter Sub-system Interface (ISSI) providing interoperability between the Front Range Communications Consortium (FRCC) and the DTRS has been achieved. Testing of system components for reliability to public safety first responder, research in to potential system overloading created by use of multiple system resources during an event, training of dispatch center personnel on the technology and limitations of its use, and education and outreach to public safety users on ISSI capabilities and limitations must be conducted and completed prior to full deployment. It is estimated that full deployment may occur something during 1Q 2016. Colorado Department of Public Safety was appropriated the funding for this project through the General Fund.

ADDRESSING STATEWIDE DTRS COVERAGE NEEDS

- DTRS sites were added in 2014/15 and additional sites have been identified and are being added in 2015/16 by state and local governments. These sites are filling known DTRS coverage gaps. Several additional sites are currently in various stages of planning and construction. PSCN teams are currently providing engineering and technical support and working cooperatively with local governments and state agencies on the following expansion and proposed expansion DTRS sites:
 - o Caviness Mountain - (located in Montezuma County) Local and State joint effort - will fill a critically needed coverage gap along US Hwy 160 in the area of Mancos, CO and the surrounding area, including some areas of La Plata County. Site connectivity to the state DTRS via state microwave to the State Zone 2 Master Site Controller in Grand Junction.
 - o East Beacon - Eagle County expansion site filling a known coverage gap. Construction of the site is underway with an expected operational date by end of calendar year 2015. Site connectivity to

the state DTRS through multiple microwave paths to the State Zone 2 Master Site Controller in Grand Junction.

- o Killpecker Mtn - (located in Larimer County) Larimer County expansion site to fill a coverage gap in the higher western area of Larimer County. Site connectivity to the state DTRS through multiple microwave paths to the State Zone 3 Master Site Controller in Fort Collins.
 - o McClure Pass - (located in Gunnison County) Pitkin/Eagle/Gunnison/Garfield/State of Colorado/Holy Cross Energy cooperative effort. This site is on US Forest Service lands. All involved agencies are currently working through feasibility studies to include possible USFS lease, permissions to trench utility electric service, costs for construction, and costs for equipment. The site would provide critically needed coverage for regional benefit across multiple counties. Site connectivity will be through multiple microwave paths to the State Zone 2 Master Site Controller in Grand Junction.
 - o Douglas County - adding multiple sites for two simulcast cells to improve coverage and better utilize site resources. Site connectivity through multiple microwave paths to the State Zone 1 Master Site Controller in Denver.
 - o Colorado Springs - (located in El Paso County) State of Colorado expansion site providing enhanced coverage and a greater level of redundancy for state and local public safety communications in the area. This site has been installed and is currently operational. Site connectivity to the DTRS is on multiple state microwave paths to the Pueblo Zone 6 Master Site Controller in Pueblo.
 - o DIA - RTD expansion site for improved coverage for the new light rail line to DIA. This site is currently operational. Site connectivity to the DTRS is through multiple microwave paths and fiber connections to the State Zone 1 Master Site Controller in Denver.
 - o Commerce City - RTD expansion site for improved coverage in the area and connectivity for their DIA expansion site. This site is currently operational. Site connectivity to the DTRS is through multiple microwave paths and fiber connections to the State Zone 1 Master Site Controller in Denver.
 - o Eldora - Boulder County and RTD expansion site filling a critical coverage gap in Boulder County. This site is currently operational. Site connectivity to the DTRS is through multiple microwave paths and fiber connections to the State Zone 1 Master Site Controller in Denver.
 - o Red Table - (located in Eagle County) State expansion site (joint effort with Holy Cross Energy) providing badly needed coverage primarily in Pitkin and Eagle Counties, but also adding enhanced signal coverage and a level of redundancy in to the marginal areas of coverage in eastern Garfield County. This site has been installed and is currently operational. Site connectivity to the DTRS is through multiple microwave paths to the State Zone 2 Master Site Controller in Grand Junction.
- The PSCN is currently working in close partnership with Pitkin County in support of a planned complete migration from their existing VHF system to the DTRS as their primary means of public safety communications. PSCN staff is providing engineering and technical support to assist the county with keeping costs manageable as they expand their network of DTRS sites. Several (possibly 5) existing VHF/TV transmitter tower sites are currently included in the Pitkin County long range plan for development as expansion DTRS sites. Proposed site connectivity will be through multiple microwave paths to the State Zone 2 Master Site Controller in Grand Junction.

H.B. 14-1203 FUNDING ACCOUNTABILITY - DTRS SITE EQUIPMENT REPLACEMENTS

FY 14 FUNDING			FY15 FUNDING		
Site Name	Area / County	Date completed	Site Name	Area / County	Date completed
Phillips	NE / Phillips	27-August-2015	Bakers Peak	NW / Moffat	29-Oct
Sterling CF	NE / Logan	2-Dec	Vermillion	NW / Moffat	28-Oct
Wray	NE / Yuma	23-Oct	Grouse	NW / Grand	15-Oct
Peetz	NE / Logan	24-Sep	Hayden	NW / Routt	21-Oct
Julesburg	NE / Sedgwick	17-Sep	Rico	SW / Dolores	28-Oct
Yuma	NE / Yuma	2-Oct	Silverton	SW / San Juan	4-Nov
Idalia	NE / Yuma	27-Aug	Coal Bank	SW / San Juan	30-Oct
Buffalo Pass	NW / Jackson	2-Sep	Egnar	SW / San Miguel	6-Nov
Harper Hill	NW / Moffat	19-Aug	Smelter	SW / La Plata	5-Nov
Farwell	NW / Routt	3-Sep	Dolores	SW / Dolores	10-Nov
Grassy	SW / La Plata	11-Nov	Log Hill	SW / Ouray	15-Oct
Abajo Peak	SW / Utah	12-Aug	Sunset Mesa	W / Montrose	18-Nov
La Monte Peak	SW / La Plata	18-Aug	TeePee Park	NW / Rio Blanco	30-Oct
Missionary	SW / La Plata	20-Aug	Sheeps Knob	W / Montrose	14-Oct
Oak Brush Hill	SW / Archuleta	26-Aug	Delta	W / Delta	20-Nov
Sandoval	SW / Archuleta	25-Aug	San Luis	SC / Costilla	27-May-2015
Ute Mtn	SW / Montezuma	19-Aug	Monte Vista	SC / Rio Grande	28-May-2015
King Mtn	NW / Routt	12-Aug	Wolf Creek Pass	SC / Mineral	11-August-2015
Cathedral Bluffs	NW / Rio Blanco	27-Aug	Creede	SC / Mineral	10-August-2015
TV Hill	W / Delta	2-Sep	Methodist	SC / Chaffee	31-Jul-2015
Last Dollar	SW / Telluride	30-Sep	Monarch	SC / Chaffee	30-Jul-2015
Storm King Mtn	W / Montrose	18-Aug	Coaldale	SC / Fremont	10-June-2015
North Mtn	SW / San Miguel	19-Aug	Bald South	SC / Chaffee	29-Jul-2015
W Mtn	SW / Gunnison	14-Aug	Anton	NE / Washington	4-Jun-2015
Coonskin	SW / San Miguel	3-Sep	Last Chance	NE / Washington	11-Mar-2015
Water Dog	W / Montrose	21-Aug			
SITE REPLACEMENTS INCLUDED AS A RESULT OF COST SAVINGS FROM THE SR 7.14 UPGRADE					
Akron	NE / Washington	16-Jul	Haswell	SE / Kiowa	12-Aug
Alamosa	SC / Alamosa	26-Aug	Juniper	NW / Moffat	8-Jul
Auraria	Metro / Denver	16-Oct	Kiowa	Metro / Elbert	15-May
Bethune	SE / Kit Carson	30-Sep	La Veta	S / Huerfano	6-Aug
Blue Ridge	NW / Grand	17-Jul	Mines	Metro / Gilpin	28-Jul
Bowen Marker	S / Las Animas	14-Jul	Pooltable	SC / Rio Grande	19-Aug
Cedar Mtn	NW / Moffat	15-Jul	Punkin Center	SE / Lincoln	24-Jul
Cheyenne Mtn	S / El Paso	2-Jun	Raton Pass	S / Las Animas	18-Jul
Dakota	Metro / Gilpin	7-Aug	Reiradon	NE / Logan	14-Oct
Deer Peak	S / Custer	23-Jun	Saguache	S / Saguache	2-Jul
Ft Morgan	NE / Morgan	14-Aug	San Antonio	S / New Mexico	30-Jun

Fowler	SE / Crowley	25-Jun		Walton Peak	NW / Routt	25-Aug
Greenhorn	S / Pueblo	5-Jun		Wildhorse	NE / Sedgwick	30-Oct
Gunbarrel	Metro / Boulder	25-Nov				
Site Replacement FY15 operating funds				State Expansion Sites FY16		
Prospect Mtn	NE / Larimer	9-Jun-2015		Colorado Springs	SC / El Paso	13-Aug-2015
				Red Table	NW / Eagle	30-Sept-2015
FY16 FUNDING						
Table Mtn	NW / Grand	Spring 2016 install		Boyero	NE / Lincoln	15-Sep-2015
Buckhorn	NE / Larimer	28-Oct-2015		Limon CF	NE / Lincoln	25-Aug-2015
Greeley	NE / Weld	Fall 2015 install		Hugo	NE / Lincoln	17-Sep-2015
Point of Rocks	NE / Weld	15-Oct-2015		Buena Vista CF	SC / Chaffee	3-Sep-2015
Betasso	NC / Boulder	26-Oct-2015		Poncha Springs	SC / Chaffee	2-Sep-2015
Mead	NC / Boulder	30-Sep-2015		Tenderfoot II	SC / Teller	1-Sep-2015
Ajax	NW / Pitkin	10-Aug-2015		Franktown	NC / Douglas	23-Oct-2015
Lake Hill	NW / Summit	13-Oct-2015		DRDC CF	NC / Denver	Fall 2015 install
Ramah	NC / Elbert	30-Jul-2015				

FUTURE FUNDING

HB 14-1203 FY17 funding will be directly applied toward continued replacement of the DTRS legacy radios at remaining state tower sites. In addition, HB 14-1203 FY17 funding will include the next system wide DTRS software platform upgrade. The PSCN is currently in intensive negotiations with our vendor to lock down options and to gain the best value for the state and for our DTRS partners.

CONCLUSIONS:

The PSCN team remains firmly committed to provide improved sustainable and reliable statewide public safety communications systems for state agencies and first responders across Colorado. Each of the funding initiatives supporting the public safety communications systems has been clearly focused on desperately needed upgrades and improvements of our state radio systems. Our PSCN teams have proven they are up to the task of aggressive installation and deployment of all equipment replacements and software upgrades for improved system coverage and reliability.

In addition to the technical and operational sustainability of these systems, PSCN team members are actively engaged in a number of public safety communications organizations, users groups, committees and sub-committees. Among those organizations and committees is the Homeland Security Advisory Council (HSAC), the Public Safety Communications Sub-committee of the HSAC (created through SB 14-127), the Consolidated Communications Network of Colorado, Inc (CCNC) and various other groups. Actively participating in these committees and organizations aids us in keeping our 'finger on the pulse' of our state public safety communications needs, as well as the local government issues surrounding needs for improved coverage.