

OFFICE OF THE GOVERNOR
FY 2021-22 JOINT BUDGET COMMITTEE HEARING AGENDA

Wednesday, January 6, 2021
9:00 am - 12:00 pm

9:00-9:15 INTRODUCTIONS AND COMMON QUESTIONS

Main Presenter: Lisa Kaufmann, Governor's Chief of Staff

Supporting Presenters:

- Jonathon Bray, Controller

Topics:

- Implementation of FY 2020-21 HLD Decrease: Pages 4-5, Question 1 in the packet, Slides 6-7
- COVID-19 Changes: Page 5-11, Question 2 in the packet, Slides 8-15

9:15-9:30 OFFICE OF THE GOVERNOR (DIVISION)

Main Presenter: Lisa Kaufmann, Governor's Chief of Staff

Supporting Presenters:

- Benjamin Henderson, Director of Operations and Cabinet Affairs
- Lu Cordova, Governor's Advisor on Efficiencies and Digital Transformation

Topics:

- Reimagine State Government: Pages 12-13 , Question 3 in the packet, Slides 17-28
- Oversight, Accounting, Spending Approval for Custodial Funds Expended Defending Ethics Complaints against Former Governor Hickenlooper: Pages 13-14, Question 4 in the packet, Slides 29-30

9:30-9:40 OFFICE OF THE LIEUTENANT GOVERNOR

Main Presenters

- Dianne Primavera, Lieutenant Governor
- Crestina Martinez, Lieutenant Governor's Chief of Staff

Topics:

- COVID-19 Changes: Page 7, Question 2 in the packet, Slides 32-35

9:40-9:50 OFFICE OF STATE PLANNING & BUDGETING

Main Presenter: Lauren Larson, Executive Director of OSPB

Topics:

- COVID-19 Changes: Pages 7-8, Question 2 in the packet, Slides 36-41

9:50-10:05 COLORADO ENERGY OFFICE

Main Presenters: Will Toor, Executive Director of CEO

Supporting Presenters

- Dominique Gomez, Deputy Director of CEO
- Keith Hay, Director of Policy
- Christian Willis, Director of Transportation Fuels & Technology
- Michael Turner, Director of Building Innovation & Energy Finance
- Chris Piper, Legislative Liaison
- Jeff King, Senior Program Manager, Energy Finance

Topics:

- FY 2020-21 COVID-19 Stimulus Package Request: Pages 14-15, Questions 5-6 in the packet, Slides 47-51
- FY 2021-22 Budget and Requests: Page 15-16 , Questions 7-9 in the packet, Slides 45-46

10:05-10:15 BREAK

10:15-11:00 OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE

Main Presenter: Besty Markey, Executive Director of OEDIT

Supporting Presenters:

- Sarah Andrews, OEDIT Chief of Staff
- Jeff Kraft, Director of Business Funding & Incentives
- Leslie Hylton, Director of Government Affairs

Topics:

- FY 2020-21 COVID-19 Stimulus Package Requests: Pages 17-19, Questions 10-12 in the packet, Slides 59-60
- FY 2021-22 Budget Requests and Limited Gaming Funds: Pages 19-24, Questions 13-15 in the packet, Slides 59-60

11:00-12:00 OFFICE OF INFORMATION TECHNOLOGY

Main Presenters:

- Tony Neal-Graves, Chief Information Officer and Executive Director
- Julia Richman, Deputy Executive Director

Topics:

- Office Overview: Slides 64-67
- Common Questions: Pages 5 and 9-10, Questions 1 and 2 in the packet, Slides 68-70
- FY 2021-22 and Budget Request Package: Page 24-26, Questions 15-19 in the packet, Slide 71-77
- FY 2020-21 COVID-19 Stimulus Broadband Request: Page 26-28, Question 20 in the packet, Slide 78-80

OFFICE OF THE GOVERNOR
FY 2021-22 JOINT BUDGET COMMITTEE HEARING AGENDA

WEDNESDAY, JANUARY 6, 2021

9:00 AM – 12:00 PM

VERBAL & WRITTEN COMMON QUESTIONS FOR DISCUSSION AT DEPARTMENT HEARINGS

1. *Please describe the Department's actions to implement the Health, Life, and Dental decrease in lieu of a 5.0 percent General Fund salary base reduction. Please include dollar and percentage share data on planned "allocations" of the decrease to all divisions and programs within the Department. Please describe the use of vacancy savings, delayed hiring, and the implementation of one-time or ongoing operating savings. Please describe the urgency of the Department's need to engage in a furlough in FY 2020-21 due to the inability to achieve savings in other ways.*

The Office of the Governor and its constituent departments aimed to minimize the immediate and long term impacts on mission execution when implementing the necessary 5% reductions in the FY 2020-21 budget by finding temporary reductions, such as furloughs, where possible. The Office's plan protected emergency response and recovery, institutional knowledge, and economic resiliency. To achieve this, the 5% reduction in HLD of \$474,944 was implemented through two main methods.

- a. Furloughs have been instituted in a tiered fashion to protect those state workers earning less. Furloughs account for \$102,478, or 21.6% of the total HLD reduction. Furloughs have been implemented for all staff within the Office of the Governor, including the Governor and Lieutenant Governor.
- b. Reorganization/Permanent Position Reductions account for \$0, or 0% of the total HLD reduction. All Offices within the Office of the Governor were able to avoid permanent reductions.
- c. Temporary Vacancies/Reversible Actions account for \$372,466, or 78.2% of the total HLD reduction. Temporary reductions include savings by keeping positions vacant longer than usual, reducing personal services contracts, refinancing general funds with federal funds, and reducing operational costs where possible.
 - i. Offices of the Governor, Lieutenant Governor, Office of State Planning & Budgeting: The Governor's and Lieutenant Governor's Offices have combined personal services and operating long bill lines. This gave flexibility to reduce operating costs, such as travel, rather than layoffs. The three offices also left positions vacant longer than typical to prevent staff layoffs and eliminated or renegotiated personal services contracts.
 - ii. The Colorado Energy Office (CEO) saw \$73,796, or 48%, reduction in Health, Life, and Dental long bill line in lieu of a 5.0 percent General Fund salary base reduction. The office achieved these savings by refinancing \$59,533 from

General Fund to Federal fund dollars. CEO also saved \$14,263 after renegotiating personal services contracts. At this point, CEO has not furloughed FTE beyond the statewide furloughs and has not had any vacancy savings or delayed hirings during this time.

- iii. The Office of Economic Development and International Trade (OEDIT) had three voluntary separations with the positions subsequently held vacant to generate savings. Most offices also sought to reduce personal services agreements and extend position vacancies for several weeks longer than typical. Any funds for travel and events that were cancelled are being used to help fill the gap of the 27% budget cut OEDIT received in the FY21 budget balancing process.
- iv. Office of Information Technology: A \$64,964 reduction in General Fund dollars was made in the Governor's Office of Information Technology's (OIT) Health, Life, and Dental FY 2020-21 budget. By holding open a project management position funded via SB19-251, 100% of the reduction was taken in the Project Management appropriation where this position sits.

	Furlough Savings	Permanent Reductions	Temporary Reductions
A. Governor's Office	\$25,340	\$0	\$97,309
B. Lt. Gov's Office	\$2,705	\$0	\$14,088
C. Office of State Planning & Budgeting	\$8,912	\$0	\$9,702
D. Colorado Energy Office	\$17,012	\$0	\$73,796
E. Office of Economic Development & International Trade	\$34,986	\$0	\$112,607
F. Office of Information Technology	\$13,523	\$0	\$64,964

2. *Please describe how the changes implemented in response to the COVID-19 pandemic have changed the nature of the Department's work. Please address programmatic, budgetary, and office space impacts.*

The COVID-19 pandemic has focused the Office of the Governor and its constituent departments efforts on emergency response and recovery, economic resiliency, and reimagining the functions of state government. Although core functions of the agency have not changed significantly, each department has seen priorities change and workload increase dramatically.

- a. The Office of the Governor (division) oversees operation of the executive branch of the State government and serves as liaison with local and federal governments. COVID-19 pandemic has refocused the office's efforts to facilitate and coordinate the state-wide public health and economic response. With the increased workload, additional FTE has been hired using Coronavirus Relief Fund dollars and other custodial federal funds. All Governor's Office employees are assigned desks, offices, or cubicles within the Capitol. Governor's Office employees are primarily working remotely during the pandemic. With that said, the office anticipates a need to return to the same offices in the same capacity once the pandemic subsides.

COVID-19 Reponse & Reimagine State Government: In conjunction with the Office of the Lieutenant Governor and Colorado's Department of Public Health and the Environment, the Governor's Office stood up the COVID-19 Response, Recovery, and Resiliency operation to coordinate state operations. To assist state agencies, the Governor's Office launched the Reimagine State Government initiative to reduce our physical footprint and increase Coloradans' access to virtual services.

Public Communications: The Governor's Office of Communications and Community Engagement has led the State's coordinated efforts to educate Coloradans about COVID-19. Since March 2020, the Office has seen a 500% increase in press inquiries, conducted 333 interviews, 96 Press conferences and media availabilities, issued 442 press releases, and responded to 3,892 media inquiries. Two additional employees were hired to assist with these public awareness efforts around COVID-19 mitigation efforts. The Governor's Office was able to support these FTE through Coronavirus Relief Fund dollars, and will continue to support them through custodial Federal funds when such money expires.

Correspondence and Constituent Casework: Since the start of the pandemic the office's constituent affairs team has seen a dramatic increase in correspondence and requests from Coloradans; receiving over 8,000 emails or letters and opening 5,300 new cases in March 2020 alone. The office has two dedicated FTE managing this workload.

Legal & Accounting: The Governor's Office of Legal Counsel executed 285 executive orders in 2020 compared to only 30 in 2019. Furthermore, the Office has seen a 360% increase in records requests (CORAs) and worked diligently to respond to all 234 requests for information. The Governor's three FTE accounting staff, in conjunction with the Office of the State Controller and OSPB, are managing the state's Coronavirus Relief Funds and have seen a 3.85% increase in transactions, or approximately 22 additional staff hours per month.

- b. The Office of the Lieutenant Governor directly oversees Aerospace and Defense, the Colorado Commission of Indian Affairs, Disability Policy and the Colorado Disability Funding Committee, the Office of eHealth Innovation (OeHI), Serve Colorado, and the Office of Saving People Money on Health Care. Seven of the office's FTE have been reassigned throughout the pandemic to assist with statewide coordination of response, recovery, and resiliency efforts requiring additional FTE hires or existing staff to absorb additional workload. Lieutenant Governor's Office employees are assigned desks, offices, or cubicles within the Capitol, with the exception of Serve Colorado which leases a small office in Denver and OeHI which has their desks at the headquarters building for Health Care Policy and Financing. Office employees are now primarily working remotely during the pandemic and the office anticipates returning to their offices in the same capacity once the pandemic subsides. During COVID-19, the Office of the Lt. Governor has
 - i. Convened 373 meetings between Lt. Governor and partners and stakeholders across the state, including with the Southern Ute Indian Tribe and Ute Mountain Ute Tribe, organizations that support American Indian/Alaska Native communities that live off Tribal lands, and leaders in the Disability Community;
 - ii. Provided critical constituent supports, receiving and processing over 1,100 calls for the Lt. Governor and over 9,000 for the Governor with one FTE;
 - iii. Launched 34 telemedicine projects and connected 64 new health care providers to Health Information Exchanges;
 - iv. Sponsored the Behavioral Health Task Force COVID-19 Special Assignment Committee, supporting an over 600% increase in telebehavioral health;
 - v. Supported 650 AmeriCorps Members serving 534,704 hours across 151 service sites, providing support to the COVID-19 Containment Response Corps, serving 17,567 meals, delivering 93,909 pounds of food, and providing educational support to 7,141, students
 - vi. Reviewed and advised on Executive Orders, policies, and legislation applying critical lenses to include, but not limited to, Tribal, disability, and national defense and intelligence.
- c. The Office of State Planning & Budgeting (OSPB) develops executive branch budget requests, reviews and analyzes departmental expenditures, and prepares quarterly revenue and economic estimates for the State. During COVID-19, OSPB has
 - i. Managed the \$5 billion increase in federal funds, a more than 15% increase in total state funding, including Title V of the CARES Act, the Coronavirus Relief Fund (a complex fund with continually changing federal guidance);
 - ii. With the Office of Legal Counsel, issued 25 Executive Orders with funding transfers, compared to the typical two to three a year;
 - iii. Built twelve new reports per year for the General Assembly, and at least six new federal reports;

- iv. Led biweekly economic briefings, up from once per quarter to six per quarter;
 - v. Managed and coordinated fiscal response to COVID-19 across nearly every state department, including frequent coordination with the Office of the State Controller and State Treasurer; and
 - vi. Published multiple new guidance documents: applying for disaster funds, use of federal stimulus funds, sequestration guidance, budget guidance revisions, stimulus proposal development.
- d. The Colorado Energy Office (CEO) works toward a prosperous, clean energy future for Colorado. The Office aims to reduce greenhouse gas emissions and consumer energy costs by advancing clean energy, energy efficiency and zero emission vehicles to benefit all Coloradans. Consistent with state recommendations, the Colorado Energy Office shifted largely to remote working in response to the COVID-19 pandemic. While many employees saw little change in their work, there were impacts to certain programs including the Weatherization Assistance Program and the Office's work installing electric vehicle chargers, including delays in being able to access customer homes, slow downs in construction, and a small number of participant drop-outs. While some slow-down has occurred, especially during the first several months of the pandemic, CEO has been able to pivot and ensure that programs and work still continue through a variety of strategies such as marketing efforts, moving work to a remote setting that was previously only on-site, creating new sets of operating tools, and updating policies to provide more flexibility such as service delivery. Budgetary impacts from the COVID-19 pandemic have led to CEO's request to eliminate two programs: ReNew Our Schools and Colorado Cultivator's Energy Management programs which together decrease CEO's General fund by \$303,419. There are currently no office space impacts. CEO also worked with Energy Outreach Colorado to help Coloradans meet their energy bills during the pandemic.
- e. The Office of Economic Development & International Trade (OEDIT) strengthens Colorado's prospects for long-term economic growth by providing broad-based support to businesses. The pandemic has impacted OEDIT's work considerably. Broadly, OEDIT is now focused on an expedited economic recovery in addition to economic development.

Programmatically, OEDIT is helping to administer a number of new programs to provide businesses with critical financial resources, including the Energize Colorado Gap Fund (SB20-222) and the Colorado Loans for Increasing Mainstreet Business Economic Recovery (CLIMBER) Fund (HB20-1413). Our Business Support team, which manages the State's Small Business Development Centers, has also deployed multiple technical assistance efforts aimed at helping Colorado businesses navigate federal, state, and local resources, including a recovery hotline and weekly regional

webinars. All OEDIT divisions have also reviewed and realigned their existing programs to better serve the recovery where appropriate. For example, many of the Colorado Creative Industries division's grant programs were realigned and deployed early in the fiscal year to support struggling artists and arts organizations to stay afloat. Finally, every OEDIT division has taken considerable initiative to collaborate with their stakeholders on state, regional, and local levels and support the recovery via new and existing initiatives.

OEDIT's budget saw a 27% reduction in the FY21 budget cycle. This reduction has impacted every division within OEDIT operationally and programmatically. While we were fortunate to avoid layoffs due to attrition and shifting of staff among divisions, nearly every division has either delayed hiring an open position or is otherwise down one or more FTE. This has exacerbated already low FTE counts, especially as OEDIT divisions -- particularly our Business Funding & Incentives division -- have taken on administration of new recovery programs. Programmatically, the budget reduction has reduced the funding available for certain programs and/or stalled the launch of planned initiatives.

Since March, 92% of OEDIT employees have worked from home and the majority of employees have sustained a high level of productivity. OEDIT has maintained our office space and expects that employees will begin working from the office with flexible work arrangements in late summer/early fall, once the majority of staff have received the COVID-19 vaccine. Depending on those work arrangements and potential new FTE resulting from stimulus funds, OEDIT may move to a hoteling (shared desk) model.

- f. The Office of Information Technology (OIT) is responsible for the operation and delivery of all information and communications technology services across the executive branch agencies. OIT has made significant programmatic and operational changes in response to the COVID-19 pandemic. OIT has always focused on supporting agency programs and services, and as agencies moved to remote work in response to COVID-19, the need and demand for additional software and hardware, support for automated and online business processes, and public assistance increased. In turn, OIT's level of effort increased to meet these additional needs, including granting remote access (e.g., VPN) to more than 20,000 state employees and implementing new remote access systems at the Department of Revenue and the Department of Corrections.

Additionally, OIT has worked in partnership with the Colorado Department of Public Health and Environment (CDPHE) on numerous COVID-19 specific technology solutions. OIT was instrumental in launching Colorado Community COVID Symptom Tracker and Dr. Justina, the state case investigation and contact tracing app, and the

ongoing data transfer between Dr. Justina and CDPHE's pre-COVID-19 systems of record for disease reporting. In one week, OIT created a brand new application to enable test results from the U.S. Department of Health and Human Services (HHS) system to be reported into the state's centralized disease reporting system. Since March 2020, OIT has created or is supporting five brand new applications at CDPHE for COVID-19 response.

Operationally, in March OIT transitioned to working remotely and 90% of OIT staff continue to do so on an ongoing basis. For those staff who are co-located with agencies, OIT has also mirrored agency remote work habits and altered services to support more remote end user needs.

The infographic below captures some of the lessons learned and outcomes of OIT's initial COVID-19 response as of May 2020. More information about our myriad of COVID-19 accomplishments can be found in the Playbook posted on [OIT's website](http://www.oit.state.co.us/about/playbook)¹.

¹ <http://www.oit.state.co.us/about/playbook>



COVID-19 Response

OIT Task Force: Keeping Colorado operational during a crisis

May 31, 2020

36 NEW SOLUTIONS IMPLEMENTED
33 ENHANCEMENTS TO EXISTING SOLUTIONS



EXPANDED **myColorado™** app



including
6 new features &
4 new services

10% ↑
in new users during COVID-19

EXPANDED Unemployment Insurance claims system capacity to support

48K vs. **1.7K**

AVG. CLAIMS PER WEEK DURING COVID

AVG. CLAIMS PER WEEK IN JAN/FEB 2020

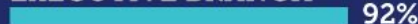


SUPPORTED **employees able to work remotely**

OIT



EXECUTIVE BRANCH



OIT Workforce

98.0% have access to what they need at home.

99.5% have the guidance they need.

99.0% are able to effectively collaborate with their teams.

1,795

LAPTOPS PURCHASED & DEPLOYED TO STATE EMPLOYEES

Additional **3,000** procured by CDHS for offices and counties across the state

DocuSign adoption during COVID-19 grew **21%**, increasing remote usage of forms and workflow processing



BUILT the Colorado Community COVID Symptom Tracker in collaboration with the Innovation Response Team, CDPHE, and others.



1,600 COLORADANS HAVE USED THE TRACKER
~50 NEW USERS ADDED DAILY

134% ↑

in virtual monthly meetings during COVID-19

Service Desk **78%** ↓
AVERAGE HOLD TIME

After a huge spike in remote service support, OIT improved processes and realigned staff to enable a significant drop in the average hold time between March and May.

Stood up **5** Google Voice pilots & **3** Amazon Connect Virtual Call Centers



Governor's Office

Reimagine State Government

3. *[Sens. Hansen and Rankin] Provide a short presentation concerning the digital transformation work that Lu Cordova has been or is working on, as well as the Administration's "Reimagine State Government" initiative. Include discussion concerning planning efforts that are under way to determine the long-term effects of the current work-from-home policies -- both in terms of the delivery of state services and the impacts on the state budget.*

The State's planning efforts around the long-term feasibility of work from home policies are being developed in various ways and initiatives across our government. Within several weeks of our first recorded COVID-19 case, the State transitioned to a workforce that telecommuted at levels above 60%. Each agency conducted a review of their business processes and programs to determine which positions were good candidates for this type of work. Correctional officers will likely never be able to work from home, nor those individuals serving in our 24/7 facilities, for example. Similarly, agriculture inspectors continue to conduct their work in person in order to guarantee our quality standards. However, other offices are good candidates to make a transition to a virtual environment. The Department of Revenue, for example, is exploring ways to make every single transaction offered at the Department of Motor Vehicles (DMV) available virtually. Although we have yet to find virtual solutions to conducting eye tests, there is very promising work being done.

The Governor's Office collected this information from each agency in early summer of 2020. We conducted an analysis of that information and spoke to agency leadership to determine the most important goals and the most pressing issues facing the State government, and determined that there were six areas that needed attention and focus as the State adapted to this "new normal." These six goals became the Reimagine State Government initiative.

Under the leadership of Governor Jared Polis, the State of Colorado has committed to reimagine the way our state government operates ([website here](https://operations.colorado.gov/reimagine-state-government)²). We are committed to building an agile and responsive government that leverages new innovations, eliminates waste, identifies cost savings, harnesses the skills of its employees through a superior employee experience, ensures safety, and delivers exceptional services to Coloradans. This work will focus on six pillars:

1. Increasing Employee Engagement;
2. Protecting Those in State Custody;
3. Reducing our Physical Footprint;
4. Increasing Access to Virtual Services;
5. Responsibly Reducing the State Budget; and
6. Accomplishing More Bold Goals.

This work is being driven by interagency teams of employees that identify the challenges and opportunities for improvements in each area, as well as setting milestones. These milestones include

² <https://operations.colorado.gov/reimagine-state-government>

a goal to reduce the State's footprint by one million square feet over the next five years, and to convert 100,000 transactions from manual to virtual by the middle of calendar year 2021.

The Governor's Advisor on Efficiencies and Digital Transformation, Lu Córdova, supports this work, as well as completing special projects. Ms. Córdova works with State agencies to identify and implement new ways of operating to generate cost savings by increasing efficiencies and enhancing customer service through technology. Her role is linked to ensuring Colorado is in the best position possible to recover from COVID-19, while delivering high-quality services with far more streamlined, modern functionality. Examples of her work include negotiating with large tech vendors for savings and better service, working with Executive Directors to envision organizational structures that further the use of business innovation and technology within their agencies, and developing economic development proposals in coordination with external stakeholders for the betterment of Coloradans.

4. Oversight, Accounting, Spending Approval for Custodial Funds Expended Defending Ethics Complaints against Former Governor Hickenlooper

[Rep. Ransom] Provide a discussion on what policies and procedures the Governor's Office follows when a former elected official requests funding to defend against legal proceedings initiated for activities that occurred while holding office. Do policies and procedures differ if the funds used are considered "custodial" to the Governor's Office compared to those appropriated by the General Assembly. Include information on any groups, committees, or persons that provide oversight of funding, such as approving funding requests or ensuring that expenditures made after approval are done in accordance with law and policy.

The Office of the Governor has not received a request to fund any former elected official's defense against legal proceedings initiated for activities while in office. The legal services in question were initiated, and the funds committed, during the prior administration in response to Complaint No. 18-22 before the Colorado Independent Ethics Commission. A Special Assistant Attorney General (SAAG) status was approved by the Attorney General on October 29, 2018 for the duration of the complaint, and the agreement between the Office and the attorney serving as a SAAG was finalized on November 9, 2018.

Title IV of the Jobs and Growth Tax Relief Reconciliation Act of 2003 allocated ten billion dollars in fiscal relief to the states for the purpose of providing essential government services or to cover the costs of any unfunded federal mandates. Governor Owens allocated \$142,168,500 through Executive Order D 021 03, dated December 22, 2003, to various agencies and programs. On August 15, 2004, he allocated another \$2,000,000 through Executive Order D 010 04, to counties through the executive directors of Department of Human Services and Health Care Policy & Financing. At the end of 2004, approximately \$2,131,500, plus any unused funds that were allocated, remained to be utilized on other essential government services as determined by the Governor.

Public law 108-27 had no expiration date on the usage of these custodial funds, and the unspent amount continues to reside with the governor to be used for essential government services. The Office of the Governor's executive leadership team, with review and approval from the agency's Controller, makes and approves spending decisions. Similar to state funds, federal custodial funds are spent in accordance with state statute, fiscal rules, procurement rules, State Personnel Board rules, and state controller policy, as well as any criteria set by the federal government. Any future requests must meet set state and federal rules and guidelines.

COLORADO ENERGY OFFICE

FY 2020-21 COVID-19 Stimulus Package Request

5. *[Sen. Moreno] Provide an overview of the Office's COVID-19 Stimulus Package budget request for Clean Energy Finance stimulus.*

CEO operates public-private partnership programs that facilitate private capital investments into clean energy technologies. This stimulus funding would provide one-time investments into these established and market-proven programs, allowing for the deployment of limited state dollars to leverage significantly larger amounts of private capital. In order to immediately stimulate the economy, CEO expects that funds provided can be deployed into existing financing entities or programs by the end of FY 2020-21. These programs include the Colorado Clean Energy Fund (CCEF), the Colorado New Energy Improvement District, and CEO's Residential Energy Upgrade (RENU) loan program to scale their impact and drive economic activity in their sectors. This will help achieve the State's climate goals and drive near-term investment in commercial and residential buildings. This will also provide for a one-time expansion of capital in the Charge Ahead Colorado program to fund State agency investments in electric vehicles charging infrastructure to support agency fleets. Lack of sufficient charging infrastructure at State facilities limits the ability of agencies to purchase new electric vehicles, even for use cases where they are shown to reduce operational costs.

6. *[Sen. Hansen] Discuss the Office's request for \$40.0 million to fund Clean Energy Finance programs. At what rate are state funds able to be leveraged against private capital investments? Include rates for each program area if appropriate. Discuss how the Office expects to allocate the funds among its existing programs including Colorado Clean Energy Fund (CCEF), the Colorado New Energy Improvement District, and the RENU loan program to scale their impact and drive economic activity in their sectors.*

RENU Loan Program

Stimulus money: \$2,000,000 = Anticipated mobilized private capital: \$26,600,000

Per the lender agreement, RENU leverages up to \$13.33 or more of private capital for every \$1 of public funding. As such, \$2,000,000 in stimulus funding for RENU is expected to

generate at least \$26,600,000 in energy lending, assuming full lending capacity by the participating lenders.

Colorado New Energy Improvement District - Colorado Property Assessed Clean Energy Financing (C-PACE)

Stimulus money: \$3,000,000 = Anticipated mobilized private capital: \$100,000,000

Over the last three years, C-PACE has averaged more than \$20,000,000 in annual financing. The program needs to grow in order to both leverage more private investment and generate sufficient fee revenue to be self sustaining. The stimulus funding will be used for a one time transfer to cover costs and allow the program to scale to achieve sustainable levels of fee revenue, and should enable at least \$100,000,000 in clean energy financing for commercial properties. The funding will also support additional incentives in the form of audit rebates and property and technology specific rebates.

Charge Ahead Colorado (CAC)

Stimulus money: \$5,000,000

The Charge Ahead Colorado program provides grants for community-based Level 2 and DC fast-charging stations. As of the time of this writing, the program has awarded grants for more than 1,000 charging stations across the state. \$5,000,000 will support grants for approximately 300 dual port charging stations at state-owned buildings across the state. CEO will work with agencies to determine where existing vehicles can be replaced with electric vehicles (EVs) and ensure that charging stations are purchased before EVs are deployed. With new EV models including SUVs and pickups coming online in 2021, CEO anticipates a high level of interest from state agencies.

Colorado Clean Energy Fund (CCEF)

Stimulus money: \$30,000,000 = Anticipated mobilized private capital: \$120,000,000

An analysis from green banks nationwide finds that CCEF is expected to create more than 2,000 jobs in five years with the \$30,000,000 appropriation. It will also speed up clean energy investment, and build clean energy infrastructure using the green bank model used in more than a dozen states. It will provide capital to businesses to build projects in renewable energy, building efficiency and electrification, grid infrastructure, clean transportation, industrial decarbonization, sustainable agriculture, and climate resilience activity.

FY 2021-22 Budget and Requests

7. *[Sen. Moreno] The JBC staff briefing included information about the Low-Income Energy Assistance Programs (LEAP) coordinated through the Energy Office including how current revenue expectations anticipate no transfers of severance tax revenue will be made through FY 2022-23. Provide any recommendations to the Joint Budget Committee on how it could determine if funding currently allocated to the program from all sources is appropriate*

given resources and demand. Please also provide one or more method to evaluate the actual demand for the program, whether that be weekly breakdowns describing the volume of requests, requests made but not approved due to lack of funding, amount disbursed weekly, or any others the Office believes responds to this question.

The past five years of Severance Tax payments have been highly variable ranging from \$0 to \$6,500,000. As a result, the Weatherization Assistance Program (WAP) does multi-year planning, assuming a relatively low level of Severance Tax funding per year, and using Severance Tax received at an appropriate level to smooth out the uncertainty. At present, WAP's budget is \$20,000,000 annually, with roughly \$16,000,000 coming from federal sources (the Department of Energy and the Low-income Energy Assistance Program), and an additional \$2,000,000 from utility rebates. This leaves a \$2,000,000 gap in funding without Severance Tax. WAP has enough previously-collected Severance Tax and utility dollars set aside to cover this shortfall for two years. After two years, however, WAP will need to evaluate options to maintain the current budget.

8. *[Sen. Hansen] Discuss the ReNew Our Schools Program wind down including when the program is currently expected to terminate Does the budget request affect the termination date for the program? What outcomes are expected if the request and legislation to transfer the stranded cash funds into the General Fund is not approved? How was elimination of this program prioritized by the Energy Office or the Governor.*

CEO is requesting to wind down the ReNew Our Schools Program by retaining the \$38,374 in a defunct cash fund that doesn't have statutory authority to be spent. This would allow CEO to run the alumni portion of the program, which in FY 2021-22 will offer grants to past applicants based on their approved energy efficiency proposals. The program would then terminate entirely in FY 2022-23. If the request and legislation to transfer the stranded cash funds into the General Fund is not approved then the program would entirely discontinue FY 2021-22, without being able to run the alumni portion of the program. The elimination of this program was prioritized by the CEO due to the inability to use Federal funds to run it. In order to qualify for Federal funding the schools would need to comply with National Environmental Policy Act (NEPA) regulations which would be cost prohibitive to the schools and under which most schools would not qualify for the ReNew Our Schools program.

9. *[Sen. Hansen] Discuss the request to redirect funds from cultivators energy management. Does the Office or Administration anticipate funding the program again once revenue expectations recover from the pandemic? How will the funding currently allocated to this program be reallocated? Describe how the Office's limited ability to leverage funding for this program for other sources supports the request to terminate the program's funding. Discuss whether the program should be repealed from statute. How was elimination of this program prioritized by the Energy Office or the Governor.*

CEO will re-evaluate reinstating the program in the future based on future revenues. In order to protect critical General Fund programs, CEO requested the discontinuation of the Colorado Cultivator's Energy Management program. This program cannot use Federal funds since it is

cannabis-related. Much of CEO's General Fund appropriations support programs that receive some degree of federal matching funds. The Colorado Cultivator's Energy Management program is one that is unable to secure matching funds to support the program. Funding will not be reallocated within the Colorado Energy Office. The program should not be repealed from statute as it could be reinstated in the future or it could be funded through other funding sources.

OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE *FY 2020-21 COVID-19 Stimulus Package Requests*

10. *[Sen. Moreno] Provide an overview of the Office's COVID-19 Stimulus Package budget requests.*

New information regarding the State's budget has freed up additional funding to be used for immediate high priority efforts as part of the Governor's economic recovery package. Such priorities include initiating longer-term recovery for small businesses and entrepreneurs most affected by the COVID-19 pandemic, stimulating growth and investment in Colorado's advanced industries, expanding access to capital for vulnerable populations, and setting aside money for the Strategic Fund to enable a nimble and evolving response to Colorado's most pressing economic problems.

11. *[Rep. Ransom] The request for the Colorado Startup Loan Fund will provide lending capital to historically underserved entrepreneurs, including women, people of color, veterans, and rural residents, as well as entrepreneurs bankrupted or shut down as a result of COVID-19. Discuss the eligibility requirements for applying for and being awarded this loan, including which business owners or potential business owners are excluded.*

The Colorado Startup Loan program is designed to function through Colorado's network of community development financial institutions (CDFIs) and other non-profit lenders as these institutions both support traditionally underserved communities at a greater level than most other financial institutions and are more attuned to the specific economic needs of their communities. OEDIT will not exclude any category of business owner in the eligibility requirements. Eligibility requirements will target business owners and entrepreneurs impacted by the COVID-19 pandemic, including those that have not had meaningful access to financial resources.

12. *[Sen. Hansen] Describe opportunities the Office researched to leverage other funding sources, including, e.g. private sources of capital or grants, to increase the number of businesses supported by each current year funding request? Include whether matching funds will be required and the matching rate that may be required for any programs funded by stimulus package requests.*

OEDIT has always sought out other funding sources to augment existing programs and better serve our stakeholders, Colorado businesses. That is especially true in the 10 months since the pandemic began. For example, OEDIT has applied for three different grants from the U.S. Economic Development Administration (EDA), and, as of late December, has been awarded \$8,000,000 in federal funds for our EDA Revolving Loan Fund application (the other two are pending). OEDIT also leverages private and philanthropic dollars wherever possible or relies entirely on private dollars

for certain programs, which has been especially important in the previous 10 months. Just a few examples of this include the Energize Colorado Gap Fund, which initially launched with philanthropic dollars and a small contribution from OEDIT's Strategic Fund before the General Assembly passed SB20-222, and the Colorado Artist Relief and Colorado Music Relief Funds, which OEDIT's Colorado Creative Industries team launched and staffed but which was funded entirely from private dollars. OEDIT also recently helped launch the Rural Theaters COVID-19 Support Initiative to provide economic relief to non-profit and privately-owned theaters in rural Colorado. The Initiative is funded primarily from philanthropic private dollars but included a small match from OEDIT's Strategic Fund.

In addition to OEDIT seeking outside funding directly for its programs, business recipients are required to acquire match funding from other sources so that they leverage OEDIT's capital to increase private capital. OEDIT's grant programs also require a wide variety of performance measures. Regarding the four FY 2020-21 stimulus package/supplemental requests:

1. Creation of Colorado Startup Loan Fund: Specific parameters and requirements of the program have not yet been determined but will follow OEDIT's long standing practice of implementing strong and appropriate guardrails and performance measures. For this program, we anticipate including requirements at both the lender and borrower levels. This program will be implemented through Colorado's CDFI network and other non-profit lenders, which OEDIT has successfully utilized to administer other programs including the Energize Colorado Gap Fund and the Colorado Microloan Program. The utilization of Colorado's CDFI network will ensure that, as for other OEDIT programs implemented using these institutions, OEDIT can access the data necessary to enable it to assess success of the program. At minimum, OEDIT will use these resources to seek annual reports from funded companies on job creation and retention, intellectual property developed, projected annual revenue and revenue growth, new capital investments, third party capital raised and leveraged, as well as other key business milestones.

2. One-time Transfer to Advanced Industries Accelerator Grant Program: The Advanced Industries Accelerator Grant Program requires the following matches, depending on which type of grant: Proof of Concept: 3 (state) to 1 (institution); Early Stage Capital & Retention: 2 (company) to 1 (state); and Collaborative Infrastructure: 2 (non-state) to 1 (state). Since inception of the program in FY 2012-13, the program has leveraged \$1,660,000,000 in third party capital.

3. One-time Transfer to Strategic Fund: Depending on the use of the Strategic Fund dollars, OEDIT employs a variety of performance measures and guardrails. At a minimum, job creation incentive projects funded through the Strategic Fund must include an inter-state or international competition element and typically require a dollar-for-dollar local match (which may be waived or moderated in certain circumstances). Strategic Fund incentives are performance-based, meaning a company does not receive any funding until their project has achieved the required impact (*e.g.*, created X number of jobs at or above average county wage).

4. Creation of Cannabis Advancement Program: Parameters and requirements of the program have not yet been determined but will follow our longstanding practice of implementing strong and appropriate guardrails and performance measures.

13. *[Sen. Rankin and Rep. McCluskie] Provide an overview of the state of travel and tourism in Colorado. What recent observations are expected to resolve once public health concerns about travel reduce or eliminate travel advisories. What are expected to endure in the long term? Describe the Office's decision making process for continuing for an additional year funding cuts made to balance the budget that impacted travel and tourism programs administered by OEDIT. Include all programs with reduced budgets requested to be continued.*

The reduction of \$2,000,000 to the Colorado Promotion line item originated in OEDIT's FY 2020-21 budget. In order to prioritize OEDIT's funds and preserve funding for changing economic conditions in years to come, OEDIT requests that this reduction be made ongoing starting in FY 2021-22. While the ongoing reduction of \$2,000,000 will force the Colorado Tourism Office (CTO) to reprioritize in order to direct funds to their highest priority programs, such as promotion of domestic travel and safety measures, the CTO will be able to fulfill core responsibilities and support Colorado promotion efforts, but to a lesser degree, both internationally and domestically. Furthermore, CTO has applied for a U.S. Economic Development Administration grant, which if approved will supplement CTO's budget during FY 2020-21 and FY 2021-22. While OEDIT believes that it will be able to effectively reprioritize funding, if in future years it finds that the CTO is unable to fulfill its core responsibilities without these funds, it will go through the budgetary process to request an increase in State funding in future years.

Tourism does remain one of the most stricken industries in Colorado, with large numbers of business closings and continued high unemployment. The 50.1% decline in Colorado traveler spending since early March has sapped an estimated \$700,000,000 in visitor tax revenues from state and local budgets. While many mountain towns attracted significant numbers of travelers during the summer months, communities across Colorado, especially along the Front Range, are seeing deep impacts from the loss of spending at hotels, restaurants, attractions, cultural venues, meetings and special events. Attracting travelers back into Colorado destinations would provide an immediate injection of spending into the state and local economies.

Because traveler spending will continue to play an important role in stimulating spending across the state despite necessary budget cuts to CTO's promotion line item, CTO will reprioritize funding to support domestic promotion campaigns in order to jumpstart domestic travel as international travel will be slower to return post-pandemic. Accordingly, while the 39% reduction in CTO's annual appropriation has triggered cutbacks across its programs, the largest reduction will result in a 76% cutback (\$1,600,000) in the international promotion program. As a result, the remaining \$500,000 is focused on maintaining awareness in three high-potential, high-spend overseas markets (the UK, Germany and Australia) and building "bookable products" to position Colorado destinations for

success when overseas travel resumes. By focusing the majority of the program reductions on international promotional programs, CTO will focus as much capacity as possible for domestic tourism promotion once large-scale travel within the returns. In particular, promotional resources are currently being directed at driving recovery of the most stricken tourism sectors and regions.

Promotion is also being directed toward sharing important safety messages -- Five Steps to Responsible Travel, Winter Backcountry Safety, and a new anti-Superspreader campaign -- aimed at reducing COVID-19 transmission, injury, and strain on public health resources. Given heavy impacts to local budgets, destinations across the state are looking to the Colorado Tourism Office to lead the way on making the case for travelers to choose Colorado when travel re-opens in 2021.

All CTO domestic promotion contractors took roughly a 20 percent cut in fee, reducing deliverables across the board. Additional savings will be achieved from eliminating the fall issue of the Love, Colorado seasonal magazine and printing 100,000 fewer Official State Vacation Guides and 100,000 fewer Official State Highway Maps.

In addition, appropriations for the Destination Development program also dropped slightly due to funding reductions related to lost gaming fund support. As a result, CTO worked to reduce FY 2020-21 offerings for Colorado Rural Academy for Tourism (CRAFT) program and eliminated the Tourism Development Grant program.

14. *[Sen. Moreno and JBC staff] Discuss the requested General Fund appropriations for programs supported by limited gaming revenues that were spending current year funds against anticipated revenues. Until recently, legislative staff understood these programs received transfers at the end of the year to fund the following year's activities but noted such intent is not clearly stated in statute. Discuss the Office's position on the JBC staff recommended bill to clarify the intent is for these programs to spend in arrears. Excluding the current and prior year due to the pandemic, describe the stability of limited gaming revenue. Provide information on the impact to programs if gap funding is not provided for those spending against anticipated revenue. Discuss any other times where OEDIT programs spending against anticipated revenue created any other issues prior to the suspension of limited gaming revenue transfers?*

OEDIT supports the JBC staff recommendation to clarify, via legislation, the intent related to these funds. Because gaming fund amounts have been stable in the past, there has not been an issue of spending against anticipated revenue in the past. As you know, however, HB20-1399 suspended Colorado's limited gaming tax transfers for two years (FY 2019-20 and FY 2020-21). OEDIT divisions and programs affected by the suspension include: 1) Advanced Industries Accelerator Grant Program, 2) Colorado Tourism Office's Promotion and Welcome Centers line items, 3) the Colorado Office of Film, Television, and Media, and 4) the Colorado Creative Industries division. HB20-1399 also allocated General Fund dollars to the affected programs to offset some of the losses from the gaming transfers. For OEDIT, this means that in FY 2020-21, the affected line

items received \$12,150,000 in General Fund but lost approximately \$21,480,000 in gaming transfers for a net loss of \$9,330,000 (more details on the breakdown of those losses below).

Prior to the suspension of the limited gaming transfers, some of OEDIT's divisions used the transfers received at the end of the fiscal year (July/August) to backfill the spending that they had incurred throughout that year. For example, the Colorado Creative Industries division would spend money throughout FY 2019-20 in anticipation that the costs incurred would be paid for by the FY 2019-20 gaming transfer that comes in at the end of the fiscal year/beginning of the following fiscal year. Because the gaming transfers have historically been consistent, this timing did not cause any issues prior to the COVID-19 pandemic, and divisions could rely on those dollars to pay for the prior year's spending. However, the timing of the transfers of gaming revenues forces some of the divisions to spend in the negative and leaves them vulnerable to unforeseen economic circumstances such as those experienced during the COVID-19 pandemic.

While the suspension of the gaming tax transfers has been difficult for the affected divisions, we believe it presents a unique opportunity to correct the timing of the transfers. HB20-1399 has been annualized and thus provides for another General Fund allocation for FY 2021-22 *and* the return of the gaming tax transfer in FY 2021-22. Accordingly, OEDIT's divisions can use the \$12,150,000 million from the General Fund to pay for the divisions' expenses in FY 2021-22, thus spending at lower levels than pre-COVID-19, and use the transfer received at the end of FY 2021-22/beginning of FY 2022-23 for FY 2022-23 expenses. Following this correction, OEDIT's divisions will always use the transfer from the prior fiscal year to pay for the upcoming fiscal year's expenditures and will spend based on actual funds, not anticipated revenues. And, importantly, OEDIT will not require General Fund backfill in FY 2022-23 or beyond.

The below tables demonstrate what FY 2021-22 funding for each of the affected divisions/programs would be under two different scenarios:

Scenario 1: JBC agrees to another year of lower-level General Fund allocation to correct the transfer timing issue (explained above).

Scenario 2: JBC wants the divisions to continue to rely on the gaming transfers to pay for prior year spending and assumes the gaming transfers resume in FY 2021-22.

OEDIT is advocating for Scenario 1.

Advanced Industries Accelerator Grant Program: The Advanced Industries (AI) grant program is paid for via two different cash fund transfers, including gaming. Note that OEDIT is seeking a one-time infusion of \$10,000,000 for the AI program via the supplemental process/economic stimulus package. This infusion is not captured in the below table.

Advanced Industries	FY20	FY21	Scenario 1 FY22 (without the gaming transfer but with the GF replacements)	Scenario 2 FY22 (with the gaming transfer and without the GF replacements)
General Funds	--	\$398,000	\$398,000	--
Cash Funds	\$15,362,201	\$7,000,000	\$7,000,000	\$15,362,201
Total Funds	\$15,362,201	\$7,398,000	\$7,398,000	\$15,362,201

Colorado Tourism Office: The below provides a full breakdown of the Colorado Tourism Office's (CTO) budget, including all three of their line items. The below assumes that the JBC agrees to the CTO-related pieces of R3 and R4 for FY 2021-22.

TOURISM	FY20	FY21	Scenario 1 FY22 (without the gaming transfer but with the GF replacements)	Scenario 2 FY22 (with the gaming transfer and without the GF replacements)
General Funds				
Destination Development	\$500,000	\$600,000	\$600,000	\$500,000
Colorado Promotion	\$4,000,000	\$10,528,000	\$10,528,000	\$1,850,000
Welcome Centers	--	\$500,000	\$500,000	--
Cash Funds				
Destination Development	\$600,000 (from unclaimed property)	\$600,000	\$600,000	\$600,000
Colorado Promotion	\$14,579,000	--	--	\$14,579,000

	(from gaming)			
Welcome Centers	\$516,000 (from gaming)	--	--	\$516,000
Total Funds	\$20,195,000	\$12,228,000	\$12,228,000	\$18,045,000

Colorado Office of Film, Television & Media: The below table displays funding for the Colorado Office of Film, Television & Media (COFTM) and non-film incentive programming. The incentive funding is covered above under R4. Both are funded under the COFTM line item.

Film, Television & Media	FY20	FY21	Scenario 1 FY22 (without the gaming transfer but with the GF replacements)	Scenario 2 FY22 (with the gaming transfer and without the GF replacements)
General Funds	--	\$310,331	\$310,331	--
Cash Funds	\$519,525	--	--	\$519,525
Total Funds	\$519,525	\$310,331	\$310,331	\$519,525

Colorado Creative Industries: The below table displays all state funding for the Colorado Creative Industries division within OEDIT.

Colorado Creative Industries	FY20	FY21	Scenario 1 FY22 (without the gaming transfer but with the GF replacements)	Scenario 2 FY22 (with the gaming transfer and without the GF replacements)
General Funds	--	\$1,226,000	\$1,226,000	--
Cash Funds	\$2,023,000	--	--	\$2,023,000
Total Funds	\$2,023,000	\$1,226,000	\$1,226,000	\$2,023,000

15. *[Sen. Hansen] Discuss the impact on current programs or, more generally on the Office itself, of passing Amendment 77, which increased the limits gaming establishments cannot exceed for gaming devices.*

OEDIT does not anticipate Amendment 77 impacting our four gaming-funded programs/divisions because each of those program's/division's funding amounts are fixed in statute.

OFFICE OF INFORMATION TECHNOLOGY

FY 2021-22 and Budget Request Package

16. *In 2019 the Governor vetoed S.B. 19-169, which generally imposed requirements on major IT projects including: assigning a project manager who will work, in cooperation with a state agency, to develop, track, and report on baseline metrics for a project such as scope, schedule, budget, and performance. It also required budget submissions for a major IT project to include a written business case, a change management plan, and a survey of other states that have completed major IT projects with similar goals. Although vetoed, the Governor's Office assured the Joint Budget Committee it would administratively undertake implementation of policies to reach the same goal.*

[Sen. Hansen] Discuss OIT's actions thus far to implement administratively requirements outlined in S.B. 19-169. Does this policy change shift costs that were centralized in OIT out to individual agencies with IT projects in progress? What resources are currently dedicated to shifting to this new policy?

Although SB 19-169 was vetoed by the Governor, the Office has continued practices that align with the intent of the legislation. All of the major IT projects for the Office and its agencies require a trained project manager as well as additional project supports throughout the duration of the launch and go-live dates. Project managers regularly report on baseline metrics including scope, schedule, budget and performance, while project status is also reviewed monthly at the interagency IT Steering Committee.

While OIT is not always responsible for project management services on major projects, the agency is looking at its own overall portfolio and project management capabilities as part of IT transformation. Key focus areas include:

1. Implementing an IT Service Management tool to help support improved reporting and business intelligence around projects and the overall OIT portfolio
2. Improving demand management to better manage risk earlier in the process.
3. Structuring project management to better understand and uncover risks in agile projects.
4. Bolstering portfolio management to understand resource demands and priorities across the OIT project portfolio.
5. Building a formal organizational change management function to help build repeatable scalable change management capabilities.

Shifting Resources

Agencies continue to be expected to take on additional ownership and accountability over their IT direction and management, based on their business and strategic needs. Agencies taking steps to make plans, conduct cost benefit analysis and change management plans for technology implementation is part of managing and running agency operations. This does not require a shift of

resources away from OIT, but is about empowering and equipping the leaders of the business side of agency operations. Per SB 17-304, the Governor's Office of State Budgeting and Planning (OSPB) is required to work with JTC staff on capital IT budget instructions. These instructions currently require a cost-benefit analysis and change management plan (as required by SB 19-251) for every request. These changes have been gradually brought about through legislation regarding the capital IT budget process and do not shift costs from OIT to agencies. OIT is funded via reappropriated dollars from state agencies, so costs for project management and change management have always been funded through the agency and then passed to OIT.

In addition, the Office has taken steps to align the 5-year IT Roadmaps and service level agreements to create a cohesive process for agencies and the Office. The agencies will view both resources to help with budgeting, planning and support on an annual basis. Agency partners that have a leadership change, require a new sign off from the agency leadership to ensure alignment of practices, policies, budget and procedures. This practice will allow for all departments to adequately align budget requests, strategically plan for deficits, system maintenance and agency technical debt.

17. [Sen. Rankin] Provide an overview of how the state's evolving approach to IT projects impacts statewide IT budgets, including impacts to individual user-agencies, OIT, and the IT capital budget. Please highlight, to the extent possible, how the TRAILS and HRWorks projects may change under the new approach.

As part of IT Transformation, OIT is looking at how the state's IT funding model supports or denigrates the overall effectiveness of IT service delivery. The first phase is getting better data and process on billing and assets. This will then be paired with a relook at the enabling statute to more clearly reinforce enterprise service delivery through the budgeting process. The state's spending approach needs to be modernized to better incentivize reducing technical debt and enhancing security. It also needs to be reevaluated with a more effective articulation of how:

- 1) cloud services shift spending from capital to operating,
- 2) agile projects draw down in smaller increments, and
- 3) the state moves from a high number of interagency agreements, 1-1 agency services, to more commodity-oriented common policy services and standardization.

As an example, the Trails project has shifted the team culture to increase accountability, ownership, and connection to child and family outcomes by creating a Product Owner, Technical Owner, Scrum Master, Project Manager, and Quality Owner using existing funding.

18. [JBC Staff] How does the OIT security office plan to implement and monitor security controls when more tasks that were once centralized are being undertaken by agency-level staff?

In most cases OIT will remain responsible for performing security functions. In the case of an agency performing a purchase without OIT (expected to be a rare occurrence), a standardized IT contract with security language will be provided to agencies to ensure that the vendor is required to adhere to state security policy. OIT has provided security policy training to agencies, so that they can provide this to their staff who perform IT functions. In the case where an actual security function will be transferred to the agency to perform, OIT and the agency will enter into an agreement, either a Memorandum of Understanding (MOU) or a Service Level Agreement (SLA), so that

responsibilities are clearly defined. An example of this is the agreement between OIT and CDOT for management of the Intelligent Traffic Systems (ITS), including all security controls.

19. *[JBC Staff] While work on the HRWorks project ended in May 2020, the state will still need to develop an alternative to processing payroll through a mainframe system, given its age and increasing cost to maintain. Provide analysis of any critical risks identified by OIT regarding existing HRWorks applications and processes and a discussion whether those with higher risks can be mitigated sooner via smaller IT projects.*

The HRWorks project highlights the need to reevaluate the state's IT governance model; this has commenced as part of the IT Transformation program. Enhanced IT governance can reduce the risk of continued HR application sprawl as a result of missing centralized solutions, and can reduce the risk that those agencies with money pursue their own solutions, leaving those agencies lacking funding without modern technology tools. IT governance can also help create a more effective model for shared funding and a collaborative approach to solutioning for technology to support HR business functions in the future.

A look at a new approach to address the current payroll system began in Q2 of this fiscal year, but a complete next steps approach is not yet defined. That effort seeks to pursue a vendor solicitation for ongoing support, maintenance, and a cost model which scales according to a "only pay for what you use" principle. We are currently seeking to obtain a model solicitation document from previous public sector acquisitions of similar services.

Still needed is an application-level assessment of the state payroll system to determine proper requirements within the vendor solicitation approach. This will require at least one resource with specialized skills and expertise, of which a proper resource has not yet been identified (or may require to be built into the costs of a preliminary phase ["assessment"] of the outsourcing model).

Although some general risk analysis was completed in the HRWorks project, we have not yet begun to evaluate the specific option of deploying smaller IT projects to mitigate current mainframe risks.

FY 2020-21 COVID-19 Stimulus Package Request

20. *[Sen. Moreno] Provide an overview, including a breakdown of estimated costs by project area or type, for how OIT plans to spend \$140 million General Fund to expand access to broadband in Colorado. Describe how OIT is supporting the broadband funding allocated to the Department of Education through special session bill H.B. 20B-1001. Also include descriptions of how other state agencies with responsibilities involving broadband will be impacted or involved if the request is funded.*

\$50,000,000 is requested to be transferred to the Broadband Administrative Fund at the Department of Regulatory Agencies (DORA) and \$90,000,000 is requested be transferred to a newly created Broadband Initiatives Fund for the Colorado Broadband Office (CBO) to expand broadband infrastructure. DORA will solicit applications through the Broadband Deployment Board, prioritizing shovel-ready projects and highest need communities. The CBO plans to solicit applications that fund initiatives to connect Coloradans through a Request for Applications (RFA). OIT will work with the Department of Local Affairs (DOLA), the Office of eHealth Innovation

(OeHI), and the Colorado Commission of Indian Affairs (CCIA), to solicit applications for funding in three areas: 1) Telehealth and Telemedicine, 2) Federally Recognized Tribes, and 3) Middle Mile Investments, as identified by DOLA. The Broadband Advisory Board will review these applications, considering input from state agencies and appropriate stakeholders, prioritizing applications that are shovel-ready, include an income qualified plan, and demonstrate that the project will not overbuild existing broadband infrastructure to the extent possible, and be technology agnostic.

The table below is an estimated breakdown of how the \$90,000,000 will be spent. The projects are not guaranteed but a list of options that OIT has gathered with the assistance of OeHI, CCIA, and DOLA.

<p><u>Ute Mountain Ute Tribe (UMUT)</u></p> <ol style="list-style-type: none"> 1) Connect high-speed internet to all government facilities, businesses and homes on Tribal lands and adjacent communities, 2) Bring high-speed backbone services to Towaoc, 3) Bring additional bandwidth opportunities to business in the Cortez area, as well as a redundant path from New Mexico, and 4) Provide secure internal communications to all Tribal offices and facilities on Colorado and Utah Tribal lands. 	\$10,000,000
<p><u>Southern Ute Indian Tribe (SUIT)</u></p> <ol style="list-style-type: none"> 1) Broadcast 2.5GHz spectrum, recently granted to the Tribe by the Federal Communications Commission (FCC), to over 60% of the households on Reservation and surrounding communities, 2) Fiber run from Ignacio to US Highway 550 along County Road 318, creating a redundant route on the reservation to key infrastructure (police, health clinic, education, government), and 3) Connect all tribal housing projects fiber to the premises. 	\$10,000,000
<p><u>Telemedicine through OeHI</u></p> <p>Below is a list of counties and facilities from OeHI's Rural Connectivity project that are not currently connected to health information exchange and are known to have limited broadband access. These also align with opportunity zones in the state and have been ranked based on feasibility of broadband fiber deployment.</p> <p>First priority:</p> <p>Baca County: Southeast Colorado Hospital, Walsh Hospital District Healthcare Center, Southeast Colorado Medical Clinic,</p> <p>Cheyenne County: Keefe Memorial Health Service District, Prairie View Clinic, Kit Carson Clinic,</p> <p>Huerfano County: Spanish Peaks Family Clinic,</p> <p>Lincoln County: Lincoln Community Hospital,</p> <p>Kiowa County: Eads Medical Clinic, Kiowa County Hospital, Weisbrod Memorial County Hospital,</p> <p>Otero County: Arkansas Valley Regional Medical Center, Arkansas Valley Family Practice LLC</p> <p>Kit Carson County: Stratton Medical Clinic</p>	\$20,000,000

<p>Second priority (same criteria as above): Phillips County: Melissa Memorial Hospital, Haxtun Hospital District Yuma County: Wray Community District Hospital, Yuma District Hospital Sedgwick County: Sedgwick County Health Center, Conejos County: Antonito Medical Clinic, San Luis Valley Health La Jara Clinic</p> <p>The second project will expand the availability of technology in lower-income households that currently do not have reliable access to devices such as laptops and cell phones for telemedicine visits. OeHI estimates that 20% of Coloradans would qualify for these devices based on Medicaid eligibility figures.</p>	
<p><u>DOLA Middle Mile</u> DOLA will leverage current broadband programming to solicit proposals from local governments to the Broadband Initiatives Fund. The intent of this funding is to provide targeted one-time grants to local governments to improve broadband infrastructure to achieve enhanced community and economic development, improve transportation and freight services and safety. DOLA is aware of middle mile projects that would accomplish connection of the statewide Planning and Management Regions 9, 10, 11, and 12 completing a redundant and resilient network.</p>	\$50,000,000

OIT is supporting the broadband funding allocated to the Department of Education through special session bill H.B. 20B-1001 by providing technical expertise, application review, and identification and coordination of resources.



COLORADO

**FY 2021-22 Office of the Governor's
JBC Hearing**

Governor Jared Polis
January 6th, 2021

Introduction & Common Questions

Office of the Governor



COLORADO

Governor Jared Polis

THE BOLD FOUR

[Click to view key issues & performance](#)



Tax Reform & Economic Development

Fiscal reform that serves hard-working Coloradans



Energy & Renewables

Set Colorado on a path to 100% renewable energy by 2040



Health

Reduce the cost of healthcare



Education & Workforce


Implement free full-day kindergarten for all and expand preschool



COLORADO

Governor Jared Polis

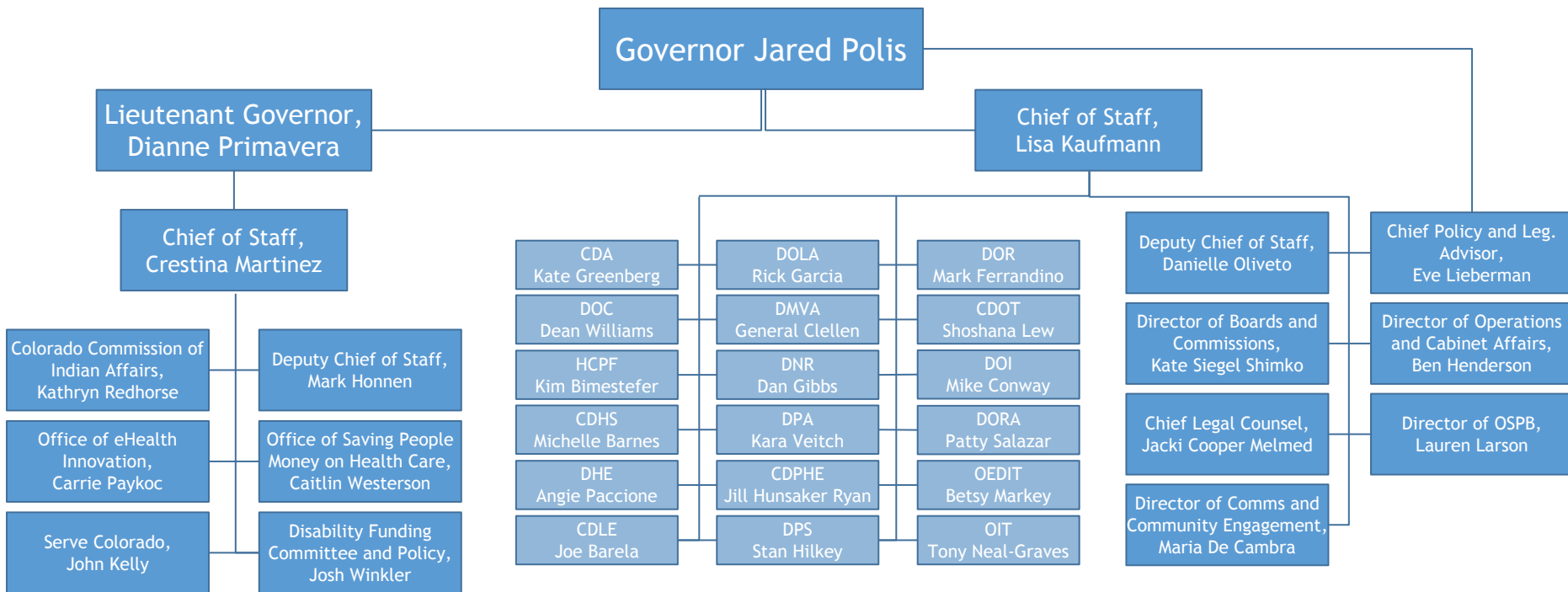
Progress on the Bold Four

-  1. **Free Full Day Kindergarten & Free Universal Preschool - 100%**
2. **100% Renewable Energy by 2040 - 60%**
3. **Lower Healthcare Costs - 40%**
4. **Tax Reform & Fiscal Reform - 50%**



COLORADO

Governor Jared Polis



Implementation of HLD Reduction

Office of the Governor

Objectives:

- Minimize disruption to the execution of the Office's mission;
- Avoid layoffs and preserve institutional knowledge; and
- Prioritize COVID-19 response, recovery, and economic resiliency.



COLORADO

Governor Jared Polis

Furloughs

\$102,478 or 21.6% of total HLD reduction

- Tiered implementation

Temporary Reductions

\$372,466 or 78.2% of total HLD reduction

- Reducing Operational Costs
- Extending position vacancies
- Refinancing using Federal Funds

	Furlough Savings	Permanent Reductions	Temporary Reductions
A. Governor's Office	\$25,340	\$0	\$97,309
B. Lt. Gov's Office	\$2,705	\$0	\$14,088
C. Office of State Planning & Budgeting	\$8,912	\$0	\$9,702
D. Colorado Energy Office	\$17,012	\$0	\$73,796
E. Office of Economic Development & International Trade	\$34,986	\$0	\$112,607
F. Office of Information Technology	\$13,523	\$0	\$64,964
TOTALS	\$102,478	\$0	\$372,466

COVID-19 Impacts

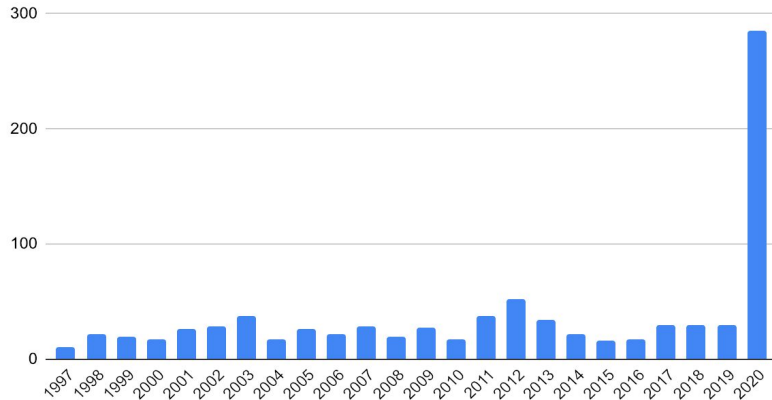
Office of the Governor



COLORADO

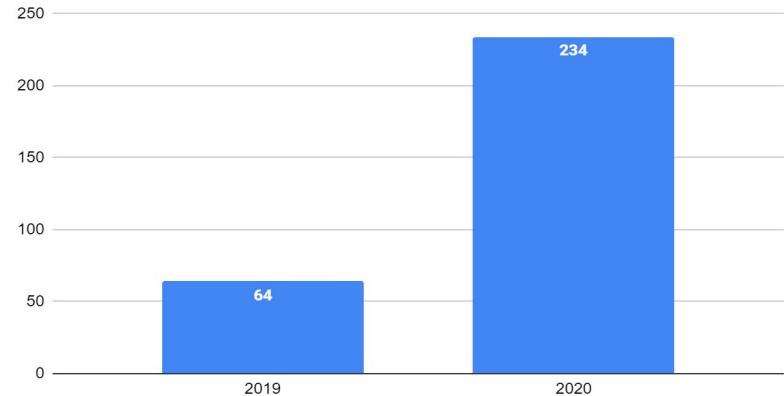
Governor Jared Polis

Number of EO's by Year



The legal and operations teams executed **285 executive orders in 2020**, compared to 30 in 2019, an increase of 850%

CORA Requests



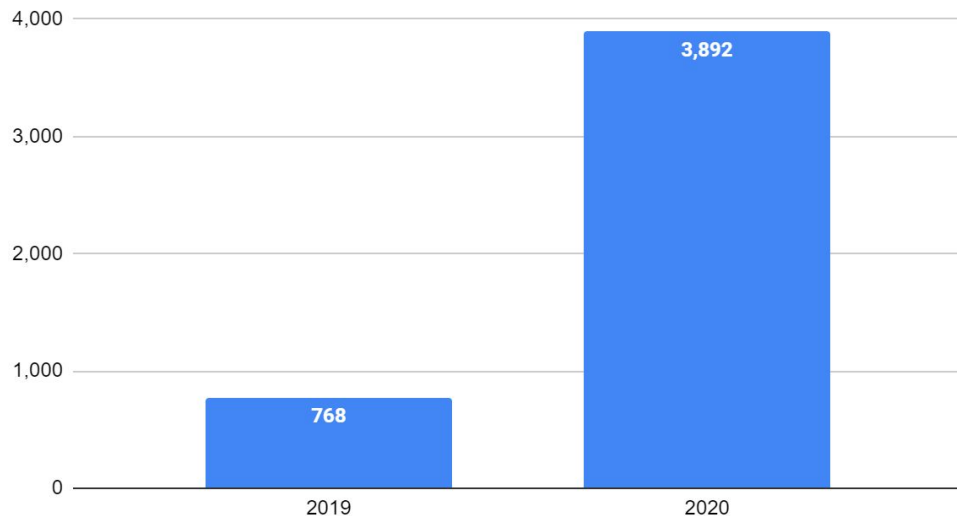
The legal team has managed **234 CORA requests in 2020**, compared to 64 in 2019, an increase of 360%



COLORADO

Governor Jared Polis

Media Inquiries



In 2020, the press team managed:

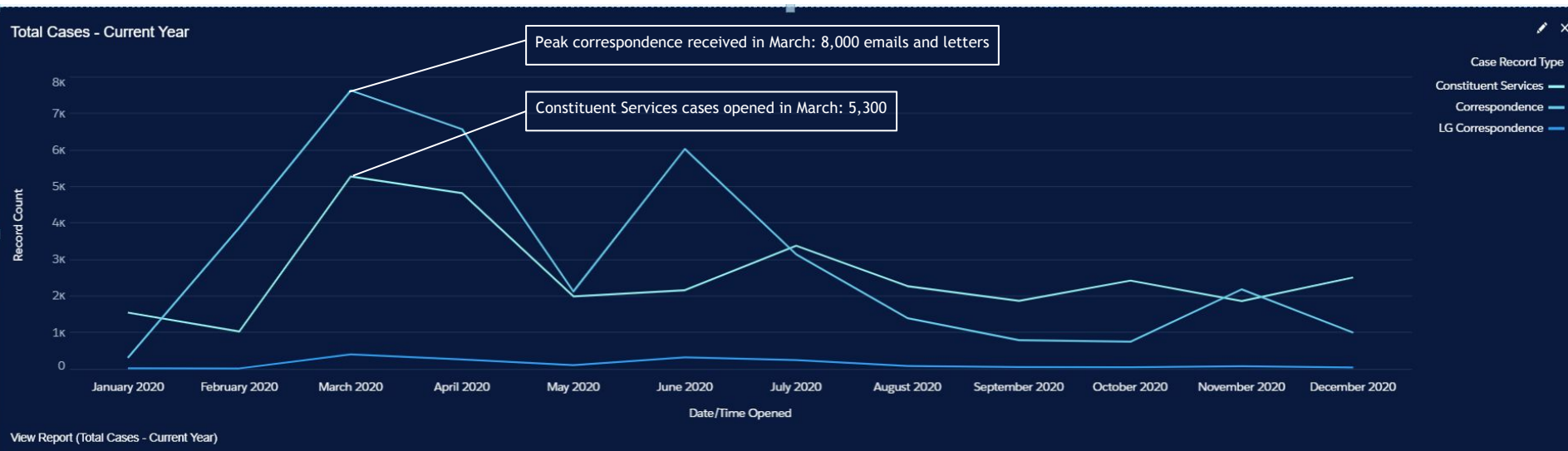
- 333 Interviews
- 96 Press conferences and media availabilities
- 442 press releases
- 3,892 media inquiries

This represents a 500% increase in workload over 2019



COLORADO

Governor Jared Polis



Correspondence & Constituent Services team has managed large increases to workload with no additions to the 2 FTE staff.

As a comparison, Arkansas has a population of about 3 million, and has 4 FTE to manage correspondence & constituent services.



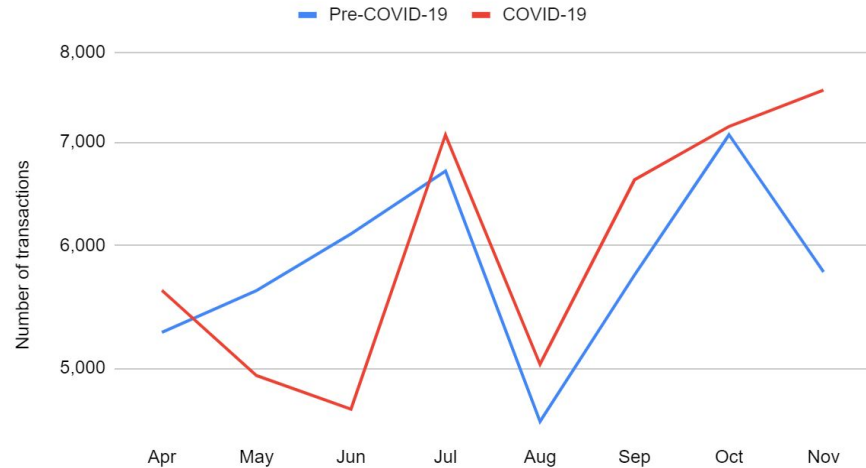
COLORADO

Governor Jared Polis

The accounting team has experienced an average of 266 more transactions per month, requiring 22 more staff hours per month, related to the office's management of CARES Act funds.

This represents a workload increase of 3.85% due to COVID-19.

Accounting Transactions





COLORADO

Governor Jared Polis

Office of State Planning & Budget has:

- Managed and coordinated fiscal response to COVID-19 across nearly every state department
 - \$5 Billion increase in federal funds (>15% increase in total state funding)
 - 25 Executive Orders with funding transfers (typically only 2-3 per year)
- Increased reporting
 - 12 new annual reports for the General Assembly
 - At least 6 new federal reports
 - Economic briefings biweekly instead of quarterly
- Published multiple new guidance documents:
 - applying for disaster funds
 - use of federal stimulus funds
 - sequestration guidance
 - budget guidance revisions
 - stimulus proposal development

Office of the Lieutenant Governor has:

- Redeployed 7 FTE to COVID-19 response, recovery & resiliency efforts
- Office of eHealth Innovation
 - Staff to Innovation Response Team
 - Refocused on telemedicine and telehealth
- Serve Colorado developed COVID-19 Containment Response Corps
- Office of Saving People Money on Health Care reassigned all staff to Innovation Response Team and Joint Information Center
- Colorado Commission on Indian Affairs
 - Served as liaison with Colorado's Tribes and American Indian/Alaska Native communities
 - Repurposed Health & Wellness Committee to focus on COVID-19



COLORADO

Governor Jared Polis

The Colorado Energy Office:

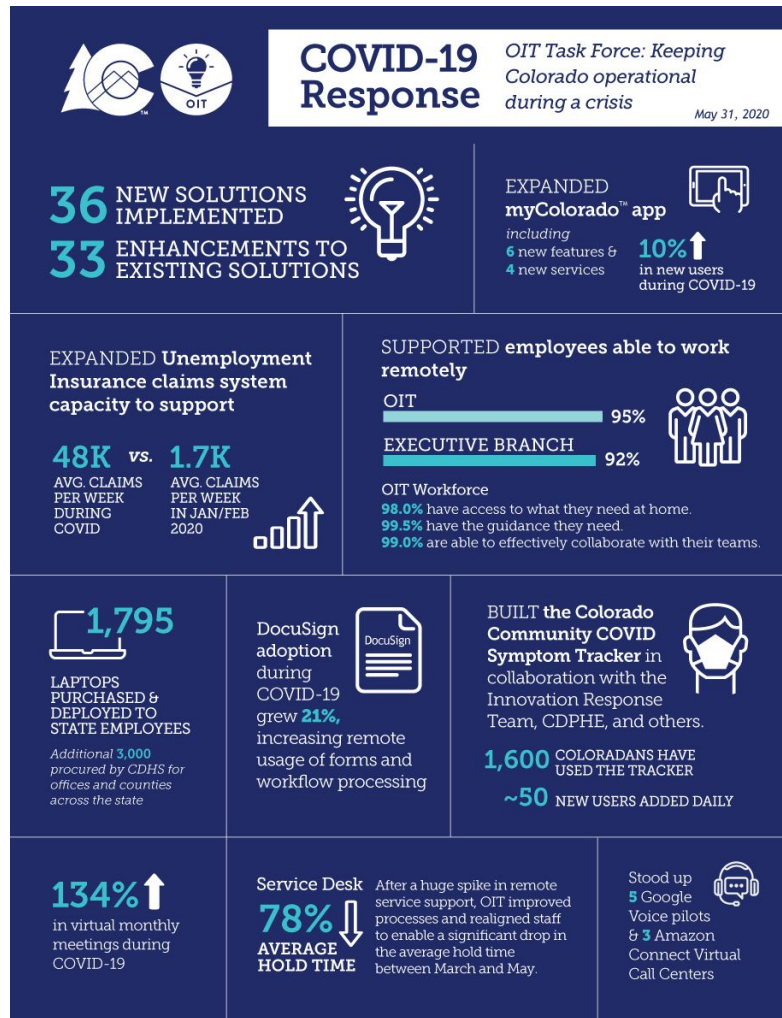
- Worked with Energy Outreach Colorado to expend CARES Act funds to cover energy bills for those in need
- Experienced reduced participation and slower work in Charge Ahead Colorado and the Weatherization Assistance Program
- Created new tools and updated policies & procedures for remote work for both the Office and those energy programs requiring in-person work

The Office of Economic Development and International Trade:

- Refocused on expedited economic recovery in addition to economic development
- Realigned existing programs where possible to assist in economic recovery
- Is administering a wide variety of new financial and technical assistance programs, including:
 - Energize Colorado Gap Fund (SB20-222)
 - Colorado Loans for Increasing Mainstreet Business Economic Recovery (CLIMBER) Fund (HB20-1423)
- Sustained a 27% budget reduction in FY21

Office of Information Technology

- Remote access (e.g., VPN):
 - 20,000+ state employees added
 - New systems at DOR and DOC
- Collaboration with CDPHE to build and support 5 new applications for COVID-19 response





COLORADO

Questions?



Governor's Office of Operations

Reimagine State Government

January 6, 2021
Ben Henderson & Lu Cordova



COLORADO
Governor Jared Polis

Focus on Operational Excellence

- CO named one of the **top states** for strategic goal setting and use of data
- The **Governor's dashboard** is a public webpage tracking monthly progress for 280 metrics and goals (WIGs)
- Professional Development Academy including **Agile, Lean, contract management, change management.**
- Coordinate **performance plans, and SMART Act compliance**



The Pueblo Chieftain

Colorado recognized nationally for its use of data in policy-making

Ryan Severance rseverance@chieftain.com

Published 11:09 a.m. MT Aug. 16, 2020



The gold-covered dome on the state Capitol shines in the late afternoon sun in downtown Denver. The Colorado governor's office says the state has served as a national model for using data to inform the way it does business. AP PHOTO/FILE



Reimagine

State Government

6 Priorities Based on Agency Needs

1. Protect those in State custody
2. Increase employee engagement
3. Accomplish more bold goals (WIGs)
4. Reduce our physical footprint
5. Increase access to virtual services
6. Responsibly reduce the State budget

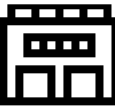


Reimagine

State Government

6 Priorities Based on Agency Needs

1. Protect those in State custody
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5. Increase access to virtual services
6. Responsibly reduce the State budget



Reduce our physical footprint

Lead Agency: DPA (Office of the State Architect)



An interagency team being lead by Cheri Gerou has been charged with creating a statewide strategy to reduce our physical footprint. They will use several methods and analyses as they work towards a goal of 1,000,000 square feet over five years.

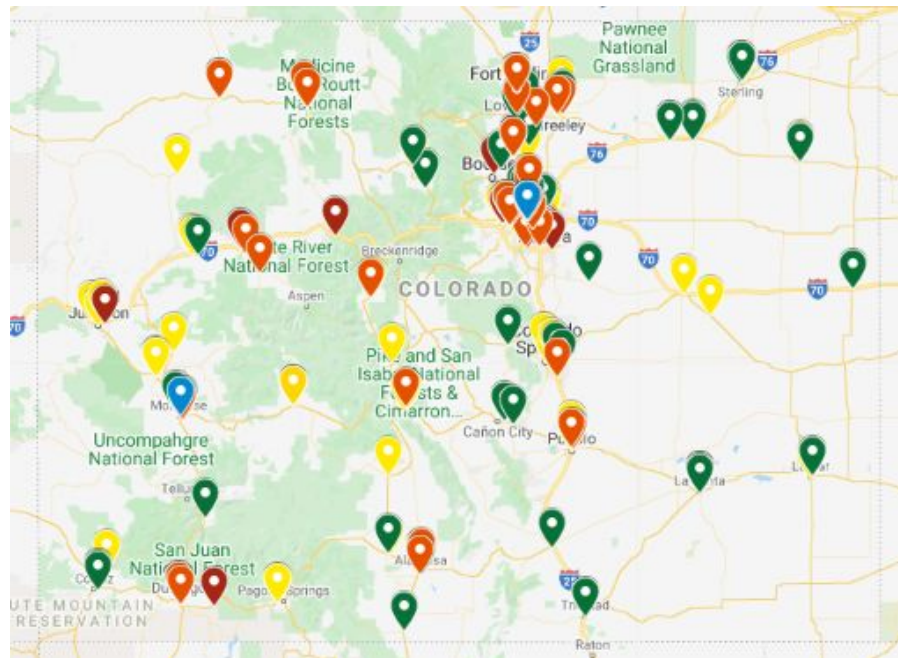
Reimagine

State Government

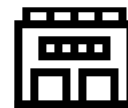


The State's current physical footprint

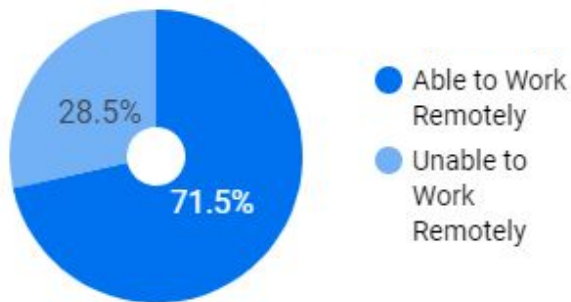
- 2,387 buildings owned, 48.1 million SF
- Valued at \$13.3 Billion
- 56% built before 1980
- 60% Higher Education
- 1.7 M SF vacant
- 2.1 M SF private lease space
- 1.2 M SF in interagency leased space



What do our employees experience?



Working Remotely - Statewide



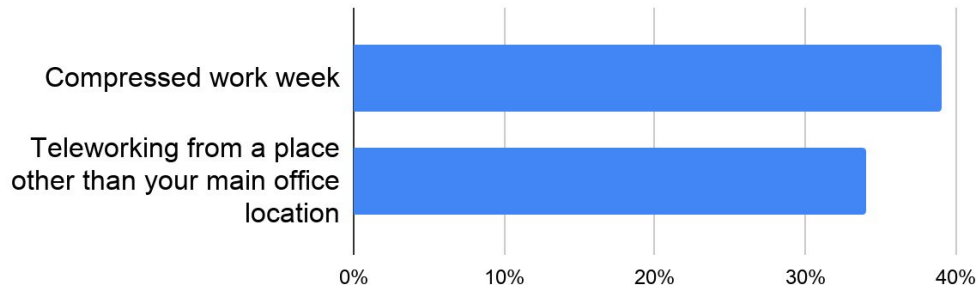
Actual % Working Remotely

62.0%

“What would make working at the state even better for you?”

1 out of 5 employees would like to have a flexible work schedule/arrangement.

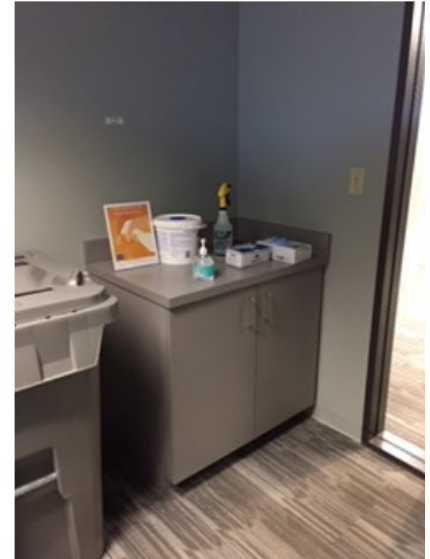
“If you were able to have a flexible work arrangement, which one of these would you pick?”

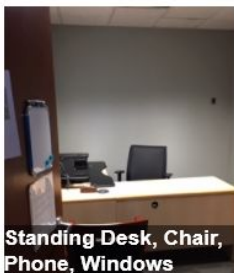


Agency hoteling pilot: Department of Public Safety

- Hoteling: A reservation-based unassigned seating philosophy where employees reserve a workspace before they come to work in an office.
- Internal agency pilot to identify if hoteling would be a successful alternative to utilizing office space more efficiently.
- Cleaning and sanitation guidelines, rules and policies drafted.

Cleaning Station Near Longs Peak, room 14



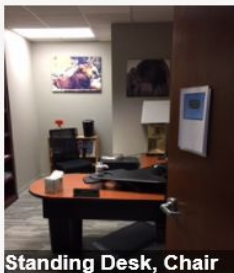
**Mt Princeton, room 21** Private Office

City: Lakewood

Address: 700 Kipling St Lakewood, CO 80215

Description

Private, interior office. Great room if you need a quiet space in which to work. (bring your own keyboard and mouse)

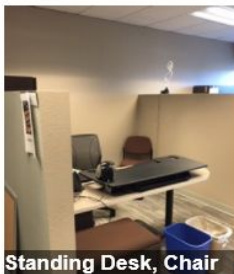
[Book Here](#)[Request Building Access](#)**Mt Harvard, room 20** Private Office

City: Lakewood

Address: 700 Kipling St Lakewood, CO 80215

Description

Private, interior office. Great room if you need a quiet space in which to work. (bring your own keyboard and mouse)

[Book Here](#)[Request Building Access](#)**Torreys Peak, room 19** Cube

City: Lakewood

Address: 700 Kipling St Lakewood, CO 80215

Description

Well lit, interior cubicle. Near exit, elevator and printer (bring your own keyboard and mouse)

[Book Here](#)[Request Building Access](#)



Increase access to virtual services

Lead Agencies: OIT



An interagency team being lead by Tony Neal Graves is focused on increasing the number of state government services that can be provided 100% virtually. No stamps, no wet signatures, no checks! The team will use several strategies as they work to **divert 100,000 transactions by June 30, 2021.**

Reimagine

State Government



Increase access to virtual services



Strategies:

1. Inventory what services agencies are already doing
2. Increasing marketing of existing virtual services
3. Accelerate OIT processes to increase capacity and bring on projects faster
4. Create and utilize creative funding opportunities to support limited agency budgets and bring on new services
5. Solve single sign-on

Efficiencies & digital transformation



Lu Córdova now works with all State agencies to:

- Identify and implement new ways of operating to generate cost savings while enhancing customer service.
- Negotiate with large vendors for savings and better service.
- Restructure how agencies develop and manage innovation and technology.
- Develop economic proposals in coordination with external stakeholders for the betterment of Coloradans.

Oversight, Accounting, Spending Approval for Custodial Funds

Office of the Governor

Appropriated vs. Custodial Funds

- Expenditure of custodial funds meet all state statute, fiscal rules and controller policy, and all rules set by the grantor.

Jobs & Tax Growth Reconciliation Act of 2003

Timeline

- **2003**
 - **May:** Public law 108-27 passes and signed by President Bush
 - **Jun:** Governor Owens accepts and certifies use with US Treasury
 - **Dec:** Governor Owens allocates funds to agencies
- **2004:** \$2,131,500 of unallocated and other unspent funds returned to the Governor's Office at the end of the year
- **2018**
 - **Oct:** Special Assistant Attorney General approved by AG's Office
 - **Nov:** Agreement and funds encumbered for duration of Complaint No. 18-22 before the Colorado Independent Ethics Commission



COLORADO

Questions?



COLORADO

**FY 2021-22 Lieutenant Governor's
Office JBC Hearing**

Lieutenant Governor Dianne Primavera

Chief of Staff Crestina Martinez

January 6, 2021

Office of the Lt. Governor Programs: COVID-19 Response

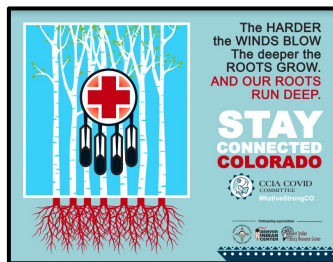
AEROSPACE

- Stay-at-Home Order
- COVID-19 Relief Fund
- PPE



COLORADO COMMISSION OF INDIAN AFFAIRS

- State-Tribes COVID-19 Meetings
- AI/AN Organization Meetings
- CCIA COVID-19 Committee
- State-Tribal Liaison Meetings



DISABILITY POLICY

- Community Leaders Meetings
- Crisis Standards of Care
- Disability Policy & Funding Committee - Josh Winkler



Office of the Lt. Governor Programs: COVID-19 Response

OFFICE OF eHEALTH INNOVATION

- Telemedicine & Telehealth
- Telebehavioral Health
- Telemedicine Projects
- HealthAtHome.com

OFFICE OF SAVING PEOPLE MONEY ON HEALTH CARE

- Innovation Response Team
- Joint Information Center
- Stakeholder Engagement
- Behavioral Health Task Force
- COVID-19 Special Assignment Committee

SERVE COLORADO

- COVID Containment Response Corps
- Food Security
- Education and Tutoring Support





COLORADO

Questions?



COLORADO

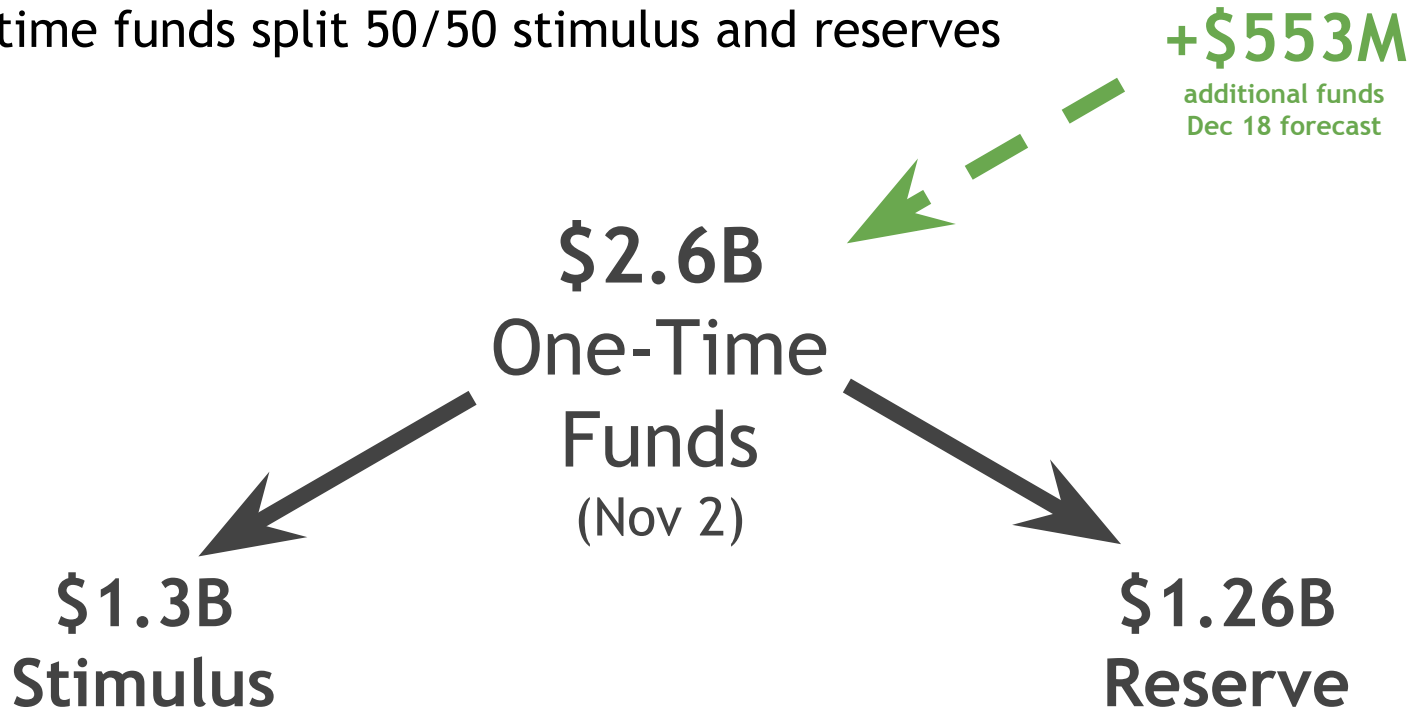
**Office of State Planning
& Budgeting**

OSPB Emergency Response

- Federal and emergency funds oversight
 - Interagency coordination of more than \$500 million emergency funds for COVID response -- multiple new guidance documents
 - Federal funds increase \$5 billion (received or expected) -- more than 15% increase in total state funding
 - Extensive efforts re Title V of the CARES Act, the Coronavirus Relief Fund (with Controller and Treasurer)
- Economic response
 - Lead indicator dashboard
 - Stimulus package to maximize impact
 - NASBO engagement in federal negotiation
- Transparency
 - www.colorado.gov/ospb/emergency_funds

Budget proposal responds to emergency

One-time funds split 50/50 stimulus and reserves



Budget Navigator



STRATEGIC INVESTMENTS AND STIMULUS

BRIDGE TO RECOVERY

INDIVIDUAL ASSISTANCE FOR LOW- AND MID-INCOME EARNERS	EO D 2020 230
WINTER SUPPORT FOR SMALL BUSINESSES HIT BY CAPACITY RESTRICTIONS	OEDIT S-04: Restaurant, Bar, and Small Business Relief Package
HOUSING AND INDIVIDUAL RELIEF	DOLA S-01: COVID-19 Emergency Housing and Direct Cash Assistance
GRANTS FOR CHILD CARE PROVIDERS	CDHS S-01: Early Childhood Stimulus

BUILDING BACK STRONGER INVESTMENTS

REDUCE WILDFIRE RISK CAUSED BY CLIMATE CHANGE	DPS S-01: Wildfire Stimulus Package DNR S-01: Wildfire Risk Mitigation and Watershed Restoration
INVEST IN BROADBAND INFRASTRUCTURE TO MOVE US BOLDLY FORWARD	OIT S-01: Statewide Broadband Initiatives
CREATE JOBS BY INVESTING IN SHOVEL READY PUBLIC WORKS AND TRANSPORTATION PROJECTS, INCLUDING ROADS AND BRIDGES	DNR CC-S-01: Increase State Parks Access CDOT S-01: COPs and Funds to Accelerate High-Priority Shovel Ready Projects CDOT S-01: Funds to Accelerate High-Priority Shovel Ready Projects CDOT S-02: Revitalization of Colorado's Main Streets
INVEST IN WORKFORCE AND INCENT BUSINESS FORMATION AND GROWTH IN COLORADO	DOLA S-02: Create RENEW Initiative Grants Funding Line Item OEDIT S-02: One-Time Infusion to Advanced Industries Accelerator Grant Program OEDIT S-03: One-Time Infusion to Strategic Fund CEO S-01: Clean Energy Finance Stimulus CDLE/CDHE S-01: Colorado's Plan for Workforce and Economic Recovery OEDIT S-01: Creation of Colorado Startup Loan Fund
IT INVESTMENTS TO STRENGTHEN OUR RESPONSE TO DISEASE OUTBREAKS AND BEHAVIORAL HEALTH NEEDS	CDPHE CC-IT-01: Colorado Electronic Disease Reporting System CDHS CC-IT-01 Behavioral Health Infrastructure Investments HCPF R-23: Behavioral Health Claims and Eligibility Processing
CREATING A MORE EQUITABLE COLORADO FOR ALL	OEDIT R-01: Increase Support to Minority Owned Businesses DPS R-03 Increase Body-worn Cameras Grant Funding HCPF R-24 Addressing Health Care Disparities



EDUCATION AND WORKFORCE

RESTORE FUNDING FOR K-12	CDE R-01 State Share of Total Program Increase
RESTORE AND TRANSFORM HIGHER ED	CDHE R-01 State Operating Funding for Public Higher Education CDHE R-06 RISE Higher Education Innovation Fund
EXPAND ACCESS TO EDUCATION	CDE R-03 State Match for Colorado Imagination Library CDHE R-07 Continue Open Educational Resources
ENHANCE SUPPORT FOR EARLY CHILDHOOD EDUCATORS	CDHS R-03 Supports for Early Childhood Educator Workforce CDHS R-12 CCCAP Early Childhood Educator Salary Increase



ENERGY AND RENEWABLES

REDUCE WILDFIRE RISK	DNR R-01 Wildfire Risk Mitigation and Watershed Restoration
PROTECTING PUBLIC SAFETY AND WILDLIFE	DNR R-03 Habitat Connectivity and Transportation Coordinator
HELPING IMPACTED COMMUNITIES	CDLE R-01 Launching Colorado's Just Transition
ADAPTING TO CLIMATE CHANGE	CDA R-01 Agriculture Climate Resilience Office
ACCELERATE ELECTRIC VEHICLE USE IN STATE FLEET	DPA R-06 Annual Fleet Request



ECONOMIC DEVELOPMENT & TAX REFORM

	DOR R-01 Lottery Re-imagined for Beneficiaries OEDIT R-02 Cannabis Opportunity Program CDA R-02 Industrial Hemp Enforcement FTE
CAPITAL INVESTMENTS	For complete list, please see the capital submission to the CDC



HEALTH

SAVING PEOPLE MONEY ON HEALTHCARE	DORA R-01 Colorado Option Health Insurance DORA R-02 Prescription Drug Affordability HCPF R-07 Nurse Advice Line
INVESTMENTS IN BEHAVIORAL HEALTH	CDHS R-01 Behavioral Health Services for Children in Crisis
RURAL VULNERABLE ACCESS TO HEALTHCARE	GOV/OeH/HCPF CC-IT-02 Colorado Rural Connectivity
SERVING VULNERABLE COLORADANS	HCPF R-08 Supported Living Services Flexibility



Tax Reform & Economic Development

Fiscal reform that serves hard-working Coloradans



Energy & Renewables

Set Colorado on a path to 100% renewable energy by 2040



Health

Reduce the cost of healthcare



Education & Workforce

Implement free full-day kindergarten for all and expand preschool





Evidence-Based Policy



- For the second year in a row, Colorado was recognized by Results for America and the National Governors Association as one of the top states in the nation for tying budget to data and evidence
 - Colorado's Evidence Continuum is a national standard, being recently adopted by Tennessee
- OSPB continues to engage with JBC members and staff through Pew Results First and the Colorado Evidence-Based Policy Collaborative
- OSPB partnered with Pew and JPAL to offer evidence training for approximately 200 individuals from agency leadership, budget staff, and program staff
- Evidence a key part of budget development
 - In FY 2021-22 33% of all requests were assessed on the Evidence Continuum
 - FY 2021-22 proposed increases average a 3 on Evidence Continuum
 - FY 2021-22 proposed reductions average a 2 on Evidence Continuum



COLORADO

Questions?



Colorado Energy Office

FY 2021-22 Joint Budget Committee Hearing

January 6, 2021

Will Toor, Executive Director



COLORADO
Energy Office

Colorado Energy Office

Mission

Reduce greenhouse gas emissions and consumer energy costs by advancing clean energy, energy efficiency and zero emission vehicles to benefit all Coloradans.

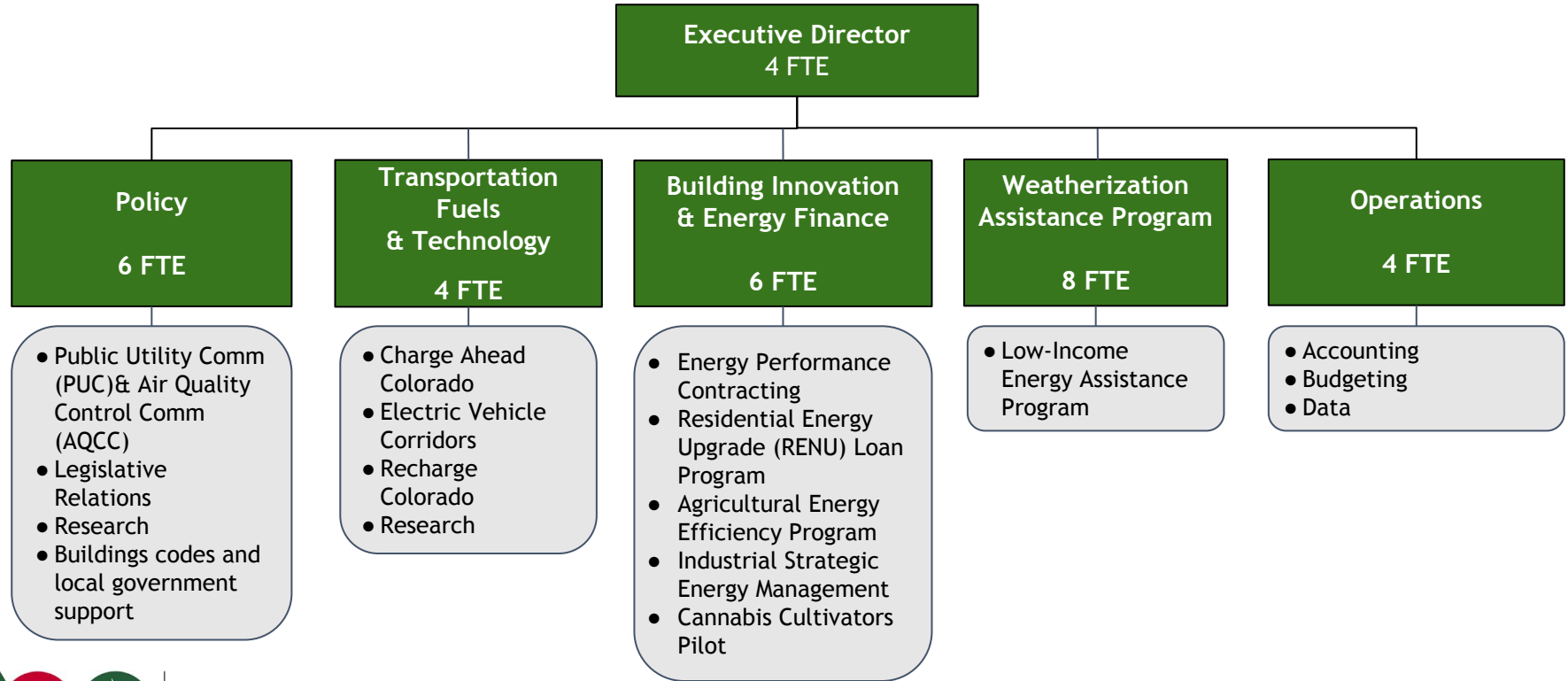
Vision

A prosperous, clean energy future for Colorado.



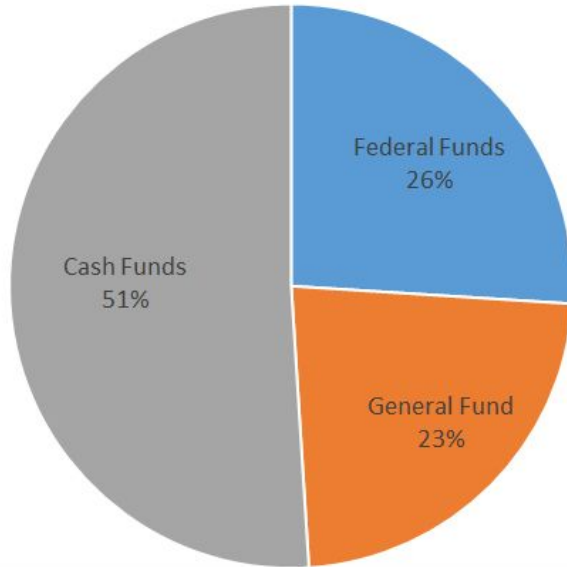
COLORADO
Energy Office

Colorado Energy Office (CEO)



CEO FY 2020-21 Budget

CEO FY21 Funding per Long Bill



- General Fund \$3,333,421
- Cash Funds \$7,536,204
- Federal Funds \$3,867,625
- **Total Funds \$14,737,250**



COLORADO
Energy Office

Budget Items

- Discontinuation of two energy efficiency programs
 - Total \$303,419 reduction in General Fund
 - Colorado Cultivator's Energy Management Program (\$130,419)
 - ReNew Our Schools (\$173,000)
 - Includes a Sunsetted Cash Fund Sweep
 - Sweeps \$38,374 from sunsetted Public Schools Energy Efficiency Cash Fund
 - Maintains a corresponding General Fund appropriation of \$38,374 to partially fund ReNew Our Schools for one year, allowing a “soft landing”



COLORADO
Energy Office

Clean Energy Finance

- Governor's budget request includes stimulus funding
- \$40,000,000 stimulus for clean energy finance - Colorado Clean Energy Fund, Residential Energy Upgrade (RENU), Commercial Property Assessed Clean Energy (C-PACE), Charge Ahead Colorado
- Clean energy jobs hard hit by pandemic - especially energy efficiency and solar installer positions
- Most of the request goes to programs to leverage private investment in these sectors - **good for our economy...and for our clean energy and climate goals**



COLORADO
Energy Office

Colorado Clean Energy Fund (CCEF)



Colorado Clean Energy Fund

- Stimulus funding: \$30,000,000
- Private capital leveraged: \$120,000,000
- CCEF was created through collaboration between CEO and US Department of Energy
- As the state's green bank, leveraging limited public and philanthropic capital to catalyze far greater sums of private investment is a core principle of CCEF; by utilizing co-investment, capital recycling and balance sheet leveraging, CCEF will extend the impact of this appropriation by generating \$120,000,000 or more in private sector energy financing
- The initial loan product will focus on supporting building energy improvements for small- and medium- sized businesses; future anticipated products will focus on the residential and transportation sectors - these activities will create >2,000 jobs and support the state's energy and climate goals
- CCEF will create products that prioritize underserved and Just Transition communities



COLORADO
Energy Office

Residential Energy Upgrade Loan (RENU)

- Potential stimulus funding: \$2,000,000
- Private capital leveraged: \$26,000,000 (potential to revolve)
- RENU uses a loan loss reserve to encourage Colorado-based lenders to finance residential energy efficiency and renewable energy projects; the structure of the reserve allows RENU to leverage up to \$13.33 or more of private capital for every \$1 of public funding
- \$2,000,000 in stimulus funding for RENU would allow two additional lenders to join the program and would generate up to \$26,600,000 in energy lending or more; since the funds are not expended until there is a loan default, the money will likely be revolved several times, resulting in several multiples of private capital mobilization
- As a form of low-interest, long-term residential financing, RENU results in more projects for energy and solar contractors in the state, creating more jobs for the state's contractor base



COLORADO
Energy Office

Commercial Property Assessed Clean Energy (C-PACE)



- Potential stimulus funding: \$3,000,000
- Private capital leveraged: \$100,000,000
- Using the voluntary assessment mechanism of PACE projects, the Colorado C-PACE program has generated \$20,000,000 to \$30,000,000 annually in private sector financing for commercial energy upgrades or high efficiency new construction; to be self-sustaining, the program needs to grow in scale so fees can cover operating expenses
- The majority of the stimulus funding will be a one-time transfer to cover costs, allowing the program to scale to achieve self-sustainability and resulting in roughly \$100,000,000 or more in additional clean energy financing for commercial properties
- The funding will also support additional incentives in the form of audit rebates and technology - or property-specific (e.g. small commercial, agriculture rebates) incentives to drive more C-PACE projects



COLORADO
Energy Office

Charge Ahead Colorado

- Provides grants for community-based Level 2 and DC fast-charging stations
- Awarded more than 1,000 charging stations across the state
- \$5,000,000 of \$40,000,000 stimulus will be used to install approximately 300 dual port charging stations at state-owned buildings across the state
- CEO will work with agencies to determine where existing vehicles can be replaced with electric vehicles (EVs) and ensure that charging stations are purchased before EVs are deployed
- With new EV models including SUVs and pickups coming online in 2021, CEO anticipates a high level of interest from state agencies



COLORADO
Energy Office



Questions?



COLORADO
Energy Office

Office of Economic Development & International Trade

Joint Budget Committee Hearing
January 6, 2021



Betsy Markey

Executive Director

OEDIT Mission

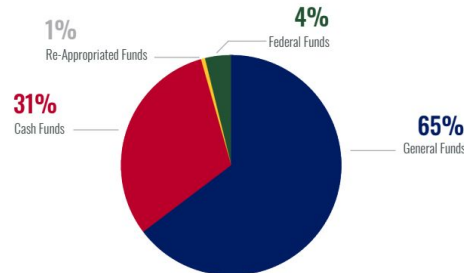
To achieve and sustain a healthy Colorado economy that works for everyone and protects what makes Colorado the best state in the country to live, work, start a business, raise a family, and retire. By growing our economy with jobs that cannot be outsourced, employee owned business creation and infrastructure to enable entrepreneurship in all parts of the state, we strive to grow a resilient economy where everyone not only gets by, but thrives.

OEDIT FY21 Funding

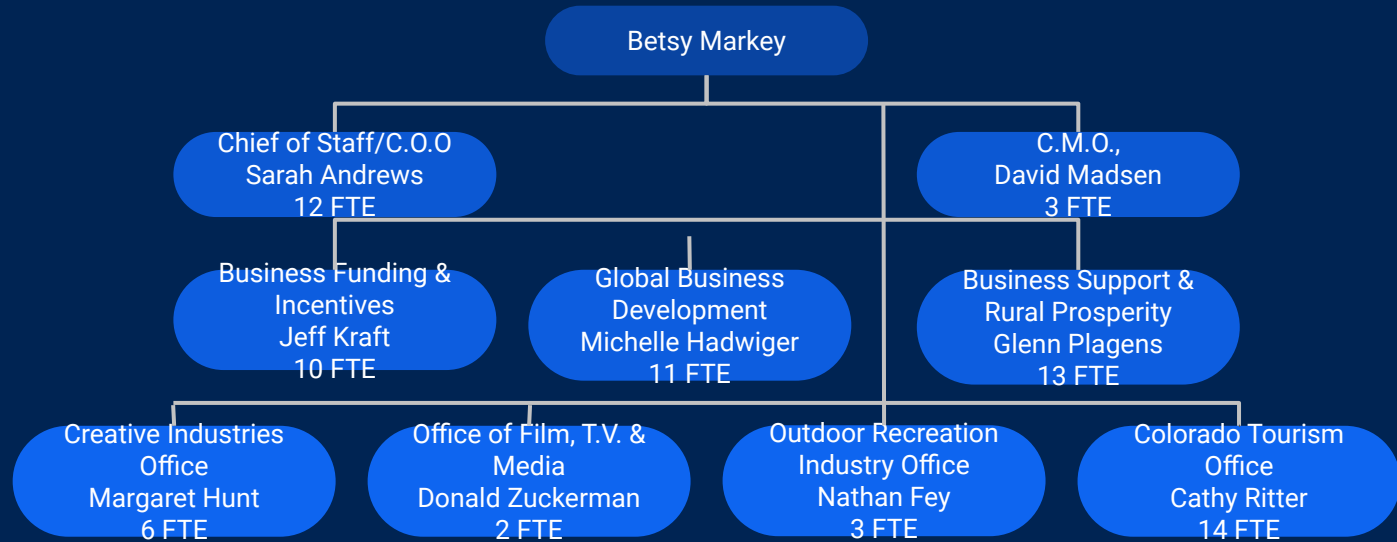
FY 21 TOTAL FTE & BUDGET BREAKDOWN

(As per FY21 Long Bill Appropriation plus supplementals and special bills)

70.75	Total FTEs
\$43,240,302	Total funds
\$27,965,994	General funds
\$13,354,737	Cash funds
\$260,291	Re-appropriated funds
\$1,659,280	Federal funds



OEDIT Organization



Total FTE = 75

OEDIT FY21 Goals

Help Rural Businesses Adapt

Initiate work on 50 regional rural roadmaps to help businesses adapt to changing market conditions.

Increase Access to Capital for Businesses

Facilitate Colorado's economic recovery by increasing access to capital for businesses from \$27M to \$67M.

Enhance Job Retention Efforts

Align business support resources and activities to enhance job retention efforts with a target of 7,200 jobs retained.

FY22 Budget Requests

*****The budget requests associated with OEDIT's original R1 and R2 requests have been withdrawn. R1 was included in SB20B-001, and R2 was included in OEDIT's supplemental requests.**

R3: Extend One-Time Reductions to Stimulate Relief

- \$500,000 to the Colorado Tourism Office's Destination Development Program
- \$1M to the Colorado First Customized Job Training Program
- \$120,000 to the Office of Outdoor Recreation

R4: Re-prioritize Funding for Economic Recovery

- \$2M to the Colorado Tourism Offices' Promotion Line Item
- \$500,000 to the Film Incentive Program
- \$270,000 to the Marketing & Communications Division
- \$76,000 to the Leading Edge Program

FY21 Supplemental Requests

S-01: Creation of Colorado Startup Loan Fund

- One-time \$30M allocation to provide startup capital to entrepreneurs and small business owners
- Those most impacted by COVID-19 and those who've lacked meaningful access to financial support

S-02: One-Time Infusion to Advanced Industries

- One-time \$10M allocation to existing Advanced Industries Accelerator Grant Program
- Support for businesses that expedite recovery by creating jobs, diversifying economy, and contributing to public health efforts

S-03: One-Time Infusion to Strategic Fund

- One-time \$15M allocation to existing Strategic Fund
- Provide cash incentives to take advantage of unique eco devo opportunities and stimulate economy

S-04: Creation of Cannabis Advancement Pilot Program

- One-time \$5M allocation to provide social equity licensees with technical and financial assistance



COLORADO

Office of Economic Development
& International Trade



Joint Budget Committee Hearing

January 6, 2021

Anthony Neal-Graves,
Chief Information Officer &
Executive Director



Agenda

- Overview
 - 2020 Accomplishments
 - IT Transformation
- Common Questions
- FY 2021-22 Budget Request
- Broadband Supplemental



Chief Information Officer Direct Reports



Julia Richman

Deputy
Executive
Director



Alex Pettit

Chief
Technology
Officer



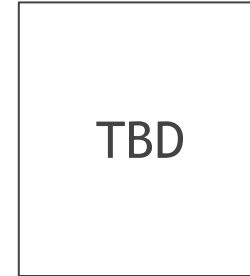
William Chumley

Chief
Customer
Officer



Debbi Blyth

Chief
Information
Security
Officer



Vacant

Executive
Director -
Colorado
Broadband
Office

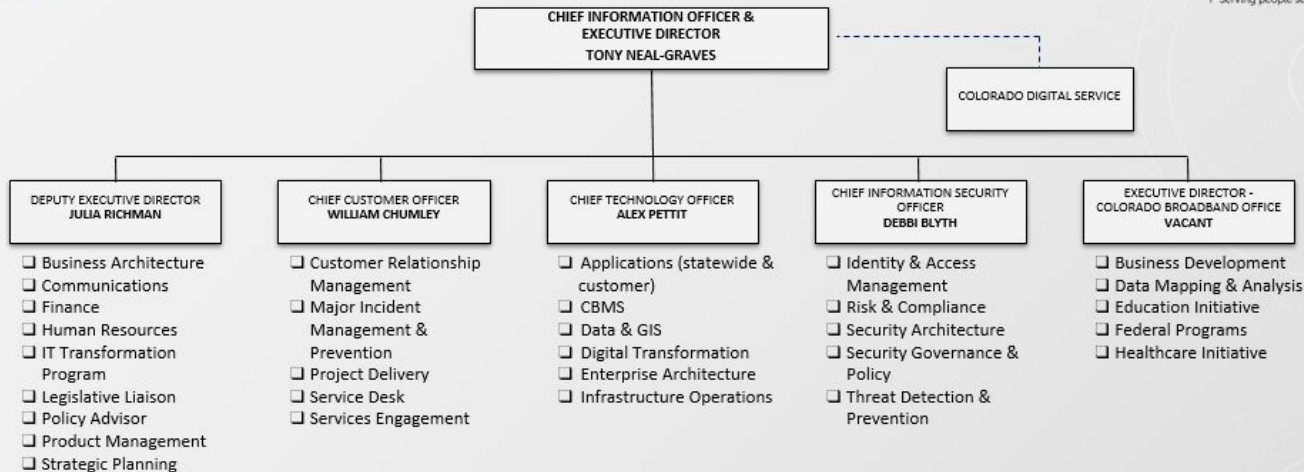
Organizational Structure

Functional Organizational Structure

12.07.20



COLORADO
Governor's Office of
Information Technology
Serving people serving Colorado



Executive Staff:

Chief Information Officer (CIO) & Executive Director (ED)
Deputy Executive Director
Chief Communications Officer & PIO
Chief Customer Officer (CCO)
Chief Financial Officer (CFO)
Chief Information Security Officer (CISO)
Chief People Officer (CPO)
Chief Technology Officer (CTO)
Executive Director - Colorado Broadband Office
Legislative Liaison

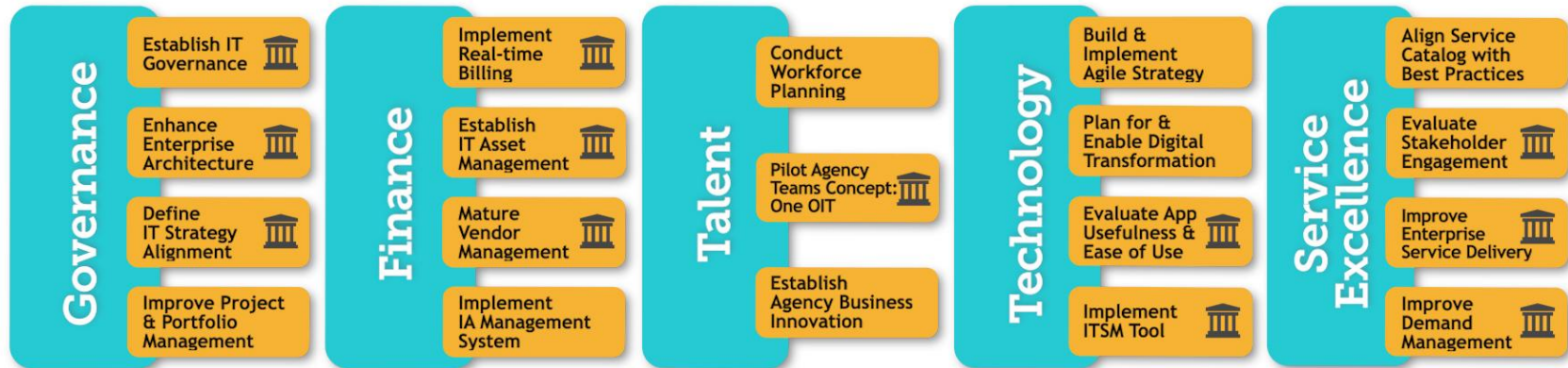


2020 Accomplishments

- Modernization of Lakewood Data Center
- Excelled in COVID-19 response
- Launched digital ID with Colorado State Patrol
- Major programs moved out of red status
- Hired two new executive team members and new ED
- Saved \$3.66M in taxpayer dollars
- Effectively managed SolarWinds incident response
- Developed a staff-led “future of work” strategic framework

IT Transformation (ITT)

IT Transformation Program Threads & Projects





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Common Questions



Common Questions

Salary Base Reductions

- 95% funded though reappropriated funds
- \$64,964 GF reduction realized by holding open a project management position funded via SB19-251

COVID-19 Response

- 90%+ of our staff is working remotely
- Partnership with CDPHE on 5 new applications for tracing, notifications, and testing results



Nimble and Responsive

COVID-19 Response

OIT Task Force: Keeping Colorado operational during a crisis

May 31, 2020

Stood up
5 Google Voice pilots
8 3 Amazon Connect Virtual Call Centers



134% ↑
in virtual monthly meetings during COVID-19

Service Desk
78% ↓
AVERAGE HOLD TIME
After a huge spike in remote service support, OIT improved processes and realigned staff to enable a significant drop in the average hold time between March and May.

36 NEW SOLUTIONS IMPLEMENTED
33 ENHANCEMENTS TO EXISTING SOLUTIONS



EXPANDED myColorado™ app

including
6 new features &
4 new services

10% ↑
in new users during COVID-19



EXPANDED Unemployment Insurance claims system capacity to support

48K vs. **1.7K**
AVG. CLAIMS PER WEEK DURING COVID
AVG. CLAIMS PER WEEK IN JAN/FEB 2020



SUPPORTED employees able to work remotely

OIT **95%**
EXECUTIVE BRANCH **92%**



OIT Workforce
98.0% have access to what they need at home.
99.5% have the guidance they need.
99.0% are able to effectively collaborate with their teams.

1,795
LAPTOPS PURCHASED & DEPLOYED TO STATE EMPLOYEES

Additional **3,000** procured by CDHS for offices and counties across the state

DocuSign adoption during COVID-19 grew **21%**, increasing remote usage of forms and workflow processing



BUILT the Colorado Community COVID Symptom Tracker in collaboration with the Innovation Response Team, CDPHE, and others.



1,600 COLORADANS HAVE USED THE TRACKER
~50 NEW USERS ADDED DAILY



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FY 2021-22 and Budget Request Package



OIT FY 21-22 Budget Efficiency Requests

Nine Proposals: \$14.8M in **Reductions**

- Low/medium customer impact on service delivery
- Focus on Operating and travel reductions
 - R-01 Central Administration



Provide an overview of how the state's evolving approach to IT projects impacts statewide IT budgets, including impacts to individual user-agencies, OIT, and the IT capital budget.

Through ITT, OIT is looking at the state's IT funding model to improve the effectiveness of IT service delivery

- Get better data and process on billing and assets
- Review enabling statute to more clearly reinforce enterprise service delivery through the budgeting process
- Modernize the spending approach to incentivize reducing technical debt and enhancing security



...Please highlight, to the extent possible, how the Trails and HRWorks projects may change under the new approach.

Funding model needs to be reevaluated with a more effective articulation of how:

1. Cloud services shift from capital to operating
2. Agile projects draw down in smaller increments
3. Movement from interagency agreements, to commodity services

Changes to Trails:

- Established a Product Owner, Technical Owner, Scrum Master, Project Manager, and Quality Owner through existing funding
- Decomposed program into smaller, specific milestone deliverables
- Developing team culture to increase accountability & ownership



Provide analysis of any critical risks identified by OIT regarding existing HRWorks applications/processes and a discussion if those with higher risks can be mitigated sooner via smaller IT projects.

OIT has engaged in the following related to the program:

- Building a statewide IT Governance model (ITT)
- Partnering with DPA to establish model for a HRIS
- Explore vendor solicitation for ongoing support and maintenance
- Plan for in-depth technical analysis
- Evaluate deploying smaller IT projects (not started)

Assessment of the state payroll system is needed to determine requirements for a possible future solution



Actions to implement requirements outlined in S.B. 19-169. Does this shift costs that were centralized in OIT out to agencies? What resources are currently dedicated to shifting to this new policy?

OIT is developing practices consistent with SB19-169:

- Implementing an IT Service Management tool
- Improving demand management
- Improving project management
- Developing portfolio management
- Established an organizational change management capability



How does the OIT security office plan to implement and monitor security controls when more tasks that were once centralized are being undertaken by agency-level staff?

- OIT remains responsible for all security functions
- Standardized IT contract with security language
- Security policy training
- If a security function is transferred, agreement with clearly defined responsibilities



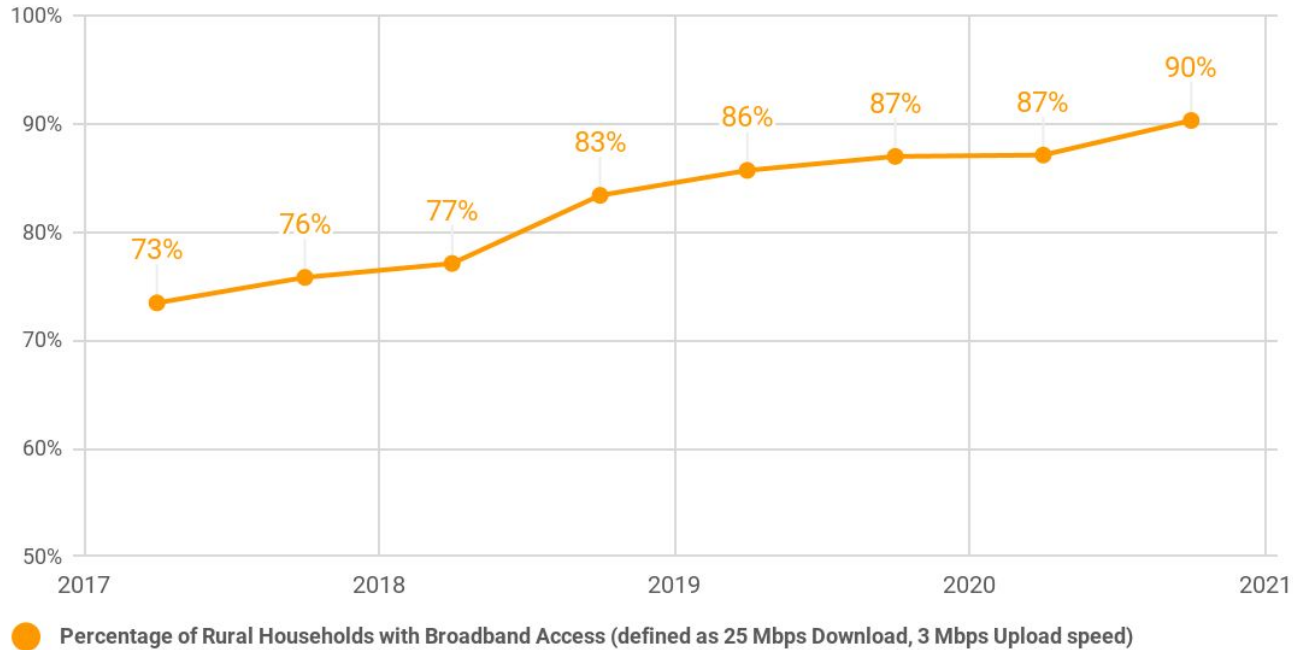
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FY 2020-21 COVID-19 Stimulus Broadband Request



Rural Household Broadband Access

Rural Broadband Coverage 2017- 2020





Broadband Stimulus Supplemental

S-01 Expand Statewide Broadband Access

- Collaborative cross-agency effort

Agency	Program	Amount
OIT - Broadband Initiatives Fund	DOLA: Middle Mile OeHI: Telemedicine Federally Recognized Tribes in Colorado	\$90,000,000
DORA - Broadband Deployment Board	Last Mile	\$50,000,000
TOTAL Investment		\$140,000,000

Department of Education Support (H.B. 20B-1001)

- OIT providing technical consulting & application review



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Questions?