

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2009-10 STAFF BUDGET BRIEFING**

**DEPARTMENT OF THE GOVERNOR**

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

**Prepared By:  
Michael Cain, JBC Staff  
November 18, 2008**

For Further Information Contact:

Joint Budget Committee Staff  
200 E. 14th Avenue, 3rd Floor  
Denver, Colorado 80203  
Telephone: (303) 866-2061  
TDD: (303) 866-3472

**FY 2009-10 BUDGET BRIEFING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

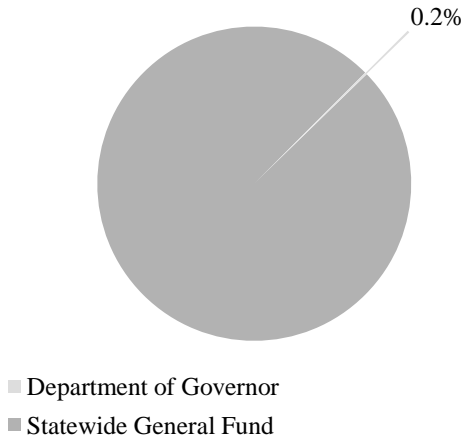
**DEPARTMENT OF THE GOVERNOR**

**Table of Contents**

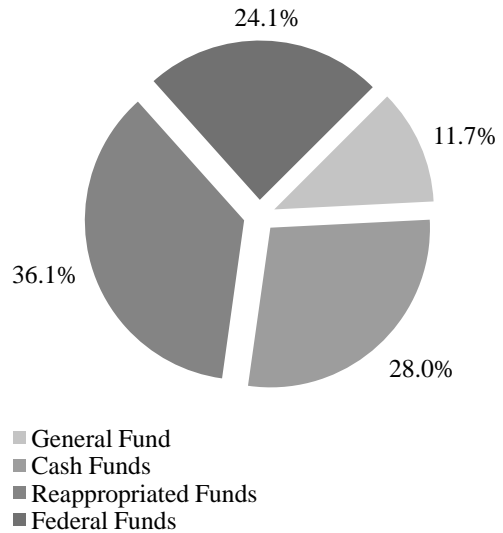
Graphic Overview .....	1
Department Overview .....	3
Decision Items .....	6
Overview of Numbers Pages .....	8
Issues:	
IT Consolidation and the State Disaster Recovery Facility .....	10
Office of Information Technology Leased Space Realignment .....	13
Backfilling Administrative Expenses in the Governor's Energy Office .....	16
Appendices:	
A - Numbers Pages .....	19
B - Summary of Major Legislation from 2008 Legislative Session .....	38
C - Update on Long Bill Footnotes and Requests for Information .....	41

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Governor  
GRAPHIC OVERVIEW**

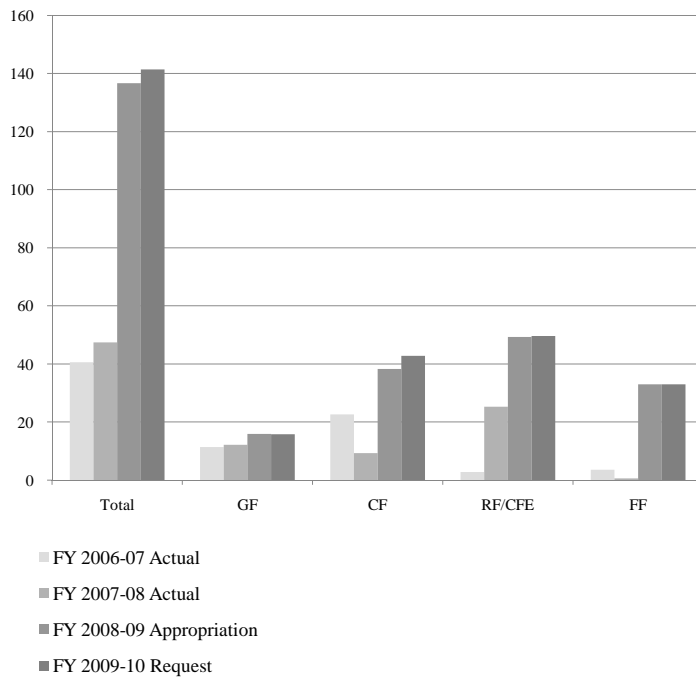
**Department's Share of Statewide General Fund**



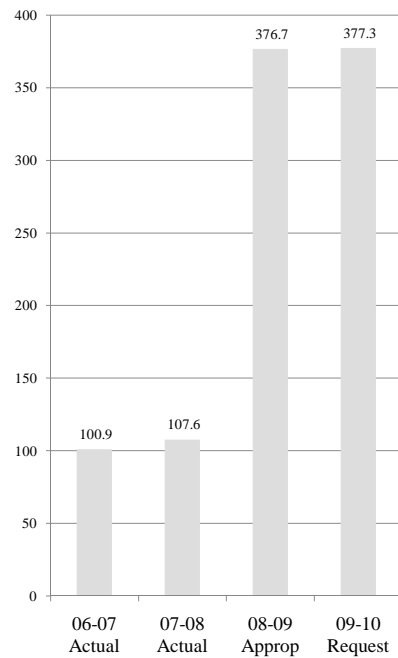
**Department Funding Sources**



**Budget History  
(Millions of Dollars)**

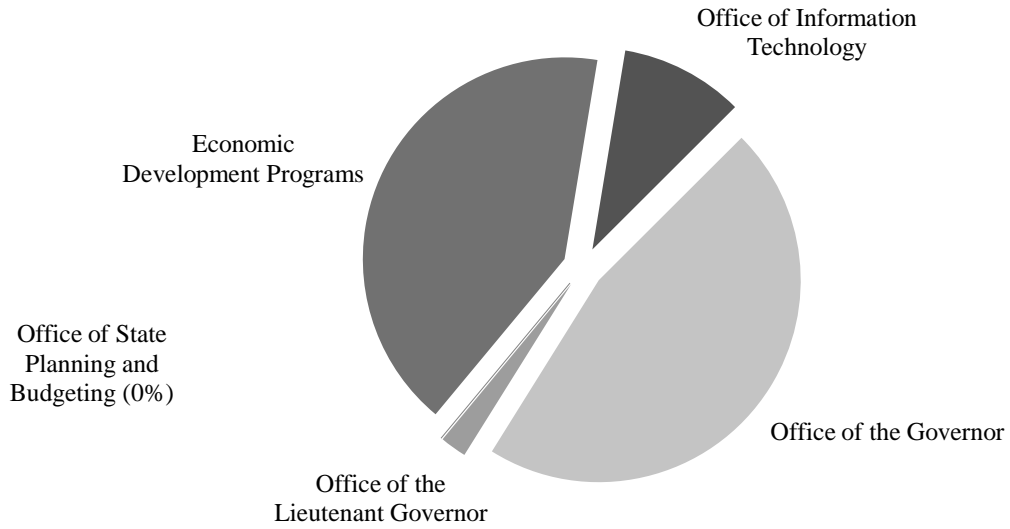


**FTE History**

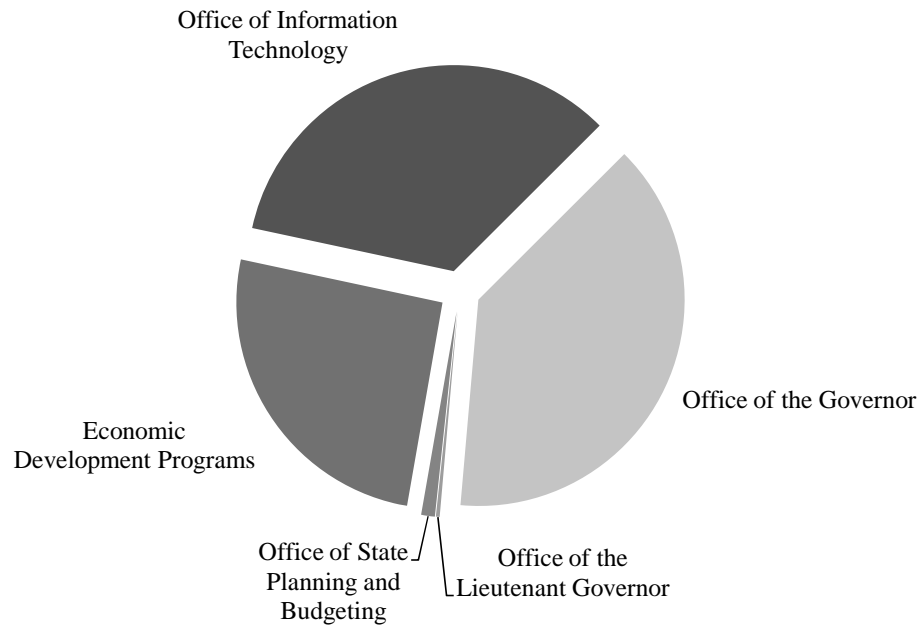


Unless otherwise noted, all charts are based on the FY 2008-09 appropriation.

### Distribution of General Fund by Division



### Distribution of Total Funds by Division



**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of the Governor**

**DEPARTMENT OVERVIEW**

**Key Responsibilities**

- ❑ **Office of the Governor**
  - Oversees operation of the executive branch of state government including coordination, direction, and planning of agency operations.
  - Represents the State and serves as a liaison with local and federal governments.
  - Offices within the Governor's Office include: Governor's Energy Office, Office of Homeland Security, Boards and Commissions Office, Citizens' Advocate Office, Office of Policy and Initiatives, and the Governor's Press Office.
  
- ❑ **Office of the Lieutenant Governor**
  - Directly oversees the Colorado Commission of Indian Affairs, Alcohol Task Force, Commission on Community Service, and other initiatives.
  
- ❑ **Office of State Planning and Budgeting**
  - Develops executive budget requests and reviews and analyzes departmental expenditures.
  - Prepares annual revenue and economic estimates for the State.
  
- ❑ **Office of Economic Development and International Trade**
  - Encourages economic development through financial and technical assistance provided on a local and regional basis.
  - Administers the following programs: Business Assistance Services, Business Development Office, Certified Capital Companies (CAPCO), Colorado First Customized Job Training, Colorado Council on the Arts, Colorado Film Commission, Colorado Tourism Office, Economic Development Commission, Enterprise Zone Program, Minority Business Office, Small Business Development Centers, Venture Capital Authority, and Bioscience Discovery Evaluation.
  
- ❑ **Office of Information Technology**
  - Coordinates and directs the use of information technology resources by state agencies.
  - Strategic objectives include: (1) securing and protecting IT assets; (2) optimizing spending for IT decisions, projects, and technology; (3) managing IT projects effectively; (4) improving enterprise service delivery; and (5) improving collaboration and innovation.
  - Charged with developing and updating information security policies, standards, and guidelines for public agencies.
  - Ensures the incorporation of and compliance with information security policies, directs information security audits and assessments, coordinates information security awareness

and training programs, and provides guidance regarding public agency budget requests related to information security systems.

## **Factors Driving the Budget**

### **Expansion of the Governor's Office of Information Technology**

The Governor's Office of Information Technology was established in state law to coordinate and direct the use of IT resources by state agencies. The process of consolidating IT functions in OIT began formally on May 25, 2007, when the Governor issued Executive Order D 016 07. That order mandated key changes in the operational role of OIT with the stated intent to reduce wasteful spending, improve service delivery and security, and implement projects more effectively. In FY 2007-08, OIT was appropriated about \$1.2 million from the General Fund and 13.0 FTE.

Senate Bill 08-155 made statutory changes consistent with that executive order. For FY 2009-10, the bill increased the Office's spending authority by \$47.9 million and 212.2 FTE. All of this increase reflects transfers of spending authority from other agencies within the executive branch. Departments headed by a statewide elected official – Judicial, Law, State, and Treasury – are not included in these changes. Further transfers will occur in future years. The final fiscal note for the bill anticipates that by the end of FY 2011-12, the annual budget for the office will be \$279.0 million and 1,247.7 FTE; this is larger than the current budget for several state government departments.

One aspect of S.B. 08-155 of particular interest to budget planners is the newly-created Information Technology Revolving Fund. Sources of revenue for this fund are (1) annual appropriations by the General Assembly and (2) any General Fund moneys appropriated by the General Assembly to the Office or other state agency for the procurement of information technology resources or major automation projects that are unexpended or unencumbered at the end of the fiscal year for which they are appropriated. Moneys in the Revolving Fund are continuously appropriated to the Governor's Office of Information Technology.

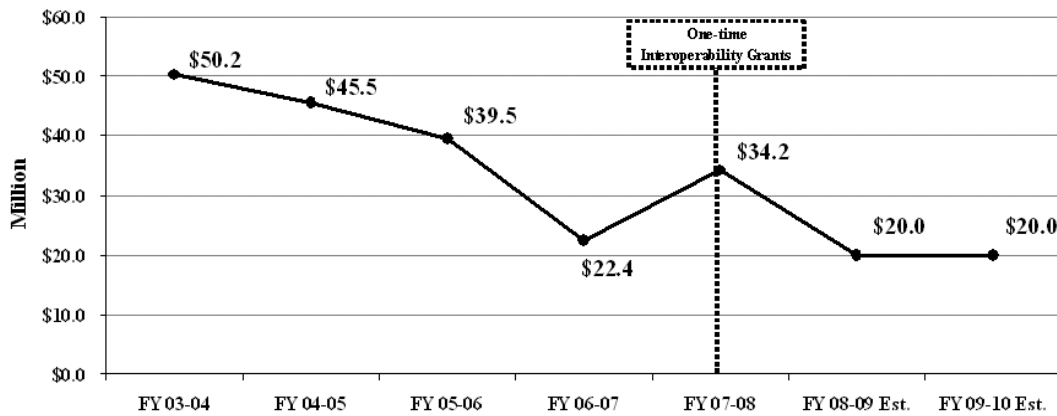
### **Office of Homeland Security**

Executive Order D 003 08 was issued by Governor Ritter on February 4, 2008, and established the Governor's Office of Homeland Security. The intent of this action was to consolidate Colorado's homeland security activities (and federal funding of same) in one place. The General Assembly approved a budget amendment to effect funding for this consolidation, and transferred \$19.7 million in federal funding from the Department of Local Affairs to the Governor's Office. These federal funds are not subject to appropriation by the General Assembly, and are shown in the Long Bill for informational purposes only.

However, as shown in the following figure, the size of the homeland security federal grant has been decreasing since its inception. In addition to the decrease in the total grant amount, new federal rules have reduced the fraction of the grant which may be used for administrative purposes from five percent to three percent. The current level of funding for administration in the Governor's Office of

Homeland Security appears to be higher than allowed under the new rules. Any requests to backfill the reduced amount of federal funding with state dollars, or to use state dollars to avoid exceeding the three percent limit on administrative expenditures, would require an appropriation by the General Assembly.

### Grant Awards



### Variable Funding Sources

A number of programs in the Governor's Office, particularly those in the Governor's Energy Office and the Office of Economic Development and International Trade, are funded from sources that may vary considerably from year to year. Because of the difficulties involved in shrinking and growing programs – and staff for those programs in particular – on an annual basis, such variations in revenues can result in requests to backfill the difference with other state revenues, often from the General Fund. Staff will discuss this topic in more detail in the context of one of the decision items submitted by the Governor's Office in one of the briefing issues.

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of the Governor**

**DECISION ITEM PRIORITY LIST**

Decision Item	GF	CF	RF	FF	Total	FTE
1	0	0	0	0	0	0.0
<p><b>Governor's Energy Office - Staffing</b></p> <p><b>Office of the Governor.</b> The Department proposes a change in the letter note associated with the Program Administration line in the Governor's Energy Office. In the FY 2008-09 Long Bill, the line includes 27.0 FTE, and the letter note indicates that the funding is shown for informational purposes only. The Department proposes modifying the letter note to indicate that the FTE associated with those federal funds are not information only. While there is no financial impact for FY 2009-10, the Office requests that \$1.3 million in federal funds be replaced with \$1.3 million General Fund in FY 2010-11. This decision item will be discussed in more detail in one of the briefing issues in this packet. <i>Statutory authority: Sections 24-38.5-101 and 102, C.R.S.</i></p>						
2	15,336	0	0	0	15,336	0.4
<p><b>International Trade Office FTE</b></p> <p><b>Economic Development Programs.</b> The Department proposes an increase of 0.4 FTE and \$15,336 General Fund for the International Trade Office for FY 2009-10 (increasing to \$16,697 in FY 2010-11). This increase will allow the Department to convert a current part-time position to full-time in order to deal with an increased number of foreign investment inquiries and provide support for a new sustainable technologies export program. <i>Statutory authority: Section 24-47-101, C.R.S.</i></p>						
3	0	0	253,445	0	253,445	0.0
<p><b>Office of Information Technology Leased Space Realignment</b></p> <p><b>Office of the Governor.</b> The Department requests a decrease of \$178,576 for the Capitol Complex Leased Space line and an increase of \$432,021 for the Private Leased Space line for a net increase of \$253,445 reappropriated funds for FY 2009-10 (increasing to \$274,764 in FY 2010-11). The additional funds for private leased space will facilitate the relocation of staff and resources into a single location in downtown Denver. The capitol complex space is located at 690 Kipling; other departments have already indicated an interest in occupying the vacated space. The requested funding sources for FY 2009-10 are reserves from user fees previously assessed in several funds: the Computer Services Revolving Fund, the Telecommunications Revolving Fund, the Communication Services Revolving Fund, and the Information Technology Revolving Fund. <i>Statutory authority: Sections 24-37.5-101 through 104, Section 24-37.5-112, Section 24-37.5-505, and Section 24-37.5-604, C.R.S.</i></p>						
4	0	0	(300,000)	0	(300,000)	0.0
<p><b>STEM Transfer</b></p> <p><b>Economic Development Programs.</b> This request would transfer responsibility for the STEM (science, technology, engineering, and mathematics) after school program to the Department of Education (CDE). Currently, CDE receives funding for the program, then transfers those funds to the Office of Economic Development. The reappropriated funds decrease reflects the elimination of that transfer. More detailed information on CDE plans to administer the program will be provided in one of the staff briefings for CDE. <i>Statutory authority: Section 24-48.5-109, C.R.S.</i></p>						



<b>Decision Item</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
NP-1 <b>Fleet Operating Increase</b> <b>Office of the Governor and Office of Information Technology Services.</b> This non-prioritized decision item reflects assumed changes in billing for centralized services. Common policy regarding centralized services will be considered in separate staff briefings.	1,739	0	45,018	0	46,757	0.0
NP-2 <b>Workers' Compensation</b> <b>Office of the Governor.</b> This non-prioritized decision item reflects assumed changes in common policy with respect to the State's workers' compensation program. Common policies will be considered in separate staff briefings.	2	0	16	0	18	0.0
NP-3 <b>Postage Increase and Mail Equipment</b> <b>Various.</b> This non-prioritized decision item corresponds to prioritized items in the Department of Personnel and Administration. More detailed information on the item will be provided in one of the staff briefings on that Department.	267	778	12,185	400	13,630	0.0
NP-4 <b>0.3 FTE to Support Colorado Commission on Criminal and Juvenile Justice Director Position</b> <b>Office of the Governor.</b> This non-prioritized decision item corresponds to a prioritized item in the Department of Public Safety. More detailed information on the item will be provided in one of the staff briefings on that Department.	53,182	0	0	0	53,182	0.3
NP-5 <b>Fleet Vehicle Leases Corresponding to Department of Public Safety DI #14</b> <b>Office of the Governor.</b> This non-prioritized decision item corresponds to a prioritized item in the Department of Public Safety. More detailed information on the item will be provided in one of the staff briefings on that Department. The reappropriated funds represent a transfer from the appropriation made in item NP-4.	0	0	900	0	900	0.0
NP-6 <b>Vehicle Lease</b> <b>Economic Development Programs.</b> This non-prioritized decision item reflects assumed changes in the billing for centralized services. Common policy for centralized services will be considered in separate staff briefings.	2,630	0	0	0	2,630	0.0
<b>Total</b>	<b>73,156</b>	<b>778</b>	<b>11,564</b>	<b>400</b>	<b>85,898</b>	<b>0.7</b>

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of the Governor**

**OVERVIEW OF NUMBERS PAGES**

The following table summarizes the total change, in dollars and as a percentage, between the Department's FY 2008-09 appropriation and its FY 2009-10 request.

**Total Requested Change, FY 2008-09 to FY 2009-10 (millions of dollars)**

<b>Category</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
FY 2008-09 Appropriation	\$16.0	\$38.3	\$49.4	\$33.0	\$136.7	376.7
FY 2009-10 Request	15.9	42.8	49.7	33.0	141.4	377.4
Increase / (Decrease)	(\$0.1)	\$4.5	\$0.3	\$0.0	\$4.7	0.7
Percentage Change	-0.6%	11.7%	0.6%	0.0%	3.4%	0.2%

The following table highlights individual changes contained in the Department's FY 2009-10 budget request, as compared to the FY 2008-09 appropriation. For additional detail, see the numbers pages in Appendix A.

**Requested Changes, FY 2008-09 to FY 2009-10**

<b>Category</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
Annualize Biosciences Discovery Evaluation Funding	\$0	\$0	\$4,500,000	\$0	\$4,500,000	0.0
Prior Year Salary Survey	226,180	0	517,555	12,215	755,950	0.0
Salaries and Benefits	69,892	29,669	223,478	7,923	330,962	0.0
OIT Leased Space Realignment (DI #3)	0	0	253,445	0	253,445	0.0
Prior Year Performance-based Pay (at 80%)	71,757	2,472	163,881	3,039	241,149	0.0
Non-prioritized Decision Items and Other Common Policy	137,909	30,447	(149,035)	8,323	27,644	0.3
International Trade Office FTE (DI #2)	15,336	0	0	0	15,336	0.4
Governor's Energy Office Staffing (DI #1)	0	0	0	0	0	0.0
Annualize Prior Year Special Bills and Decision items	(580,528)	4,479,000	(4,694,452)	9,897	(786,083)	0.0

<b>Category</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
Indirect Cost Assessment Common Policy	(69,892)	(29,669)	(223,478)	(7,923)	(330,962)	0.0
STEMS Transfer (DI #4)	0	0	(300,000)	0	(300,000)	0.0
<b>Total</b>	<b>(\$129,346)</b>	<b>\$4,511,919</b>	<b>\$291,394</b>	<b>\$33,474</b>	<b>\$4,707,441</b>	<b>0.7</b>

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of the Governor**

**BRIEFING ISSUE**

**ISSUE: IT Consolidation and the State Disaster Recovery Facility**

The Department of State operates and funds (\$2.2 million cash funds annually) an information technology disaster recover facility (the e-FOR<sup>3</sup>T) that is available for use by all state agencies. There appear to be a number of issues, including an apparent lack of statutory authority, associated with the current arrangement.

**SUMMARY:**

- ❑ The Department of State operates and funds an information technology (IT) disaster recovery facility which is available for use by other state agencies. Agencies that make use of e-FOR<sup>3</sup>T do not pay any of the fixed costs associated with the facility. There does not appear to be explicit statutory authority for the Department to expend moneys from the Department of State Cash Fund in order to subsidize operations of those other agencies.
- ❑ The Government Efficiency and Management program has identified the e-FOR<sup>3</sup>T as one of the facilities into which the State should consolidate its IT operations. Other shared IT facilities are operated by the Governor's Office of Information Technology under explicit statutory authority that requires users to pay the fixed costs. Consistency suggests statutory changes should be made to bring e-FOR<sup>3</sup>T operation into line with other shared facilities.
- ❑ The Department of State "subsidy" makes the e-FOR<sup>3</sup>T a bargain for other agencies. An abrupt change to a funding model consistent with that used for other shared facilities may create hardship for those agencies. A transition funding period may be necessary in order to allow those agencies an opportunity to accommodate the necessary adjustments to their budgets.
- ❑ Staff recommends the Committee sponsor legislation that will address all of these issues.

**RECOMMENDATION:**

Staff recommends the Committee sponsor a bill which would transfer responsibility for the e-FOR<sup>3</sup>T from the Department of State to the Governor's Office of Information Technology. The legislation should: (1) properly authorize the operation of the e-FOR<sup>3</sup>T in much the same way that the General Government Computer Center is authorized; (2) authorize the Governor's Office of Information Technology, rather than the Department of State, to operate the e-FOR<sup>3</sup>T; (3) establish a long-term funding arrangement in which users pay the fixed costs associated with the e-FOR<sup>3</sup>T in some proportional fashion; and (4) provide for a multi-year transition period during which costs are gradually shifted from the Department of State to all users of the facility.

## DISCUSSION:

In June 2004, the Department of State experienced the "zinc whiskers" disaster, which interrupted many of the Department's e-government operations for nearly 30 days. The Department was in the process of relocating at the time and established a replacement data center at its new offices. During the recovery process, the Department also prepared arguments for developing a separate disaster recovery facility. The Department's proposal was absorbed into a parallel assessment of the state's overall disaster preparedness. In 2005, the Department received an appropriation of \$3.6 million cash funds (Department of State Cash Fund, hereafter simply "the fund") in order to establish a disaster recovery facility for computer operations that would be available to all state agencies.

This project was named the "Enterprise Facility for Response/Readiness/Recovery and Transition Services" (e-FOR<sup>3</sup>T). The facility was prepared as a public/private partnership with ViaWest Inc., and opened for operation in June 2006. The facility provides for properly-conditioned space, electrical power, and communications services. The facility is categorized as "Tier III" in terms of reliability, availability, and security. For example, in case of a commercial power failure, the facility has two independent back-up generators; operations can continue even if one of the generators fails.

The e-FOR<sup>3</sup>T is much larger than would be required only for the Department of State's operations. Since its inception, the facility has been available for use by other state agencies. Agencies that wish to make use of the facility must agree to certain conditions required by the Department of State and ViaWest. Several agencies, including the Department of Human Services, the Department of Law, the Department of Labor and Employment, and multiple higher ed institutes have installed equipment, or have firm plans to install equipment, in the facility. While each agency must pay for its own specific equipment, the Department of State pays for the facility itself – the building space, the air conditioning, the backup power systems, etc. – from the fund.

The statutory authority for the Department of State to fund a shared facility is at best uncertain. Section 24-21-104 (3) (b), C.R.S., states that "The department of state shall adjust its fees so that the revenue generated from the fees approximates its direct and indirect costs, including the cost of maintenance and improvements necessary for the distribution of electronic records;". Section 24-21-111 (1), C.R.S., states that "Notwithstanding any provision of law to the contrary, the secretary of state may require any filing to be made by electronic means as determined by the secretary of state." Operation of a facility such as the e-FOR<sup>3</sup>T *for its own purposes* would appear to fall within the general statutory authority granted to the Department. The fund has been used for purposes outside of the Department in the past when authorized by statute; see Sections 24-21-104 (3) (d) (I) through (XII), C.R.S., for examples. However, use of the fund to subsidize IT operations *of other departments* does not appear to be authorized in current statute.

S.B. 08-155 charges the Governor's Office of Information Technology (OIT) with responsibility for centralization and consolidation of the State's information technology resources. The bill transferred responsibility for some existing shared IT facilities to the Office: the general government computer center (GGCC) and the multi-use broadband network (MNT). These shared facilities were

previously operated by the Department of Personnel and Administration. The June 2008 Government Efficiency and Management (GEM) Performance Review specifically recommends consolidation of data centers operated by individual agencies into two statewide centers, and recommends the use of the e-FOR<sup>3</sup>T as one of those two centers.

One important difference between the GGCC and e-FOR<sup>3</sup>T is how fixed costs are currently allocated to the users of the facilities. For the GGCC, OIT is required by statute (Section 24-37.5-604 (1), C.R.S.) to share fixed costs across the agencies using the facility in some sort of proportional manner. Further, the costs billed to individual agencies must be paid with either (a) funds appropriated specifically for that purpose, or (b) alternate funds not subject to appropriation. For the e-FOR<sup>3</sup>T, the fixed costs are paid entirely by the Department of State. This makes the e-FOR<sup>3</sup>T a bargain for the guest agencies. But it is certainly inconsistent with the way that such expenses for other shared facilities like the GGCC are covered.

Staff have discussed e-FOR<sup>3</sup>T operation with both the Department of State and the Governor's Office of Information Technology. The Department of State would like to have the e-FOR<sup>3</sup>T operation transferred to some other agency. The Department would like to eventually stop funding the e-FOR<sup>3</sup>T fixed costs, other than their proportionate share, but is willing to accommodate a transition period during which they pay more than that share. OIT has expressed a willingness to assume operational control for e-FOR<sup>3</sup>T, but expressed concern over funding of such activities. OIT believes that a cost allocation scheme like that used for other shared facilities is appropriate in the long term. Staff has not discussed the consequences of such a funding change with the other agencies currently using the e-FOR<sup>3</sup>T, but assumes they would prefer the current arrangement under which they pay nothing towards the fixed costs.

The 2009 session of the General Assembly is an appropriate time to make decisions regarding the transfer of responsibility for the e-FOR<sup>3</sup>T. The current contract with ViaWest will expire in February 2010. If OIT is to be responsible for the facility, as recommended by the GEM study, they should be at least involved in, if not entirely responsible for, negotiations for a new contract. OIT is in a better position than the Department of State to include long-term IT consolidation considerations in setting the goals for the facility which should be reflected in a new lease.

**Staff recommends that the Joint Budget Committee sponsor legislation to correct the several problems identified above.** The legislation should: (1) properly authorize the operation of the e-FOR<sup>3</sup>T in much the same way that the GGCC is authorized; (2) authorize the Governor's Office of Information Technology, rather than the Department of State, to operate the e-FOR<sup>3</sup>T; (3) establish a long-term funding arrangement in which users pay the fixed costs associated with the e-FOR<sup>3</sup>T; and (4) provide for a multi-year transition period during which costs are gradually shifted from the Department of State to all users of the facility.

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of the Governor**

**BRIEFING ISSUE**

**ISSUE: Office of Information Technology Leased Space Realignment**

Senate Bill 08-155 began the organizational consolidation of the State's IT functions into a single unit in the Governor's Office of Information Technology. The approximately 210 FTE that were added to the Governor's Office by that bill are housed in a variety of locations. A decision item for FY 2009-10 submitted by the Governor's Office requests an increase of \$253,445 reappropriated funds in order to consolidate the entire staff into a single location.

**SUMMARY:**

- ❑ Senate Bill 08-155 authorized consolidation of the State's IT functions into a single unit in the Governor's Office of Information Technology (OIT). The bill began the process by transferring 212.2 FTE and \$47.9 million in funding to OIT.
- ❑ As a result, the much larger OIT staff is now housed at a variety of locations. OIT proposes consolidating that staff into a single location, and believes that this will result in an increase in efficiency. The proposed relocation requires an increase of \$253,445 reappropriated funds in the OIT budget for FY 2009-10, and an annual increase of about \$21,000 for lease escalator costs in subsequent years.

**DISCUSSION:**

Historically, Colorado's state government has provided information technology (IT) functions on a distributed basis, with each agency operating in a largely autonomous fashion. Notable exceptions to this include the General Government Computer Center (GGCC) and the Multi-use Network (MNT), operated by the Department of Personnel and Administration (DPA) on behalf of many agencies. Senate Bill 08-155 authorized the consolidation of most of the State's IT functions into OIT, and began that process by transferring approximately 210 FTE to OIT (including responsibility for the GGCC and MNT). In addition, the bill authorized a new back-office staff function at OIT.

The OIT staff are currently housed in a variety of locations, listed here:

- 1580 Logan Street, Denver
- 633 17th Street, Denver
- 2452 West 2nd Avenue, Denver
- 690 Kipling Street, Lakewood

The following table summarizes the information provided by OIT regarding the spaces currently occupied and the annual expenses associated with each. The figures for the OIT back-office function are estimates.

Staff	Location	Square Feet	Rate per Square Foot	Annual Expense*
<b>Private Leased Space</b>				
OIT Back-Office Staff	To Be Determined	12,000	\$16.50	\$198,000
OIT Staff Prior to SB 08-155	1580 Logan Street			\$136,800
Statewide IT Services	633 17th Street	6,047	\$16.21	\$97,992
Statewide IT Services Network/Communications	2452 West 2nd Avenue	13,649	\$6.77	\$92,430
<b>Capitol Complex Space</b>				
Statewide IT Services	690 Kipling Street	12,995	\$12.54	\$162,957
Additional Space	690 Kipling Street			\$15,619
<b>Totals</b>		44,691		\$703,798

\* The data in this table were provided by the Office of Information Technology. The annual expense figures differ slightly from the results that would be obtained by simply multiplying the square feet times the rate. In some cases, only the annual expense figure was provided.

The Office of Information Technology believes that a number of efficiencies would be realized by consolidating their staff into a single location. These include reduced travel time, improved communication, and other operational synergies. OIT has entered into a ten-year lease for 48,813 square feet (including 2,000 square feet of storage space) at 601 East 18th Avenue and is scheduled to occupy the improved space by February 1, 2009. Under terms of the lease, OIT will not be required to begin making payments until May 1, 2009. Based on the lease rate information provided by OIT, the cost should begin at approximately \$780,000 (an average of \$16.37 per square foot, although some portions of the space are more expensive than others), and increase by approximately \$21,000 each year for the term of the lease. OIT can terminate the lease by giving 60-day written notice. The Denver Business Journal reported in July that median asking office rents for downtown Denver were \$19.40 per square foot. The cost for space at the 633 17th Avenue location is \$16.21 per square foot. The lease rate appears to be reasonable for the current Denver market.

The timing for occupancy of the new space plus commitments on existing space make the calculation of the actual impact on the budget more complicated. In order to implement the consolidation, **OIT requests an increase of \$253,445 reappropriated funds for FY 2009-10, and a further increase of approximately \$21,000 each year thereafter to cover the cost of the lease escalator.** The principle driver for the increase is the change from the very low lease rates for the current spaces at 2452 West 2nd Avenue and 690 Kipling Street. The low rate for the Kipling Street space reflects the costs for Capitol Complex space. The 2nd Avenue rate is so low because the State obtained the lease many years ago, and the location is not particularly desirable.



It is difficult to determine whether this change reflects the proper degree of consolidation of OIT staff. The final Legislative Council Staff Fiscal Note for S.B. 08-155 identified an additional 1,033.5 FTE (and some \$228.3 million in additional funding) that would eventually be transferred to OIT. It is unlikely that all of those staff would be relocated into a single facility. Staff believes that such an extensive relocation is actually undesirable. For example, the fiscal note identifies 183.2 FTE in the Department of Human Services. The IT people at that Department work closely with the program staff there, on a daily basis in some cases, in order to ensure that the IT systems provide all of the functionality required by state and federal statutes and rules. Physically relocating the IT staff would make that communication more difficult. OIT's analysis does not consider whether some of the staff they currently propose to relocate will encounter difficulties in performing their jobs at the new location.

There are some additional considerations that affect this decision item.

- A portion of the West 2nd Avenue space is currently unoccupied due to an asbestos contamination event which required relocation of some of the staff. This temporary relocation has resulted in overcrowding at other locations. OIT states that an environmental investigation at the site has determined that the affected space cannot be rehabilitated, so the State already faces the need to find a new permanent work location for those people.
- The Department of Public Safety (DPS) has expressed a desire to occupy the vacated space on the 2nd floor of the 690 Kipling location. This would allow DPS to expand from its nearby location at 700 Kipling Street, and to benefit from the lower cost of the Capitol Complex space rather than seeking private space. The added cost of space for OIT may be offset, at least in part, by lower costs incurred by DPS.
- Multiple state agencies have expressed interest in assuming the lease for the space currently occupied by OIT at 1580 Logan Street.

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of the Governor**

**BRIEFING ISSUE**

**ISSUE: Backfilling Administrative Expenses in the Governor's Energy Office**

The Governor's Energy Office uses Petroleum Violation Escrow funds to pay for a sizable portion of its administration costs. These funds will be exhausted in the near future. The Governor's Office requests that the General Assembly make changes to the FY 2009-10 Long Bill to indicate a commitment to maintain current staffing levels, and to provide \$1.3 million General Fund in FY 2010-11 to backfill the federal dollars.

**SUMMARY:**

- The Governor's Energy Office (or predecessor organizations) has funded a sizeable portion of its annual expenses for administration using federal Petroleum Violation Escrow (PVE) funds for much of the past 25 years. This funding source will be exhausted by the end of FY 2010-11.
- The Governor's Energy Office has requested that the General Assembly (1) modify a letternote in the FY 2009-10 Long Bill to indicate a commitment to continue the current staffing level, and (2) replace the PVE funds with \$1.3 million General Funds in FY 2010-11.
- The information for the Program Administration line item shown in the Long Bill for informational purposes significantly understates the actual budget. Federal weatherization dollars are not shown in the Long Bill. The actual budget for the line item is approximately twice as much as is shown.
- The earliest that the Committee would need to take action on this request, if any action is desired, is during the 2009 session figure setting. Prior to making any commitment to backfill all or part of the shortfall of federal funds, the Committee may wish to consider the appropriate level of administrative staffing for these programs.

**DISCUSSION:**

For 25 years, the Governor's Energy Office (GEO) (or its predecessors) has paid a sizeable portion of its annual administrative expenses using federal Petroleum Violation Escrow (PVE) funds. From 1973 through 1981, federal oil pricing controls were in place. As the result of litigation against companies charged with violations of these controls, settlement funds were directed to the states beginning in 1983. The total allocation of PVE funds made to Colorado over the years, including accrued interest, stands at \$70.5 million. As of the end of FY 2007-08, there were \$4.2 million in

PVE funds remaining, of which \$2.9 million may be used for payroll-related expenditures. GEO anticipates that the PVE funds available for administrative costs will be exhausted before the end of FY 2010-11.

In the Long Bill for FY 2008-09, GEO program administration is authorized for 27.0 FTE, all funded with federal dollars. As is typical for custodial federal funds, a letter note indicates that the funds are shown "for informational purposes only." The FY 2008-09 Long Bill also includes this long-standing statement:

The general assembly accepts no obligation directly or indirectly for the support or continuation of non-state-funded programs or grants where no direct or indirect state contribution is required. Furthermore, the general assembly accepts no obligation for costs incurred by or claimed against nonappropriated federally funded programs.

GEO is concerned about its ability to maintain the current staffing level when the PVE funds are no longer available. In its decision item, GEO requests that the General Assembly modify the fiscal year 2009-10 Long Bill so that the letter note indicates that while the funding is informational in nature, the FTE paid for with that funding are not. The decision item further requests that the General Assembly replace \$1.3 million of federal funding with General Fund moneys in FY 2010-11.

Information provided by GEO indicates that 14.1 of the 27.0 are currently funded with PVE dollars. A table summarizing those positions, the responsibilities of each, and the fraction of the expense associated with each that is currently paid out of PVE funds, is provided at the end of this briefing issue. Among other positions, PVE funds are used for 80% of the director's expenses. The balance of the federal funds used for this line item are from federal weatherization programs for low-income households. In response to staff inquiry, GEO stated that they use the maximum amount of the weatherization funding allowed for administrative purposes. **These weatherization funds are not included in the informational amount currently shown in the Long Bill.**

The budget request for the Governor's Energy Office establishes a base request for the Program Administration line item of \$1.1 million federal funds and 27.0 FTE. The actual budget for the line item, when federal weatherization dollars are included, is \$2.2 million. The request for \$1.3 million General Fund for FY 2010-11, is consistent with a base budget of \$2.2 million. The Joint Budget Committee has expressed concern about the failure of executive-branch agencies to show all federal funds in the past, particularly when those funds are used for personnel. This concern is embodied in the very first item in the Request for Information memo sent to the Governor last session. At the present time, the Governor's Office has not responded to that request.

The Committee does not need to make any decisions on this matter prior to figure setting. Staff will continue to work with GEO in order to understand the proper data to be used in evaluating the decision item.

<b>Position</b>	<b>Fraction PVE</b>	<b>Responsibilities</b>
Director	0.80	Directs all operations in the Governor's Energy Office.
Deputy Director	0.65	Handles operation management and budget.
Biomass Program Manager	1.00	Develops transportation biofuels projects, biofuels infrastructure, and biomass generating projects.
Utilities Program Manager	0.90	Advises the PUC, works with municipal utilities and rural electric cooperatives.
Residential Program Manager	0.35	Develops and deploys residential energy efficiency projects and oversees the federal weatherization program.
Renewable Energy Program Manager	0.80	Develops distributed and utility scale renewable energy programs.
Greening Government Program Manager	1.00	Directs the greening government team of representatives from all state agencies.
Carbon Fund Program Manager	1.00	Directs investments in carbon offsets driven by purchases in the Colorado voluntary offset program.
Communication Program Manager	0.75	Manages office communications including the web site, press events, newsletters and education campaigns.
Building Associate	0.50	Assists the commercial and weatherization building teams.
Residential Building Associate	0.50	Assists the Residential Program Manager.
Communications Associate	0.80	Assists the Communications Manager.
Utilities Associate	0.90	Assists the Utilities Manager.
Weatherization Contracts Manager	0.10	Manages contracts with state weatherization agencies, youth corps, EOC federal agencies and the Department of Human Services.
Weatherization Quality Assurance, Training, Multi-Family and Special Projects	0.10	Manages quality assurance to achieve compliance with federal guidelines and implements multi-family projects.
Contracting Manager	0.70	Manages all state contracts for grants, assists with federal contracts.
Contracting Associate	0.70	Assists the Contracting Manager.
Accounting 1	0.60	Internal, contractual, and human resources accounting.
Accounting 2	0.60	Internal bookkeeping and assists with human resources accounting.
Office Manager	0.70	Assistant to the Director, Office Manager, and receptionist.
Network Administrator	0.67	Manages computer network.
<b>Total FTE</b>	<b>14.12</b>	

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of the Governor**

**APPENDIX A: NUMBERS PAGES**

	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Change Request</b>
<b>GOVERNOR'S OFFICE</b>					
<b>Governor Bill Ritter, Jr.</b>					
<b>(1) OFFICE OF THE GOVERNOR</b>					
As Chief Executive of the State, the Governor is responsible for the overall operation of the Executive Branch of government. This office provides for coordination, direction, and planning of agency operations; maintains liaison with local governments and the federal government; and exercises the executive powers of the State. Includes the Citizen's Advocate Office, the Office of Policy and Initiatives, the Press Office, and the Boards and Commissions Office.					
<b>(A) Governor's Office</b>					
Administration of Governor's Office and Residence	3,522,863	2,602,194	2,633,676	2,645,637	
FTE	<u>35.4</u>	<u>35.4</u>	<u>35.4</u>	<u>35.4</u>	
General Fund	2,354,856	2,413,858	2,614,256	2,624,261	
FTE	35.4	35.4	35.4	35.4	
Cash Funds	1,148,548	155,645	0	778	
FTE	0.0	0.0	0.0	0.0	
Reappropriated Funds / Cash Funds Exempt	19,459	32,691	19,420	20,198	
Federal Funds	0	0	0	400	
Discretionary Fund - GF	0	19,999	20,000	20,000	
Mansion Activity Fund	<u>0</u>	<u>168,917</u>	<u>200,000</u>	<u>200,000</u>	
Cash Funds	0	155,646	200,000	200,000	
Reappropriated Funds / Cash Funds Exempt	0	13,271	0	0	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
					Request vs. Appropriation
Subtotal - (A) Governor's Office	3,522,863	2,791,110	2,853,676	2,865,637	0.4%
FTE	<u>35.4</u>	<u>35.4</u>	<u>35.4</u>	<u>35.4</u>	0.0%
General Fund	2,354,856	2,433,857	2,634,256	2,644,261	0.4%
FTE	35.4	35.4	35.4	35.4	0.0%
Cash Funds	1,148,548	311,291	200,000	200,778	0.4%
FTE	0.0	0.0	0.0	0.0	n/a
Reappropriated Funds / Cash Funds Exempt	19,459	45,962	19,420	20,198	4.0%
Federal Funds	0	0	0	400	100.0%

**(B) Special Purpose (Includes Governor, Lt. Governor, OSPB, OED, and OIT)**

Group Health, Life, & Dental	<u>351,226</u>	<u>492,906</u>	<u>1,536,394</u>	<u>1,968,161</u>	
General Fund	338,163	397,495	504,717	649,748	
Reappropriated Funds / Cash Funds Exempt	13,063	95,411	1,016,464	1,298,925	
Federal Funds	0	0	15,213	19,488	
Short-term Disability	<u>7,883</u>	<u>8,766</u>	<u>26,491</u>	<u>32,556</u>	
General Fund	5,077	6,615	4,889	6,008	
Cash Funds	0	583	2,616	3,215	
Reappropriated Funds / Cash Funds Exempt	2,669	1,568	18,688	22,967	
Federal Funds	137	0	298	366	
SB 04-257 Amortization Equalization Disbursement	<u>50,450</u>	<u>79,291</u>	<u>330,638</u>	<u>500,868</u>	
General Fund	31,825	59,431	58,919	89,254	
Cash Funds	0	5,379	32,196	48,772	
RF/CFE	17,717	14,481	230,016	348,440	
Federal Funds	908	0	9,507	14,402	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
SB 06-235 Supplemental Amortization Equalization					
Disbursement	<u>0</u>	<u>14,825</u>	<u>154,008</u>	<u>313,042</u>	
General Fund	0	10,687	26,639	54,148	
Cash Funds	0	1,121	15,092	30,676	
Reappropriated Funds / Cash Funds Exempt	0	3,017	107,820	219,159	
Federal Funds	0	0	4,457	9,059	
Salary Survey	<u>232,754</u>	<u>230,898</u>	<u>767,521</u>	<u>634,464</u>	
General Fund	139,065	183,657	237,751	196,535	
Cash Funds	0	0	0	0	
Reappropriated Funds / Cash Funds Exempt	89,984	47,241	517,555	427,832	
Federal Funds	3,705	0	12,215	10,097	
Performance-Based Pay Awards	<u>0</u>	<u>85,983</u>	<u>305,359</u>	<u>0</u>	
General Fund	0	68,192	89,696	0	
Cash Funds	0	0	3,090	0	
Reappropriated Funds / Cash Funds Exempt	0	17,791	208,774	0	
Federal Funds	0	0	3,799	0	
Shift Differential - RF/CFE	0	0	44,120	46,384	
Workers' Compensation	<u>4,515</u>	<u>9,454</u>	<u>99,013</u>	<u>99,031</u>	
General Fund	4,515	9,454	12,057	12,059	
Reappropriated Funds / Cash Funds Exempt	0	0	86,956	86,972	
Legal Services for 3,508 hours	94,268	196,917	263,470	108,970	
<i>Hours Equivalent</i>	<u>1,255</u>	<u>2,622</u>	<u>3,508</u>	<u>1,451</u>	
General Fund	91,625	196,917	250,207	100,207	
Cash Funds	0	0	4,500	0	
Reappropriated Funds / Cash Funds Exempt	2,643	0	8,763	8,763	
Purchase of Services from Computer Center	<u>131,316</u>	<u>42,969</u>	<u>2,081,610</u>	<u>2,081,610</u>	
General Fund	131,316	42,969	1,194,045	1,194,045	
Reappropriated Funds / Cash Funds Exempt	0	0	887,565	887,565	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
Multiuse Network Payments	<u>42,584</u>	<u>17,736</u>	<u>56,037</u>	<u>56,037</u>	
General Fund	42,584	17,736	17,976	17,976	
Reappropriated Funds / Cash Funds Exempt	0	0	38,061	38,061	
Vehicle Lease Payments - RF/CFE	0	0	104,277	104,277	
Leased Space - RF/CFE	0	0	500,920	932,941	
Payment to Risk Management and Property Funds	<u>124,794</u>	<u>97,477</u>	<u>392,102</u>	<u>392,102</u>	
General Fund	124,794	97,477	116,226	116,226	
Reappropriated Funds / Cash Funds Exempt	0	0	275,876	275,876	
Capitol Complex Leased Space	<u>230,975</u>	<u>266,704</u>	<u>645,818</u>	<u>467,242</u>	
General Fund	230,975	266,704	265,341	265,341	
Reappropriated Funds / Cash Funds Exempt	0	0	380,477	201,901	
					Request vs. Appropriation
Subtotal - (B) Special Purpose	<u>1,270,765</u>	<u>1,543,926</u>	<u>7,307,778</u>	<u>7,737,685</u>	5.9%
General Fund	1,139,939	1,357,334	2,778,463	2,701,547	-2.8%
Cash Funds	0	7,083	57,494	82,663	43.8%
Reappropriated Funds / Cash Funds Exempt	126,076	179,509	4,426,332	4,900,063	10.7%
Federal Funds	4,750	0	45,489	53,412	17.4%

**(C) Governor's Energy Office /a**

Program Administration	0	0	1,094,400	1,107,471	
FTE	<u>0.0</u>	<u>0.0</u>	<u>27.0</u>	<u>27.0</u>	
General Fund	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
Cash Funds	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
Reappropriated Funds / Cash Funds Exempt	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
Federal Funds	0	0	1,094,400	1,107,471	
FTE	0.0	0.0	27.0	27.0	



	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
Low-Income Energy Assistance - CF	5,050,000	5,721,295	0	0	
Colorado Renewable Energy Authority - CF	2,000,000	2,043,764	2,000,000	2,000,000	
Clean Energy	0	0	7,653,149	7,653,149	
FTE	<u>0.0</u>	<u>0.0</u>	<u>5.0</u>	<u>5.0</u>	
Cash Funds	0	0	7,653,149	7,653,149	
FTE	0.0	0.0	5.0	5.0	
Reappropriated Funds / Cash Funds Exempt	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
School Energy Efficiency	0	72,473	496,000	496,000	
FTE	<u>0.0</u>	<u>0.0</u>	<u>2.0</u>	<u>2.0</u>	
Cash Funds	0	72,473	496,000	496,000	
FTE	0.0	0.0	2.0	2.0	
Reappropriated Funds / Cash Funds Exempt	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
Solar Incentives - GF	0	0	2,013,750	2,013,750	
Legal Services (230 hours) - FF	0	0	17,273	17,273	
Indirect Cost Assessment - FF	0	0	9,015	9,015	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
					Request vs. Appropriation
Subtotal - (C) Governor's Energy Office	7,050,000	7,837,532	13,283,587	13,296,658	0.1%
FTE	<u>0.0</u>	<u>0.0</u>	<u>34.0</u>	<u>34.0</u>	0.0%
General Fund	0	0	2,013,750	2,013,750	0.0%
FTE	0.0	0.0	0.0	0.0	n/a
Cash Funds	7,050,000	7,837,532	10,149,149	10,149,149	0.0%
FTE	0.0	0.0	7.0	7.0	0.0%
Reappropriated Funds / Cash Funds Exempt	0	0	0	0	n/a
FTE	0.0	0.0	0.0	0.0	n/a
Federal Funds	0	0	1,120,688	1,133,759	1.2%
FTE	0.0	0.0	27.0	27.0	0.0%

/a In previous years, the lines in the Governor's Energy Office were shown as a part of Other Programs and Grants. For purposes of this document, the historical figures for the lines are all shown in the new subdivision.

**(D) Other Programs and Grants**

Program Administration	11,067,114	11,067,114	9,972,714	10,025,896	
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.3</u>	
General Fund	0	0	0	53,182	
FTE	0.0	0.0	0.0	0.3	
Federal Funds	11,067,114	11,067,114	9,972,714	9,972,714	

**(E) Office of Homeland Security**

Administration Costs - FF	0	0	971,012	971,012	
FTE - FF	0.0	0.0	10.0	10.0	
Grants and Training - FF	0	0	18,761,187	18,761,187	
Indirect Cost Assessment - FF	0	0	0	0	

					Request vs. Appropriation
Subtotal - (E) Office of Homeland Security - FF	0	0	19,732,199	19,732,199	0.0%
FTE - FF	0.0	0.0	10.0	10.0	0.0%

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
<b>SUBTOTAL - (1) OFFICE OF THE GOVERNOR</b>					Request vs. Appropriation
Total	22,910,742	23,239,682	53,149,954	53,658,075	1.0%
FTE	<u>35.4</u>	<u>35.4</u>	<u>79.4</u>	<u>79.7</u>	0.4%
General Fund	3,494,795	3,791,191	7,426,469	7,412,740	-0.2%
FTE	35.4	35.4	35.4	35.7	0.8%
Cash Funds	8,198,548	8,155,906	10,406,643	10,432,590	0.2%
FTE	0.0	0.0	7.0	7.0	0.0%
Reappropriated Funds / Cash Funds Exempt	145,535	225,471	4,445,752	4,920,261	10.7%
FTE	0.0	0.0	0.0	0.0	n/a
Federal Funds	11,071,864	11,067,114	30,871,090	30,892,484	0.1%
FTE	0.0	0.0	37.0	37.0	0.0%

**(2) OFFICE OF THE LIEUTENANT GOVERNOR**

**Barbara O'Brien, Lieutenant Governor**

Assures effective coordination of agency operations and program management within the Executive Branch.

The Lieutenant Governor serves as the chair of the Colorado Commission of Indian Affairs.

Administration	199,111	206,629	314,461	329,245	
FTE	<u>2.7</u>	<u>2.7</u>	<u>3.7</u>	<u>3.7</u>	
General Fund	199,111	206,629	236,923	251,707	
FTE	2.7	2.7	2.7	2.7	
Reappropriated Funds / Cash Funds Exempt	0	0	77,538	77,538	
FTE	0.0	0.0	1.0	1.0	
Commission of Indian Affairs	74,294	83,867	101,467	103,955	
FTE	<u>2.3</u>	<u>2.3</u>	<u>2.3</u>	<u>2.3</u>	
General Fund	74,294	83,867	99,967	99,967	
FTE	2.3	2.3	2.3	2.3	
Cash Funds	0	0	1,500	1,500	
Reappropriated Funds / Cash Funds Exempt	0	0	0	2,488	
FTE	0.0	0.0	0.0	0.0	
Discretionary Fund - GF	4,999	4,988	5,000	5,000	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
					Request vs. Appropriation
<b>SUBTOTAL - (2) OFFICE OF THE LT. GOVERNOR</b>					
Total	278,404	295,484	420,928	438,200	4.1%
FTE	<u>5.0</u>	<u>5.0</u>	<u>6.0</u>	<u>6.0</u>	0.0%
General Fund	278,404	295,484	341,890	356,674	4.3%
FTE	5.0	5.0	5.0	5.0	0.0%
Cash Funds	0	0	1,500	1,500	0.0%
Reappropriated Funds / Cash Funds Exempt	0	0	77,538	80,026	3.2%
FTE	0.0	0.0	1.0	1.0	0.0%

**(3) OFFICE OF STATE PLANNING AND BUDGETING**

**Todd Saliman, Director**

Provides the Governor with information and recommendations to make sound public policy and budget decisions.

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

Personal Services - RF/CFE	1,182,251	1,321,680	1,373,899	1,439,973	
FTE - RF/CFE	17.5	17.5	19.5	19.5	
Operating Expenses - RF/CFE	51,470	51,508	51,724	51,724	
Economic Forecasting Subscriptions - RF/CFE	15,711	15,943	16,362	16,362	
Government Efficiency Management Study - GF	116,666	583,330 /a	0	0	
					Request vs. Appropriation
<b>SUBTOTAL - (3) OFFICE OF STATE PLANNING AND BUDGETING</b>					
Total	1,366,098	1,972,461	1,441,985	1,508,059	4.6%
FTE	<u>17.5</u>	<u>17.5</u>	<u>19.5</u>	<u>19.5</u>	0.0%
General Fund	116,666	583,330	0	0	n/a
Reappropriated Funds / Cash Funds Exempt	1,249,432	1,389,131	1,441,985	1,508,059	4.6%
FTE	17.5	17.5	19.5	19.5	0.0%

/a FY 2007-08 expenditures for this line resulted from the use of roll-forward authority.

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
<b>(4) ECONOMIC DEVELOPMENT PROGRAMS</b>					
Provides financial and technical assistance supporting local and regional economic development activities throughout the state. Programs include business retention and relocation services, bioscience and emerging industries, business finance, the Colorado Tourism Office, Colorado Council on the Arts, Film Incentives, Colorado First Customized Job Training, New Jobs Incentives, International Trade Office, small business development centers, and minority and women-owned business services.					
Administration	418,307	429,822	447,161	608,637	
FTE	<u>0.0</u>	<u>0.0</u>	<u>6.0</u>	<u>6.0</u>	
General Fund	403,518	415,033	432,372	558,153	
FTE	0.0	0.0	6.0	6.0	
Cash Funds	0	0	0	2,472	
Reappropriated Funds / Cash Funds Exempt	14,789	14,789	14,789	45,829	
Federal Funds	0	0	0	2,183	
Vehicle Lease Payments - GF	6,555	11,423	13,894	16,524	
Leased Space - GF	231,540	231,540	231,540	231,540	
Business Development	812,367	853,450	880,099	880,099	
FTE	<u>0.0</u>	<u>0.0</u>	<u>9.2</u>	<u>9.2</u>	
General Fund	809,967	838,450	865,099	865,099	
FTE	0.0	0.0	9.2	9.2	
Cash Funds	2,400	15,000	15,000	15,000	
Grand Junction Satellite Office - GF	44,126	64,097	67,007	67,007	
FTE - GF	0.0	0.0	1.0	1.0	
Minority Business Office	113,451	145,043	152,636	152,636	
FTE	<u>0.0</u>	<u>0.0</u>	<u>2.5</u>	<u>2.5</u>	
General Fund	111,362	143,409	147,686	147,686	
FTE	0.0	0.0	2.5	2.5	
Cash Funds	2,089	1,634	4,950	4,950	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
Leading Edge Program Grants	50,896	50,976	126,407	126,407	
General Fund	50,896	50,976	50,976	50,976	
Cash Funds	0	0	75,431	75,431	
Reappropriated Funds / Cash Funds Exempt	0	0	0	0	
Small Business Development Centers	1,234,362	1,311,168	1,299,487	1,300,778	
FTE	<u>0.0</u>	<u>0.0</u>	<u>4.0</u>	<u>4.0</u>	
General Fund	63,153	64,208	84,483	85,774	
FTE	0.0	0.0	1.5	1.5	
Federal Funds	1,171,209	1,246,960	1,215,004	1,215,004	
FTE	0.0	0.0	2.5	2.5	
International Trade Office	610,397	616,618	681,801	697,137	
FTE	<u>0.0</u>	<u>0.0</u>	<u>6.0</u>	<u>6.4</u>	
General Fund	588,587	607,411	631,801	647,137	
FTE	0.0	0.0	6.0	6.4	
Cash Funds	21,810	9,207	50,000	50,000	
Colorado Welcome Centers	477,721	494,960	504,496	504,496	
FTE	<u>0.0</u>	<u>0.0</u>	<u>3.3</u>	<u>3.3</u>	
General Fund	382,389	399,547	409,083	409,083	
FTE	0.0	0.0	3.3	3.3	
Cash Funds	0	0	95,413	95,413	
Reappropriated Funds / Cash Funds Exempt	95,332	95,413	0	0	
Colorado Promotion - Other	18,195,475	18,926,635	20,267,103	20,267,103	
FTE	<u>0.0</u>	<u>0.0</u>	<u>4.0</u>	<u>4.0</u>	
General Fund	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
Cash Funds	18,195,475	0	20,267,103	20,267,103	
FTE	0.0	0.0	4.0	4.0	
Reappropriated Funds / Cash Funds Exempt	0	18,926,635	0	0	
FTE	0.0	0.0	0.0	0.0	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
Economic Development Commission General Economic					
Incentives and Marketing	1,976,768	2,305,818	992,804	1,015,767	
FTE	<u>0.0</u>	<u>0.0</u>	<u>3.0</u>	<u>3.0</u>	
General Fund	703,239	535,387	992,804	1,015,767	
FTE	0.0	0.0	3.0	3.0	
Reappropriated Funds / Cash Funds Exempt	1,273,529	1,770,431	0	0	
Colo. First Customized Job Training - GF	2,725,022	2,725,022	2,725,022	2,725,022	
CAPCO Administration - RF/CFE	76,503	75,583	81,312	81,312	
FTE	0.0	0.0	2.0	2.0	
Colorado Council on the Arts	1,952,770	2,201,194	2,360,137	2,370,034	
FTE	<u>0.0</u>	<u>0.0</u>	<u>2.9</u>	<u>3.0</u>	
General Fund	0	112,113	0	0	
FTE	0.0	0.0	0.0	0.0	
Cash Funds	0	0	1,600,034	1,600,034	
FTE	0.0	0.0	2.0	2.0	
Reappropriated Funds / Cash Funds Exempt	1,317,202	1,433,481	0	0	
FTE	0.0	0.0	0.0	0.0	
Federal Funds	635,568	655,600	760,103	770,000	
FTE	0.0	0.0	0.9	1.0	
Film Incentives	<u>0</u>	<u>52,180</u>	<u>640,014</u>	<u>640,014</u>	
Cash Funds	0	0	640,014	640,014	
Reappropriated Funds / Cash Funds Exempt	0	52,180	0	0	
New Jobs Incentives	<u>0</u>	<u>552,000</u>	<u>3,200,069</u>	<u>3,200,069</u>	
Cash Funds	0	552,000	3,200,069	3,200,069	
Reappropriated Funds / Cash Funds Exempt	0	0	0	0	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
Bioscience Discovery Evaluation	1,968,004	728,256	0	4,500,000	
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.6</u>	<u>0.6</u>	
General Fund	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
Cash Funds	1,968,004	728,256	0	4,500,000	
FTE	0.0	0.0	0.6	0.6	
Reappropriated Funds / Cash Funds Exempt	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
STEM Program - RF/CFE	0	0	300,000	0	
Indirect Cost Assessment	<u>14,789</u>	<u>14,789</u>	<u>14,855</u>	<u>14,855</u>	
Cash Funds	0	0	66	66	
Federal Funds	14,789	14,789	14,789	14,789	
					Request vs. Appropriation
<b>SUBTOTAL - (4) ECONOMIC DEVELOPMENT PROGRAMS</b>					
Total	30,909,053	31,790,574	34,985,844	39,399,437	12.6%
FTE	<u>37.0</u> /b	<u>39.6</u> /b	<u>44.5</u>	<u>45.0</u>	1.1%
General Fund	6,120,354	6,198,616	6,651,767	6,819,768	2.5%
FTE	27.1	29.0	32.5	32.9	1.2%
Cash Funds	20,189,778	1,306,097	25,948,080	30,450,552	17.4%
FTE	5.4	5.8	6.6	6.6	0.0%
Reappropriated Funds / Cash Funds Exempt	2,777,355	22,368,512	396,101	127,141	-67.9%
FTE	1.6	1.8	2.0	2.0	0.0%
Federal Funds	1,821,566	1,917,349	1,989,896	2,001,976	0.6%
FTE	2.9	3.0	3.4	3.5	2.9%

/b The Governor's Office provided only the total number for FTE for the actual years for this division. The numbers shown for FTE by fund type represent staff estimates.

**(5) OFFICE OF INFORMATION TECHNOLOGY**

**Michael Locatis, State Chief Information Officer**

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



	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
<b>(A) Administration</b>					
Personal Services	1,015,113	1,046,117	1,090,848	1,127,581	
FTE	<u>5.5</u>	<u>8.2</u>	<u>13.1</u>	<u>13.0</u>	
General Fund	1,015,113	1,046,117	1,081,848	1,127,581	
FTE	5.5	8.2	13.0	13.0	
Cash Funds	0	0	9,000	0	
FTE	0.0	0.0	0.1	0.0	
Operating Expenses	<u>138,871</u>	<u>150,238</u>	<u>157,768</u>	<u>150,268</u>	
General Fund	138,871	150,238	150,268	150,268	
Cash Funds	0	0	7,500	0	
Reappropriated Funds / Cash Funds Exempt	0	0	0	0	
Colorado Benefits Management System RFP - RF/CFE	512,400	0	0	0	
Legal Services (26 hours) - GF	0	1,351	1,953	1,953	
Indirect Cost Assessment (NEW LINE) - RF/CFE	0	0	0	28,321	
OIT Broadband Telecom Map - CF	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
					Request vs. Appropriation
Subtotal - (5) (A) Administration					
Total	1,666,384	1,197,706	1,250,569	1,308,123	4.6%
FTE	<u>5.5</u>	<u>8.2</u>	<u>13.1</u>	<u>13.0</u>	-0.8%
General Fund	1,153,984	1,197,706	1,234,069	1,279,802	3.7%
FTE	5.5	8.2	13.0	13.0	0.0%
Cash Funds	0	0	16,500	0	-100.0%
FTE	0.0	0.0	0.1	0.0	-100.0%
Reappropriated Funds / Cash Funds Exempt	512,400	0	0	28,321	100.0%

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
<b>(B) Office of the Chief Information Security Officer</b>					
Program Costs	2,967,988	1,202,255	2,804,915	2,464,480	
FTE	<u>0.5</u>	<u>0.9</u>	<u>2.0</u>	<u>2.0</u>	
General Fund	0	0	350,000	5,865	
FTE	0.0	0.0	0.0	0.0	
Reappropriated Funds / Cash Funds Exempt	0	1,202,255	2,454,915	2,458,615	
FTE	0.0	0.9	2.0	2.0	
Federal Funds	2,967,988	0	0	0	
FTE	0.5	0.0	0.0	0.0	
<b>(C) Chief Information Officers in State Agencies</b>					
Administration Costs - RF/CFE	0	0	1,692,186	1,692,186	
FTE	0.0	0.0	12.4	12.4	
<b>(D) Statewide Information Technology Services</b>					
(1) Administration - RF/CFE	0	0	426,250	450,753	
FTE	<u>0.0</u>	<u>0.0</u>	<u>5.0</u>	<u>5.0</u>	
Personal Services - RF/CFE	0	0	419,800	444,303	
Operating Expenses - RF/CFE	0	0	6,450	6,450	
(2) Internal Program Support - RF/CFE	0	0	817,731	817,731	
FTE	0.0	0.0	11.0	11.0	
(3) Statewide IT Management - RF/CFE	0	0	1,812,053	1,782,601	
FTE	0.0	0.0	26.0	26.0	
(4) Geographic Information System - RF/CFE	0	0	108,057	108,057	
FTE	0.0	0.0	1.0	1.0	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
(5) Customer Services - RF/CFE	0	0	932,352	969,754	
FTE	<u>0.0</u>	<u>0.0</u>	<u>12.0</u>	<u>12.0</u>	
Personal Services - RF/CFE	0	0	917,727	955,129	
Operating Expenses - RF/CFE	0	0	14,625	14,625	
(6) Order Billing - RF/CFE	0	0	673,627	699,955	
FTE	<u>0.0</u>	<u>0.0</u>	<u>10.0</u>	<u>10.0</u>	
Personal Services - RF/CFE	0	0	662,877	689,205	
Operating Expenses - RF/CFE	0	0	10,750	10,750	
(7) Communication Services					
Personal Services	<u>0</u>	<u>0</u>	<u>3,567,121</u>	<u>3,685,808</u>	
Public Safety Communications Trust Fund - CF	0	0	721,134	721,134	
FTE	0.0	0.0	46.0	46.0	
Other Agencies - RF/CFE	0	0	2,724,987	2,843,674	
Federal Funds	0	0	121,000	121,000	
Operating Expenses - RF/CFE	0	0	134,631	191,056	
Training - RF/CFE	0	0	22,000	22,000	
Utilities - RF/CFE	0	0	165,002	165,002	
Snocat Replacement - RF/CFE	0	0	230,520	230,520	
Local Systems Development - RF/CFE	0	0	121,000	121,000	
Indirect Cost Assessment - RF/CFE	0	0	474,771	431,076	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
					Request vs. Appropriation
Subtotal - (5) (D) (7) Communication Services					
Total	0	0	4,715,045	4,846,462	2.8%
FTE	<u>0.0</u>	<u>0.0</u>	<u>46.0</u>	<u>46.0</u>	0.0%
Cash Funds	0	0	721,134	721,134	0.0%
FTE	0.0	0.0	46.0	46.0	0.0%
Reappropriated Funds / Cash Funds Exempt	0	0	3,872,911	4,004,328	3.4%
Federal Funds	0	0	121,000	121,000	0.0%
(8) Network Services					
Personal Services - RF/CFE	0	0	1,525,435	1,586,122	
FTE	0.0	0.0	17.0	17.0	
Operating Expenses	<u>0</u>	<u>0</u>	<u>16,200,371</u>	<u>16,200,371</u>	
Telecommunications Revolving Fund - CF	0	0	1,200,000	1,200,000	
Other Agencies - RF/CFE	0	0	15,000,371	15,000,371	
Toll-free Telephone Access to Members of the GA - RF/CFE	0	0	25,000	25,000	
Indirect Cost Assessment - RF/CFE	0	0	202,616	194,974	
					Request vs. Appropriation
Subtotal - (5) (D) (8) Network Services					
Total	0	0	17,953,422	18,006,467	0.3%
FTE	<u>0.0</u>	<u>0.0</u>	<u>17.0</u>	<u>17.0</u>	0.0%
Cash Funds	0	0	1,200,000	1,200,000	0.0%
Reappropriated Funds / Cash Funds Exempt	0	0	16,753,422	16,806,467	0.3%
FTE	0.0	0.0	17.0	17.0	0.0%

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
(9) Computer Services					
Personal Services - RF/CFE	0	0	2,745,773	2,885,913	
FTE	0.0	0.0	36.3	36.3	
Operating Expenses	<u>0</u>	<u>0</u>	<u>6,181,350</u>	<u>6,181,350</u>	
Computer Services Revolving Fund - CF	0	0	2,328	2,328	
Other Agencies - RF/CFE	0	0	6,179,022	6,179,022	
Rental, Lease, or Lease/Purchase of Central Processing Unit - RF/CFE	0	0	336,034	336,034	
Indirect Cost Assessment - RF/CFE	0	0	678,807	282,306	
					Request vs. Appropriation
Subtotal - (5) (D) (9) Computer Services					
Total	0	0	9,941,964	9,685,603	-2.6%
FTE	<u>0.0</u>	<u>0.0</u>	<u>36.3</u>	<u>36.3</u>	0.0%
Cash Funds	0	0	2,328	2,328	0.0%
Reappropriated Funds / Cash Funds Exempt	0	0	9,939,636	9,683,275	-2.6%
FTE	0.0	0.0	36.3	36.3	0.0%
(10) Technology Management Unit	0	0	3,519,574	3,517,954	
FTE - RF/CFE	<u>0.0</u>	<u>0.0</u>	<u>35.5</u>	<u>35.5</u>	
Personal Services - RF/CFE	0	0	2,990,203	3,153,583	
Operating Expenses - RF/CFE	0	0	529,371	364,371	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
					Request vs. Appropriation
<b>Subtotal - (5) (D) Statewide Information Technology Services</b>					
Total	0	0	40,900,075	40,885,337	0.0%
FTE	<u>0.0</u>	<u>0.0</u>	<u>199.8</u>	<u>199.8</u>	0.0%
Cash Funds	0	0	1,923,462	1,923,462	0.0%
FTE	0.0	0.0	46.0	46.0	0.0%
Reappropriated Funds / Cash Funds Exempt	0	0	38,855,613	38,840,875	0.0%
FTE	0.0	0.0	153.8	153.8	0.0%
Federal Funds	0	0	121,000	121,000	0.0%
					Request vs. Appropriation
<b>SUBTOTAL - (5) OFFICE OF INFORMATION TECHNOLOGY</b>					
Total	4,634,372	2,399,961	46,647,745	46,350,126	-0.6%
FTE	<u>6.0</u>	<u>9.1</u>	<u>227.3</u>	<u>227.2</u>	0.0%
General Fund	1,153,984	1,197,706	1,584,069	1,285,667	-18.8%
FTE	5.5	8.2	13.0	13.0	0.0%
Cash Funds	0	0	1,939,962	1,923,462	-0.9%
FTE	0.0	0.0	46.1	46.0	-0.2%
Reappropriated Funds / Cash Funds Exempt	512,400	1,202,255	43,002,714	43,019,997	0.0%
FTE	0.0	0.9	168.2	168.2	0.0%
Federal Funds	2,967,988	0	121,000	121,000	0.0%
FTE	0.5	0.0	0.0	0.0	n/a
<b>(6) OFFICE OF COLORADO BENEFITS MANAGEMENT SYSTEM</b>					
Personal Services - RF/CFE	1,775,498	0	0	0	
FTE	24.0	0.0	0.0	0.0	
Operating Expenses - RF/CFE	158,076	0	0	0	

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
	Actual	Actual	Appropriation	Request	Change Request
					Request vs. Appropriation
<b>SUBTOTAL - (6) OFFICE OF COLORADO BENEFITS MANAGEMENT SYSTEM</b>					
Reappropriated Funds / Cash Funds Exempt	1,933,574	0	0	0	n/a
FTE	24.0	0.0	0.0	0.0	n/a
					Request vs. Appropriation
<b>OFFICE OF THE GOVERNOR</b>					
TOTALS	62,032,243	59,698,162	136,646,456	141,353,897	3.4%
FTE	<u>124.9</u>	<u>106.6</u>	<u>376.7</u>	<u>377.4</u>	0.2%
General Fund	11,164,203	12,066,327	16,004,195	15,874,849	-0.8%
FTE	73.0	77.6	85.9	86.6	0.8%
Cash Funds	28,388,326	9,462,003	38,296,185	42,808,104	11.8%
FTE	5.4	5.8	59.7	59.6	-0.2%
Reappropriated Funds / Cash Funds Exempt	6,618,296	25,185,369	49,364,090	49,655,484	0.6%
FTE	43.1	20.2	190.7	190.7	0.0%
Federal Funds	15,861,418	12,984,463	32,981,986	33,015,460	0.1%
FTE	3.4	3.0	40.4	40.5	0.2%

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of the Governor**

**APPENDIX B: SUMMARY OF MAJOR LEGISLATION**

- ❑ **S.B. 08-155 (Cadman / Kerr A.):** Consolidates the responsibility for information technology (IT) oversight of most of the state's executive branch in the Governor's Office of Information Technology (OIT). It does not affect the legislative or judicial branches, or the departments of law, state, or the treasury. The act provides \$47.9 million and 212.2 FTE to the Office of the Governor, Office of Information Technology, for statewide information technology consolidation. This amount includes a transfer of \$43.3 million and 178.8 FTE from the Department of Personnel and Administration as well as a transfer of 33.4 FTE from 13 other state agencies. The bill creates the Information Technology Revolving Fund to consist of any money appropriated from the General Fund for the procurement of IT resources or major automation system projects as well as any savings achieved by OIT in procuring IT resources or major automation system projects. Money in the revolving fund is continuously appropriated to OIT to pay the costs of consolidation and IT maintenance and upgrades.
  
- ❑ **S.B. 08-165 (Williams / Carroll M.):** Establishes the Colorado Advisory Council for Persons with Disabilities within the Office of the Governor. Appropriates \$9,030 General Fund to the Office of the Governor and provides an associated reduction of \$9,030 General Fund to the FY 2008-09 Long Bill appropriation to the Controlled Maintenance Trust Fund.
  
- ❑ **S.B. 08-184 (Romer / Levy):** Creates the Colorado Clean Energy Finance Program to provide below market-rate loans to homeowners to finance home improvements that will improve energy efficiency and increase the use of renewable energy. The act also creates the Clean Energy Program Fund and the Loan Buy-Down (LBD) and Loan Loss Reserve (LLR) accounts within the fund. Moneys in the LBD account will be used to buy down the interest rate on clean energy loans issued to three tiers of income-qualified borrowers. Moneys in the LLR account will be used to periodically compensate the program administrator for losses from loans that have been written off. Increases the cash-funded FTE by 1.0 FTE, which shall be supported by moneys in the continuously appropriated Clean Energy Program Fund.
  
- ❑ **S.B. 08-215 (Schwartz / Riesberg):** Directs the Office of Information Technology (OIT) to create an inventory of broadband service areas by April 1, 2009 and shall include: (1) an illustrative statewide map including all available broadband technologies, including wired, wireless, and satellite-delivered services; (2) the potential use of enterprise zones in the development of rural broadband service; (3) the need for additional infrastructure to reach locations in which potential broadband customers are found; and (4) nonproprietary demographic information. Provides \$21,000 cash funds and 0.1 FTE to be funded with



moneys received from gifts, grants, and donations. The bill further specifies that if the amount of moneys received from gifts, grants, and donations do not equal or exceed that amount, the PUC is required to direct payments of up to \$100,000 from the High Cost Support Mechanism to the Broadband Inventory Fund

- ❑ **H.B. 08-1001 (Riesberg / Bacon):** Modifies the structure of the existing Bioscience Discovery Evaluation Grant Program. Specifically, the amended bill repeals provisions concerning grants to federal Small Business Innovation Research programs, Small Business Technology Transfer programs, and biofuel research. The bill adds early-stage bioscience companies as possible recipients of program grants, and specifies that, to be eligible for moneys, such companies must have a licensed technology from a Colorado research institution of higher education. Appropriates \$5.5 million in FY 2007-08 for use by the Bioscience Discovery Evaluation Grant Program in FY 2008-09 and provides 0.6 FTE for FY 2008-09.
- ❑ **H.B. 08-1305 (Pommer / Johnson):** Transfers certain enterprise zone program administrative responsibilities from the Department of Local Affairs to the Governor's Office of Economic Development (OED) and the Economic Development Commission. This transfer requires a \$65,000 and 1.0 FTE reduction in FY 2008-09 appropriations to the Department of Local Affairs (including \$22,963 General Fund and \$42,037 reappropriated funds previously transferred from the OED). This transfer requires a \$22,963 General Fund and 1.0 FTE increase in FY 2008-09 appropriations to OED.
- ❑ **H.B. 08-1387 (Buescher / Veiga ):** Provides funding for additional fiscal years from the Operational Account of the Severance Tax Trust Fund to the Governor's Energy Office (GEO) for energy bill payment assistance for low-income households through Energy Outreach Colorado and for home energy efficiency improvements. Reduces the appropriation made to the GEO in the 2008 Long Bill by \$7,050,000. This reduction is offset by direct transfers from the Operational Account of the Severance Tax Trust Fund to the Energy Outreach Colorado Low-income Energy Assistance Fund, and Governor's Energy Office Low-income Energy Assistance Fund to maintain the same services. These funds are continuously appropriated by the bill and will in the future be included in the Long Bill for informational purposes only. The bill further allows the GEO's energy efficiency program and Energy Outreach Colorado to use up to 5 percent of the amount they receive each year for administration purposes.
- ❑ **H.B. 08-1388 (Pommer / Windels):** Appropriates \$300,000 reappropriated funds from the Department of Education for grants for after-school pilot programs emphasizing science, technology, engineering, and math (STEM).
- ❑ **H.B. 08-1399 (Buescher / Isgar):** Changes the allocation of interest earned on the Unclaimed Property Tourism Trust Fund from the sale of securities determined to be abandoned property which are then credited to the Colorado Travel and Tourism Promotion

Fund. Under the bill, of the interest earned from the moneys in the Colorado Travel and Tourism Promotion Fund, 10.0 percent will remain in the Colorado Travel and Tourism Promotion Fund for use by the Colorado Tourism Office in the Office of Economic Development and International Trade to promote agritourism in coordination with the Agriculture Commissioner. Increases the cash funds appropriation to the Office of the Governor, Economic Development Programs, Colorado Promotion - Other Promotion Programs by 1.0 FTE to administer state agritourism. The appropriations are contingent upon full repayment of the outstanding debt incurred by the Colorado state fair authority to build the events center in Pueblo.

- **H.B. 08-1415 (Massey, Jain / Gibbs, Spence):** Specifies that for FY 2008-09 only, of the portion of Limited Gaming Fund moneys that would otherwise be transferred to the Film Incentives Cash Fund, \$300,000 shall be transferred to the Colorado Office of Economic Development in the Governor's Office. Moneys are to be used for the operating costs of the Colorado Film Commission. Appropriates \$300,000 cash funds to the Office of Economic Development.

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of the Governor**

**APPENDIX C: UPDATE OF FY 2008-09  
LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION**

**Long Bill Footnotes**

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

**Requests for Information**

- 1 All Departments, Totals** - Every department is requested to submit to the Joint Budget Committee information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that are applied for or received during FY 2008-09. The information should include the number of FTE, the associated costs (such as workers' compensation, health and life benefits, need for additional space, etc.) that are related to the additional FTE, the direct and indirect matching requirements associated with the federal grant or donated funds, the duration of the grant, and a brief description of the program and its goals and objectives.

Comment: *The Governor instructed departments to comply to the extent to which this information can be provided without adversely impacting operations by November 1, 2008.*

The Governor's Office has not responded to this request. In response to staff inquiry, the Governor's Office indicated that a report would be delivered on November 12, 2008. The report has not yet been received.

- 3 Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Local Affairs, Division of Emergency Management, Disaster Response and Recovery** -- The Division of Emergency Management is requested to work with the Office of State Planning and Budgeting and provide a report to the Joint Budget Committee by November 1, 2008, concerning revenues credited to and expenditures made from the Disaster Emergency Fund in FY 2007-08. The report is requested to include the following: (a) amounts authorized to be transferred to the Disaster Emergency Fund, by Executive Order and fund source; (b) amounts actually transferred to the Fund, by date and fund source; and (c) actual expenditures from the Fund, by date and declared disaster emergency.

Comment: The Governor's Office responded to this request. The amounts transferred and payments made are shown in the following tables. The first table provides information on the transfers. The Major Medical Insurance Fund is a cash fund in the Department of Labor

and Employment. The fund balance at the end of FY 2007-08 was \$42.8 million. The fund contains a sizeable reserve, as it is required by statute to grow until it reaches actuarial balance.

Summary of Transfers to Disaster Emergency Fund FY 2007-08				
Executive Order	Start Date	Name	Authorized and Transferred	Fund Source
D 009 08	4/17/2008	Crowley County Declaration / Ordway	\$500,000	Major Medical Insurance Fund
D 011 08	5/23/2008	Disaster - Northern Colorado Tornadoes	\$500,000	Major Medical Insurance Fund

The second table provides information about expenditures from the fund.

Summary of Payments from Disaster Emergency Fund FY 2007-08			
Executive Order	Payment Date	Payment Amount	Remaining Balance
D 009 08	N/A	N/A	\$500,000
D 011 08	7/10/2008 7/23/2008	\$92,653 \$6,398	\$400,949

- 4 Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Personnel and Administration, Human Resource Services** -- The Department shall comply with the statutory provisions of Section 24-50-110 (1) (d), C.R.S., and is requested to provide other state departments with the information necessary to comply with this statute. The Office of State Planning and Budgeting and the Department of Personnel are requested to work with the departments to improve the timeliness and accuracy of information about state personnel. Improvements, at a minimum, should include: updating personnel information on a centralized computerized data base; accurate reporting of filled FTE positions; number of reclassifications that are approved, turnover rates by agency; tracking of FTE positions funded to FTE positions filled; an accurate count of part-time and temporary FTE positions; and elimination of unused FTE positions. The Department and the Office of State Planning and Budgeting are requested to submit a consolidated statewide personnel report to the General Assembly by September 1, 2008. This report should include, by line item and Department, a summary of vacant positions, the length of time each position has been vacant, and the number of reclassifications that were approved in FY 2007-08. In addition, the report should include a reconciliation between personal services appropriations and actual expenditures for FTE, state temporaries, sick/annual leave payout, and other personal services by division.

Comment: *The Governor directed departments to comply to the extent feasible no later than November 3, 2008.*

The Governor's Office has not responded directly to this request. In response to staff inquiry, the Governor's Office indicated that the Office of State Planning and Budgeting was working with the Department of Personnel and Administration to produce a single report that covers all departments. They did not provide an estimate of when such a report would be available.

- 16 Governor - Lieutenant Governor - State Planning and Budgeting, Governor's Energy Office** -- Senate Bill 07-246 requires a post-enactment review be conducted to determine the Department's efficacy in implementing the desired result and benefit of the act to advance energy efficiency and renewable energy throughout the state . The Department is requested to submit a report by September 1, 2008 to the Joint Budget Committee on the status of the Department's efficacy in implementing the desired result and benefit of the provisions of S.B. 07-246. At a minimum, the report should include a narrative overview of the programs implemented with descriptions of each and should itemize how the moneys appropriated have been applied, by program, by year, to advance energy efficiency and renewable energy throughout the state.

Comment: *The Governor directed the department to comply to the extent feasible and submit a report as close to September 1, 2008 as possible, but no later than November 3, 2008.*

The Governor's Office has not responded to this request. In response to staff inquiry, they indicated that the Governor's Energy Office is preparing such a report, and will deliver it to the Joint Budget Committee on or before December 4, 2008. Staff will prepare and distribute a memo to Committee members summarizing the report after it is delivered.

- 17 Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting** -- The Department is requested to submit a report related to the Government Efficiency Management (GEM) Study by July 1, 2008 to the Joint Budget Committee. At a minimum, the report should be provided electronically and should include a narrative overview explaining how the moneys appropriated have been applied to harness greater governmental efficiency and cost-avoidance. The report should itemize how the moneys appropriated have been implemented, by fiscal year, by applicable department or departments if there are multiple-agency initiatives, to identify ways to improve customer service, eliminate unnecessary or redundant services, and implement innovative ways to deliver essential services. The report should also include all budget change requests submitted to the General Assembly related to the GEM Study and aggregated into a single spreadsheet, by fiscal year, by Department, by fund source, including FTE.

Comment: *The Governor indicated that the public report on the GEM Performance Review*

*to be issued in or around July 2008 would be considered the response to this request for information.*

A substantial report dated June 28, 2008 was released, and provides a partial response to the request. The report identifies approximately 50 separate recommendations which, if implemented, are expected to save \$40.8 million by the end of FY 2012-13. Each recommendation is described in considerable detail and identifies the department(s) to which the recommendation applies, the anticipated savings by fiscal year, and any start-up costs that are associated with implementing the recommendation.

The Governor's Office has provided staff with paper copies of change requests and special bills implementing 18 of the recommendations. These include:

- Reallocation of resources from the Governor's Office of CBMS to the Departments of Human Services and Health Care Policy and Financing.;
- Implementation of a preferred drug list by the Department of Health Care Policy and Financing;
- Use of electronic imaging for the Parole Board by the Department of Corrections; and
- Funding to implement Web-based capability to allow unemployment insurance clients faster access to routine information.

Staff can provide additional detail upon request.

- 18 Governor - Lieutenant Governor - State Planning and Budgeting, Economic Development Programs, Bioscience Discovery Evaluation Program** -- The Department is requested to submit a report by September 1, 2008 to the Joint Budget Committee. At a minimum, the report shall specify the following information with regard to the bioscience research projects that received funding under the program during the preceding calendar year: (1) the amount of funding distributed to each bioscience research project and a description of each bioscience research project; (2) the manner in which each bioscience research project applied the funding received under the program; and (3) the results achieved by each bioscience research project, including identifiable monetary returns to the grantee and others since the receipt of the grant.

Comment: *The Governor directed the department to submit the report as close to September 1, 2008 as possible, but no later than November 3, 2008.*

The Governor's Office responded to this request on October 7, 2008. The report provided detailed information regarding grants made prior to March 2008. In addition to those grants, twelve Small Business Innovation Research and Small Business Technology Transfer grants totaling \$755,073 have been made and six grants for proof-of-concept biofuel projects totaling \$381,646 are in the contract drafting and execution phase. Staff can provide Committee members with a copy of the report if desired.