

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2013-14 STAFF FIGURE SETTING
OFFICE OF THE GOVERNOR**

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

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OFFICE OF THE GOVERNOR

Department Overview

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

- The Office of the Governor oversees operation of the executive branch of State government including coordination, direction, and planning of agency operations. The Office represents the State, and serves as a liaison with local and federal governments. Includes the core functions of a traditional executive director's office and the Colorado Energy Office;
- The Office of the Lieutenant Governor directly oversees the Colorado Commission of Indian Affairs, Commission on Community Service, and other initiatives. The Lieutenant Governor temporarily takes the Governor's place if the Governor is out of Colorado or is unable to perform his/her duties. Note, the passage of H.B. 11-1155 (McNulty & Pace/Shaffer & Kopp) permitted the Lieutenant Governor to serve as the Executive Director of the Department of Higher Education in addition to his elected role as Lieutenant Governor;
- The Office of State Planning and Budgeting develops executive branch budget requests, and reviews and analyzes departmental expenditures. Additionally, the Office prepares quarterly revenue and economic estimates for the state;
- The Office of Economic Development and International Trade assists in strengthening Colorado's prospects for long-term economic growth by providing broad-based support to businesses; and
- The Office of Information Technology oversees technology initiatives at the State level, and recommends the implementation of strategies to maximize efficiencies in service delivery through the application of enterprise technology solutions.

DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

Executive Request

The Office of the Governor requests an appropriation of \$228,145,497 total funds (including \$26,625,870 General Fund) and 1,060.6 FTE for FY 2013-14. The request for FY 2013-14 represents an increase of \$21,766,794 total funds (including \$8,101,166 General Fund) and 24.5 FTE. The increase in General Fund is primarily related to the following decision items:

- Economic development initiatives (\$6,589,468 General Fund);
- Information technology initiatives (\$3,288,071 General Fund); and
- Continuation of Lean process improvement (\$975,868 General Fund).

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The increase in FTE in the request is primarily due to a decision item in the Department of Revenue to add funding for the Governor’s Office of Information Technology to add 22.0 FTE to support several information technology support functions detailed later in this document.

Committees of Reference SMART Act Recommendations

The House Business, Labor, Economic, and Workforce Development, Senate Business, Labor, and Technology Committees, House Agriculture, Livestock, and Natural Resources, Senate Agriculture, Natural Resources, Energy, House Finance, Senate Finance Committees did not submit any recommendations to the Committee concerning the request of agencies within the Office of the Governor.

Staff Recommendation

Staff recommends an appropriation of \$223,715,887 total funds (including \$18,433,852 General Fund) and 1,056.1 FTE for FY 2013-14. The recommendation for FY 2013-14 represents an increase of \$17,337,183 total funds (including a decrease of \$90,852 General Fund) and 20.0 FTE. The difference in General Fund between the request and the recommendation is primarily related to the following decision items and staff initiated recommendations:

- Refinancing General Fund appropriations for economic development initiatives with cash funds from limited gaming tax revenue (staff’s recommendation is \$4,000,000 General Fund less than the request);
- Economic development initiatives (staff’s recommendation is \$1,240,453 General Fund less than the request); and
- Information technology initiatives (staff’s recommendation is \$2,942,736 General Fund less than the request).

The following table summarizes the staff recommendation for the agency for FY 2013-14.

Office of the Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 13-1335 (Long Bill)	\$186,267,091	\$17,968,186	\$23,086,596	\$128,513,469	\$16,698,840	1,022.7
Other Legislation	13,540,137	351,895	10,660,491	12,728,956	(10,201,205)	14.7
SB 13-088 (Supplemental)	<u>6,571,475</u>	<u>204,623</u>	<u>(739,583)</u>	<u>7,985,877</u>	<u>(879,442)</u>	<u>(1.3)</u>
TOTAL	\$206,378,703	\$18,524,704	\$33,007,504	\$149,228,302	\$5,618,193	1,036.1
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$206,378,703	\$18,524,704	\$33,007,504	\$149,228,302	\$5,618,193	1,036.1
R-1: Continuous improvement program	965,650	965,650	0	0	0	0.0
R-2: Prospect pipeline and branding	133,500	133,500	0	0	0	0.0

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Office of the Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
R-3: EDC General Fund increase	2,915,515	2,915,515	0	0	0	0.0
R-4: Leased space increase	129,322	129,322	0	0	0	0.0
R-5: Tourism promotion and branding	1,500,000	1,500,000	0	0	0	0.0
R-6: Film incentives	800,000	800,000	0	0	0	0.0
R-7: OIT staff operating transfer	345,335	345,335	0	0	0	0.0
R-8: OIT enterprise management	437,600	0	0	437,600	0	0.0
R-9: Microwave upgrade assessment	300,000	0	300,000	0	0	0.0
BA: CBMS modernization continuation	15,721,587	0	0	15,721,587	0	0.0
BA: CSN funding modification	1,394,368	0	0	1,394,368	0	0.0
BA: Enterprise security services	1,075,700	0	0	1,075,700	0	0.0
BA: OIT staff transfer	(265,656)	0	0	(265,656)	0	(3.8)
BA: IT billing allocation study	0	0	0	0	0	0.0
NPI: Revenue infrastructure	3,256,667	0	0	3,256,667	0	22.0
NPI: Unemployment insurance initiatives	2,872,000	0	0	2,872,000	0	0.0
NPI: Behavioral health data system	480,000	0	0	480,000	0	0.0
NPI: Adult Protective Services system	250,000	0	0	250,000	0	0.0
NPI: Child care licensing system	131,620	0	0	131,620	0	0.0
NPI: Capitol Complex upgrades	34,494	20,404	0	14,090	0	0.0
NPI: OIT enterprise management	18,031	0	0	18,031	0	0.0
NPI: Employee engagement survey	3,802	1,141	0	2,661	0	0.0
NPI: Fleet request	(2,697)	0	0	(2,697)	0	0.0
Gaming revenue adjustment	8,722,245	0	8,722,245	0	0	0.0
Centrally appropriated line items	5,144,884	(370,085)	262,247	4,979,611	273,111	0.0
Indirect cost assessment	62,811	0	44,821	17,990	0	0.0
Annualize prior year legislation	(24,063,313)	(556,518)	(3,757,892)	(20,628,345)	879,442	1.8
Staff initiated General Fund reduction	(4,000,000)	(4,000,000)	0	0	0	0.0
IT common policy adjustments	<u>(1,026,282)</u>	<u>(1,975,116)</u>	<u>0</u>	<u>948,834</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$223,715,887	\$18,433,852	\$38,578,926	\$159,932,363	\$6,770,746	1,056.1
Increase/(Decrease)	\$17,337,183	(\$90,852)	\$5,571,421	\$10,704,061	\$1,152,553	20.0
Percentage Change	8.4%	(0.5%)	16.9%	7.2%	20.5%	1.9%
FY 2013-14 Executive Request:	\$228,145,497	\$26,625,870	\$37,729,963	\$157,033,947	\$6,755,717	1,060.6

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Office of the Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Request Above/(Below) Recommendation	\$4,429,611	\$8,192,018	(\$848,962)	(\$2,898,416)	(\$15,029)	4.5

Issue Descriptions

R-1: Continuous improvement program: The recommendation includes an increase of \$965,650 General Fund for FY 2013-14 for the Office of State Planning and Budgeting to continue the implementation of Lean operational process improvements in executive branch agencies. *See the Office of State Planning and Budgeting section of this document for additional information.*

R-2: Prospect pipeline and branding: The recommendation includes an increase of \$133,500 General Fund for FY 2013-14 to support the retention and prospecting activities using existing Office of Economic Development and International Trade staff. *See the Economic Development Programs section of this document for additional information.*

R-3: EDC General Fund increase: The recommendation includes \$2,915,515 General Fund for FY 2013-14 to maintain a level of funding in the Office of Economic Development and International Trade for economic development incentives that is consistent with the FY 2012-13 appropriation for the same purpose. *See the Economic Development Programs section of this document for additional information.*

R-4: Leased space increase: The recommendation includes an increase of \$129,322 General Fund for FY 2013-14 for the new lease agreement for the Office of Economic Development and International Trade’s 1625 Broadway location in Denver. *See the Economic Development Programs section of this document for additional information.*

R-5: Tourism promotion and branding: The recommendation includes an increase of \$1,500,000 General Fund for FY 2013-14 for the Colorado Tourism Office to promote tourism in the state. *See the Economic Development Programs section of this document for additional information.*

R-6: Film incentives: The recommendation includes \$800,000 General Fund for FY 2013-14 for the continuation of the performance-based film incentives program in the Office of Economic Development and International Trade. *See the Economic Development Programs section of this document for additional information.*

R-7: OIT staff operating transfer: The recommendation includes an increase of \$345,335 General Fund for FY 2013-14 for basic operating costs for FTE transferred to the Governor’s Office of Information Technology as part of the consolidation of information technology resources. *See the Office of Information Technology section of this document for additional information.*

R-8: OIT enterprise management: The recommendation includes \$437,600 reappropriated funds for FY 2013-14 for the implementation of an information technology asset tracking system by the Governor’s Office of Information Technology. *See the Office of Information Technology section of this document for additional information.*

R-9: Microwave upgrade assessment: The recommendation includes an increase of \$300,000 cash funds from the reserve of the Public Safety Trust Fund for the Governor’s Office of Information Technology to conduct a microwave upgrade assessment. *See the Office of Information Technology section of this document for additional information.*

BA: CBMS modernization continuation: The recommendation includes a pending increase of \$15,721,587 reappropriated funds transferred from the Department of Human Services and the Department of Health Care Policy and Financing for FY 2013-14 for the Governor’s Office of Information Technology to continue the Colorado Benefits Management System (CBMS) modernization project. *See the Office of Information Technology section of this document for additional information.*

BA: CSN funding modification: The recommendation includes an increase of \$1,394,368 reappropriated funds for FY 2013-14 for the Governor’s Office of Information Technology to meet the financial obligations of operating the State’s Multiuse Network concurrently with the new Colorado State Network while migration to the new network for all State agencies is completed. *See the Office of Information Technology section of this document for additional information.*

BA: Enterprise security services: The recommendation includes \$1,075,700 reappropriated funds for FY 2013-14 for the Governor’s Office of Information Technology to address the State’s most pressing cyber security needs. *See the Office of Information Technology section of this document for additional information.*

BA: OIT staff transfer: The recommendation includes a decrease of \$265,656 reappropriated funds and 3.8 FTE for FY 2013-14 to make technical changes related to staffing levels and assignment of FTE and associated funding in the Governor’s Office of Information Technology. *See the Office of Information Technology section of this document for additional information.*

BA: IT billing allocation study: The request includes an increase of \$300,000 General Fund for FY 2013-14 to conduct an information technology billing study. Staff does not recommend funding this request. *See the Office of Information Technology section of this document for additional information.*

NPI: Revenue infrastructure: The recommendation includes a pending increase of \$3,256,667 reappropriated funds transferred to the Governor’s Office of Information Technology by the Department of Revenue to increase the level of operational support services, including service desk staff, desk side support, network support, server support, security support, and project management functions for FY 2013-14. *See the Office of the Governor and Office of Information Technology sections of this document for additional information.*

NPI: Unemployment insurance initiatives: The recommendation includes an increase of \$2,872,000 reappropriated funds transferred from the Department of Labor and Employment to the Governor’s Office of Information Technology for services related to the multi-State WyCAN project to manage unemployment taxes and benefits. *See the Office of Information Technology section of this document for additional information.*

NPI: Behavioral health data system: The recommendation includes a pending recommendation of \$480,000 reappropriated funds transferred from the Department of Human Services to the Governor’s Office of Information Technology for the provision of a behavioral health data system. *See the Office of Information Technology section of this document for additional information.*

NPI: Adult Protective Services system: The recommendation includes a pending recommendation of \$250,000 reappropriated funds transferred from the Department of Human Services to the Governor’s Office of Information Technology for the provision of a data system to track services provided to at-risk adults. *See the Office of Information Technology section of this document for additional information.*

NPI: Child care licensing system: The recommendation includes a pending recommendation of \$131,620 reappropriated funds transferred from the Department of Human Services to the Governor’s Office of Information Technology to add a reporting module to the Colorado Child Care Licensing System. *See the Office of Information Technology section of this document for additional information.*

NPI: Capitol Complex upgrades: The recommendation includes a pending increase of \$34,494 total funds (including \$20,404 General Fund) for FY 2013-14 for the agency’s share of infrastructure needs proposed by the Department of Personnel and Administration. *See the Office of the Governor section of this document for additional information.*

NPI: OIT enterprise management: The recommendation includes a pending increase of \$18,031 reappropriated funds for FY 2013-14 for the agency’s share of an enterprise information technology asset system proposed by the Governor’s Office of Information Technology. *See the Office of the Governor section of this document for additional information.*

NPI: Employee engagement survey: The recommendation includes a pending increase of \$3,802 total funds (including \$1,141 General Fund) for FY 2013-14 for the agency’s share of a biennial employee survey proposed by the Department of Personnel and Administration. *See the Office of the Governor section of this document for additional information.*

NPI: Fleet request: The recommendation includes a pending decrease of \$2,697 reappropriated funds for FY 2013-14 for the agency’s share of use of State fleet vehicles. *See the Office of the Governor section of this document for additional information.*

Gaming revenue adjustment: The recommendation includes an increase of \$8,722,245 based on the assumed current law transfer of limited gaming tax revenue to economic development

cash funds contained in S.B. 13-133 (Steadman/Gerou). *See the Economic Development Programs section of this document for additional information.*

Centrally appropriated line items: The recommendation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; and Capitol complex leased space. Note, several of these items are pending future Committee action. *See the Office of the Governor section of this document for additional information.*

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments. The recommendation is consistent with prior Committee action. *See the Office of the Governor, Economic Development Programs, and Office of Information Technology sections of this document for additional information.*

Annualize prior year legislation: The recommendation includes adjustments related to prior year legislation. *See all divisions for additional information.*

Staff initiated General Fund reduction: The recommendation includes a decrease of \$4,000,000 General Fund due to an increase in limited gaming tax revenue cash funds for economic development programs contained in S.B. 13-133. *See the Economic Development Programs section of this document for additional information.*

IT common policy adjustments: The recommendation includes adjustments to line items appropriated for: multiuse network payments and purchase of services from the computer center from the Governor's Office of Information Technology. *See the Office of the Governor section of this document for additional information.*

GENERAL NOTES ABOUT THIS PACKET

Each division in this packet begins with a division request and recommendation summary that includes a table of recommendations and a description of all change items (including decision items) from the FY 2012-13 appropriation to the FY 2013-14 recommendation. The line item detail sections within each division include a line item request and recommendation summary table if it includes a decision item or other noteworthy change item that staff seeks to highlight for the Committee.

(1) Office of the Governor

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

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Office of the Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 12-1335 (Long Bill)	\$40,572,349	\$6,492,550	\$7,152,863	\$12,684,426	\$14,242,510	50.4
Other 2012 Legislation	(6,538,819)	1,895	3,660,491	0	(10,201,205)	14.7
SB 13-088 (Supplemental)	<u>(3,440,849)</u>	<u>15,703</u>	<u>(2,593,986)</u>	<u>16,876</u>	<u>(879,442)</u>	<u>0.0</u>
TOTAL	\$30,592,681	\$6,510,148	\$8,219,368	\$12,701,302	\$3,161,863	65.1
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$30,592,681	\$6,510,148	\$8,219,368	\$12,701,302	\$3,161,863	65.1
NPI: Revenue infrastructure	275,177	0	0	275,177	0	0.0
NPI: Capitol Complex upgrades	34,494	20,404	0	14,090	0	0.0
NPI: OIT enterprise management	18,031	0	0	18,031	0	0.0
NPI: Employee engagement survey	3,802	1,141	0	2,661	0	0.0
NPI: Fleet request	(2,697)	0	0	(2,697)	0	0.0
Centrally appropriated line items	5,144,884	(370,085)	262,247	4,979,611	273,111	0.0
Annualize prior year legislation	3,478,464	(17,598)	2,633,496	(16,876)	879,442	0.0
Indirect cost assessment	22,405	0	22,405	0	0	0.0
IT common policy adjustments	<u>(1,026,282)</u>	<u>(1,975,116)</u>	<u>0</u>	<u>948,834</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$38,540,959	\$4,168,894	\$11,137,516	\$18,920,133	\$4,314,416	65.1
Increase/(Decrease)	\$7,948,277	(\$2,341,254)	\$2,918,147	\$6,218,831	\$1,152,553	0.0
Percentage Change	26.0%	(36.0%)	35.5%	49.0%	36.5%	0.0%
FY 2013-14 Executive Request:						
Request Above/(Below) Recommendation	(\$330,851)	(\$1,389)	\$113,102	(\$427,535)	(\$15,029)	0.0

Issue Descriptions

NPI: Revenue infrastructure: The recommendation includes a pending increase of \$275,177 reappropriated funds transferred to the Office by the Department of Revenue to support the provision of information technology services in FY 2013-14.

➔ Non-Prioritized Item Request: Revenue infrastructure

The request seeks an increase of \$275,177 reappropriated funds for the centrally appropriated expenses (health, life, and dental, short-term disability, AED, and SAED) of 22.0 FTE added in the Governor’s Office of Information Technology from moneys transferred from the Department of Revenue to the Office of Information Technology for FY 2013-14 for operational support services, including service desk staff, desk side support, network support, server support, security support, and project management functions. This request will be considered during Committee staff’s figure setting presentation by David Meng for the Department of Revenue scheduled for Thursday, March 7, 2013. **Staff requests permission to adjust this line item based on the March 7th Committee action.**

NPI: Capitol Complex upgrades: The recommendation includes a pending increase of \$34,494 total funds (including \$20,404 General Fund) for FY 2013-14 for the agency’s share of infrastructure needs proposed by the Department of Personnel and Administration.

➔ Non-Prioritized Item Request: Capitol Complex upgrades

The request seeks an increase of \$34,494 total funds (including \$20,404 General Fund) for FY 2013-14 for the Office’s share of reinstating operating appropriation reductions taken during the recent economic downturn and to address critical safety and infrastructure needs in Capitol Complex buildings. This request will be considered during Committee staff’s figure setting presentation by Alfredo Kemm for several common policy items associated with the Department of Personnel and Administration scheduled for Friday, March 15, 2013. **Staff requests permission to adjust this line item based on the March 15th Committee action.**

NPI: OIT enterprise management: The recommendation includes a pending increase of \$18,031 reappropriated funds for FY 2013-14 for the agency’s share of an enterprise information technology asset system proposed by the Governor’s Office of Information Technology.

➔ Non-Prioritized Item Request: OIT enterprise management

The request seeks an increase of \$18,031 reappropriated funds for FY 2013-14 for the Office’s share of implementing an executive branch-wide system to inventory and track information technology assets. This request will be considered during Committee staff’s figure setting presentation by Kevin Neimond for the Governor’s Office of Information Technology scheduled for later this day. **Staff requests permission to adjust this line item based on the Committee’s action in the near future.**

NPI: Employee engagement survey: The recommendation includes a pending increase of \$3,802 total funds (including \$1,141 General Fund) for FY 2013-14 for the agency’s share of a biennial employee survey proposed by the Department of Personnel and Administration.

➔ Non-Prioritized Item Request: Employee engagement survey

The request seeks an increase of \$3,802 total funds (including \$1,141 General Fund) for FY 2013-14 for the Office’s share of the biennial executive branch survey to gauge employees’ attitudes toward work, their work environment, overall satisfaction, and trends developing within the workforce. This request will be considered during Committee staff’s figure setting presentation by Alfredo Kemm for the Department of Personnel and Administration scheduled for Friday, March 1, 2013. **Staff requests permission to adjust this line item based on the March 1st Committee action.**

NPI: Fleet request: The recommendation includes a pending decrease of \$2,697 reappropriated funds for FY 2013-14 for the agency’s share of use of State fleet vehicles.

➔ Non-Prioritized Item Request: Fleet request

The request seeks a decrease of \$2,697 reappropriated funds for FY 2013-14 for the Office’s share of a true-up the fleet vehicle lease line appropriations within all affected departments. This item does not affect the total number of vehicles that are approved for purchase by the State Fleet Management program. This request will be considered during Committee staff’s figure setting presentation by Alfredo Kemm for several common policy items associated with the Department of Personnel and Administration scheduled for Friday, March 15, 2013. **Staff requests permission to adjust this line item based on the March 15th Committee action.**

Centrally Appropriated Line Items: The recommendation includes an increase of \$5,144,884 total funds (including a decrease of \$370,085 General Fund). The recommendation includes a mixture of non-pending (previously acted upon by the Committee) and pending total compensation and common policy line items. The following tables highlight the changes by pending and non-pending status.

Previously Acted Upon Centrally Appropriated Line Items Change from FY 2012-13 Appropriation		
Line Item*	Total Funds	General Fund
Health, Life, and Dental	\$514,174	(\$86,252)
Short-term Disability	22,566	(2,294)
AED	310,147	(105,007)
SAED	384,319	(266,781)
Shift Differential	5,690	0
Salary Survey	1,680,659	80,822

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Previously Acted Upon Centrally Appropriated Line Items Change from FY 2012-13 Appropriation		
Line Item*	Total Funds	General Fund
Merit Pay	1,235,501	65,376
Total	\$4,153,056	(\$314,136)

*All previously acted upon centrally appropriated line items were considered during Committee staff's figure setting presentation by Eric Kurtz on Wednesday, January 30, 2013.

Pending Centrally Appropriated Line Items Change from FY 2012-13 Appropriation		
Line Item	Total Funds	General Fund
Workers' Comp*	\$69,490	(\$109,348)
Risk Management*	54,193	(12,363)
Leased Space**	776,497	0
Capitol Complex*	91,648	65,762
Total	\$991,828	(\$55,949)

*This item will be considered during Committee staff's figure setting presentation by Alfredo Kemm for several common policy items associated with the Department of Personnel and Administration scheduled for Friday, March 15, 2013. Staff requests permission to adjust this line item based on the March 15th Committee action.

**This item will be considered today during Committee staff's figure setting presentation for the Office of the Governor later today.

Total Centrally Appropriated Line Items Change from FY 2012-13 Appropriation		
	Total Funds	General Fund
Total	\$5,144,884	(\$370,085)

Annualize prior year legislation: The recommendation includes an increase of \$3,478,464 total funds (including a decrease of \$17,598 General Fund) for FY 2013-14. As shown in the table below, the majority of the change from the FY 2012-13 appropriation is related to restoring the one-time funding decrease in the Colorado Energy Office contained in supplemental bill S.B. 13-088 (Steadman/Levy).

Annualize Prior Year Legislation		
Bill	Total Funds	General Fund
H.B. 12-1246 (Pay date shift)	(\$1,895)	(\$1,895)
H.B. 12-1315 (CEO reorg)	39,509	0
S.B. 13-088 (Supplemental)	3,440,850	(15,703)
Total	\$3,478,464	(\$17,598)

Indirect cost assessment: The recommendation includes an increase of \$22,405 cash funds in the Colorado Energy Office for FY 2013-14 for Statewide indirect cost collections. Staff's recommendation is consistent with prior Committee action.

IT common policy adjustments: The recommendation includes a pending decrease of \$1,026,282 total funds (including a decrease of \$1,975,116 General Fund) for FY 2013-14. This recommendation represents the Office's requested appropriation change from FY 2012-13. This request will be considered during Committee staff's figure setting presentation by Kevin Neimond for the Governor's Office of Information Technology scheduled for later this day. **Staff requests permission to adjust this line item based on the Committee's action in the near future.**

LINE ITEM DETAIL – (1) OFFICE OF THE GOVERNOR

(A) GOVERNOR'S OFFICE

Administration of Governor's Office and Residence

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. This line item provides the funding for the personal services and operating expenses for the Office of Policy and Research, the Office of Legislative Relations, the Office of Legal Counsel, Boards and Commissions, Office of the Citizens' Advocate, and the position of the Governor.

Request: The Office requests an appropriation of \$2,136,132 total funds (including \$2,117,003 General Fund) and 31.4 FTE for FY 2013-14. The request includes the annualization of moneys appropriated via H.B. 12-1246 (Becker/Hodge) to State agencies with part-time employees so that these obligations may be satisfied in June rather than July.

Recommendation: Staff recommends that the Committee appropriate \$2,136,132 total funds and 31.4 FTE for this line item in FY 2013-14. The recommendation is comprised of \$2,117,003 General Fund and \$19,129 reappropriated funds from Statewide indirect cost recoveries from federal grants received by the Office of the Governor. The staff recommendation for this line item is summarized in the following table.

Office of the Governor, Governor's Office, Administration of Governor's Office and Residence				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2012-13 Appropriation:				
HB 13-1335 (Long Bill)	\$2,136,132	\$2,117,003	\$19,129	31.4
Other Legislation	<u>1,895</u>	<u>1,895</u>	<u>0</u>	<u>0.0</u>

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Governor's Office, Administration of Governor's Office and Residence				
	Total Funds	General Fund	Reappropriated Funds	FTE
TOTAL	\$2,138,027	\$2,118,898	\$19,129	31.4
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$2,138,027	\$2,118,898	\$19,129	31.4
Annualize prior year legislation	(1,895)	(1,895)	0	0.0
TOTAL	\$2,136,132	2,117,003	\$19,129	31.4
Increase/(Decrease)	(\$1,895)	(\$1,895)	\$0	0.0
Percentage Change	(0.1%)	(0.1%)	0.0%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Discretionary Fund

Pursuant to Section 24-9-105, C.R.S., elected officials may be provided specified amounts to expend as each elected official sees fit. The specified maximum amount for the Governor is \$20,000, and is subject to appropriation by the General Assembly.

Request: The Office requests an appropriation of \$19,500 General Fund for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$19,500 General Fund for FY 2013-14.

Mansion Activity Fund

The Governor's Residence, located in the City and County of Denver at 400 East Eighth Avenue, is 26,431 square feet, and is accompanied by a 4,837 square foot Carriage House located on the same property. The two buildings are made available to the public for various activities and require spending authority for funds collected for use of the Governor's mansion. Funds received are from public and State agency use fees used to cover the costs of holding functions at these facilities.

Request: The Office seeks an appropriation of \$200,000 cash funds for FY 2013-14. The cash funds originate from rental fees for events using the mansion facilities.

Recommendation: Staff recommends an appropriation of \$200,000 cash funds for FY 2013-14.

(B) SPECIAL PURPOSE

Health, Life, and Dental

The appropriation covers the cost of the State's share of the employee's health, life and dental insurance as it relates to the number of employees in the Governor's Office that elect to be covered. Rates and premiums are determined by the Department of Personnel and Administration.

Request: The Office requests an appropriation of \$7,753,339 total funds (including \$422,033 General Fund) for FY 2013-14.

Recommendation: Consistent with prior Committee action, staff recommends an appropriation of \$7,641,373 total funds for FY 2013-14 prior to any other pending decision items. The recommendation consists of \$417,135 General Fund, \$312,056 cash funds from various sources, \$6,521,162 reappropriated funds from direct billings by the Governor's Office of Information Technology and Statewide indirect cost collections from the Office of the Governor, Governor's Office of Information Technology, the Colorado Energy Office, and the Colorado Department of Transportation, and \$391,020 from various federal funds.

The staff recommendation for this line item is summarized in the following table. Note, the table includes an increase of \$145,729 reappropriated funds transferred to the Office of the Governor by the Department of Revenue as part of a decision item requested by the Department of Revenue (NPI: Revenue infrastructure) discussed at the beginning of this division.

Office of the Governor, Special Purpose, Health, Life, and Dental						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 13-1335 (Long Bill)	\$7,035,771	\$503,387	\$130,946	\$6,078,274	\$323,164	0.0
Other Legislation	<u>91,428</u>	<u>0</u>	<u>91,428</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$7,127,199	\$503,387	\$222,374	\$6,078,274	\$323,164	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$7,127,199	\$503,387	\$222,374	\$6,078,274	\$323,164	0.0
NPI: Revenue infrastructure*	145,729	0	0	145,729	0	0.0
Centrally appropriated line items**	<u>514,174</u>	<u>(86,252)</u>	<u>89,682</u>	<u>442,888</u>	<u>67,856</u>	<u>0.0</u>
TOTAL	\$7,787,102	417,135	\$312,056	\$6,666,891	\$391,020	0.0
Increase/(Decrease)	\$659,903	(\$86,252)	\$89,682	\$588,617	\$67,856	0.0
Percentage Change	9.3%	(17.1%)	40.3%	9.7%	21.0%	0.0%

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Special Purpose, Health, Life, and Dental						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Executive Request:	\$7,753,339	\$422,033	\$318,016	\$6,617,082	\$396,208	0.0
Request Above/(Below) Recommendation	(\$33,763)	\$4,898	\$5,960	(\$49,809)	\$5,188	0.0

*This request will be voted on during Committee Staff’s figure setting presentation for the Department of Revenue scheduled for Thursday, March 7, 2013.

**Previously acted upon during Committee staff’s figure setting presentation by Eric Kurtz on Wednesday, January 30, 2013.

Short-term Disability

Short-term disability insurance coverage is available for all employees and paid by the State based on payroll that provides partial payment of an employee's salary if that individual becomes disabled and cannot perform his or her work duties. Any changes in the appropriation are based on Common Policy as approved by the Committee.

Request: The Office requests an appropriation of \$144,147 (including \$7,679 General Fund) for FY 2013-14.

Recommendation: Consistent with prior Committee action, staff recommends an appropriation of \$141,707 total funds for FY 2013-14 prior to any other pending decision items. The recommendation consists of \$7,694 General Fund, \$6,121 cash funds from various sources, \$121,235 reappropriated funds from direct billings by the Governor’s Office of Information Technology and Statewide indirect cost collections from the Office of the Governor, Governor’s Office of Information Technology, the Colorado Energy Office, and the Colorado Department of Transportation, and \$6,657 from various federal funds.

The staff recommendation for this line item is summarized in the following table. Note, the table includes an increase of \$3,261 reappropriated funds transferred to the Office of the Governor by the Department of Revenue as part of a decision item requested by the Department of Revenue (NPI Revenue Infrastructure) discussed at the beginning of this division.

Office of the Governor, Special Purpose, Short-term Disability						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 13-1335 (Long Bill)	\$116,405	\$9,988	\$1,439	\$99,896	\$5,082	0.0
Other Legislation	<u>2,736</u>	<u>0</u>	<u>2,736</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$119,141	\$9,988	\$4,175	\$99,896	\$5,082	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$119,141	\$9,988	\$4,175	\$99,896	\$5,082	0.0
NPI: Revenue infrastructure*	3,261	0	0	3,261	0	0.0

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Special Purpose, Short-term Disability						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Centrally appropriated line items**	22,566	(2,294)	1,946	21,339	1,575	0.0
TOTAL	\$144,968	7,694	\$6,121	\$124,496	\$6,657	0.0
Increase/(Decrease)	\$25,827	(\$2,294)	\$1,946	\$24,600	\$1,575	0.0
Percentage Change	21.7%	(23.0%)	46.6%	24.6%	31.0%	0.0%
FY 2013-14 Executive Request:	\$144,147	\$7,679	\$6,091	\$123,752	\$6,625	0.0
Request Above/(Below) Recommendation	(\$821)	(\$15)	(\$30)	(\$744)	(\$32)	0.0

*This request will be voted on during Committee Staff's figure setting presentation for the Department of Revenue scheduled for Thursday, March 7, 2013.

**Previously acted upon during Committee staff's figure setting presentation by Eric Kurtz on Wednesday, January 30, 2013.

S.B. 04-257 Amortization Equalization Disbursement

The line item reflects an increase to the effective PERA contribution rates beginning January 1, 2006 to bring the Office of the Governor into compliance with Section 24-51-211, C.R.S.

Request: The Office requests an appropriation of \$2,759,298 (including \$146,642 General Fund) for FY 2013-14.

Recommendation: Consistent with prior Committee action, staff recommends an appropriation of \$2,704,844 total funds for FY 2013-14 prior to any other pending decision items. The recommendation consists of \$145,583 General Fund, \$116,720 cash funds from various sources, \$2,315,558 reappropriated funds from direct billings by the Governor's Office of Information Technology and Statewide indirect cost collections from the Office of the Governor, Governor's Office of Information Technology, the Colorado Energy Office, and the Colorado Department of Transportation, and \$126,983 from various federal funds.

The staff recommendation for this line item is summarized in the following table. Note, the table includes an increase of \$66,317 reappropriated funds transferred to the Office of the Governor by the Department of Revenue as part of a decision item requested by the Department of Revenue (NPI Revenue Infrastructure) discussed at the beginning of this division.

Office of the Governor, Special Purpose, S.B. 04-257 Amortization Equalization Disbursement						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 13-1335 (Long Bill)	\$2,345,217	\$250,590	\$43,563	\$1,959,187	\$91,877	0.0
Other Legislation	49,480	0	49,480	0	0	0.0
TOTAL	\$2,394,697	\$250,590	\$93,043	\$1,959,187	\$91,877	0.0

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Special Purpose, S.B. 04-257 Amortization Equalization Disbursement						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$2,394,697	\$250,590	\$93,043	\$1,959,187	\$91,877	0.0
NPI-7: Revenue infrastructure*	66,317	0	0	66,317	0	0.0
Centrally appropriated line items**	<u>310,147</u>	<u>(105,007)</u>	<u>23,677</u>	<u>356,371</u>	<u>35,106</u>	<u>0.0</u>
TOTAL	\$2,771,161	145,583	\$116,720	\$2,381,875	\$126,983	0.0
Increase/(Decrease)	\$376,464	(\$105,007)	\$23,677	\$422,688	\$35,106	0.0
Percentage Change	15.7%	(41.9%)	25.4%	21.6%	38.2%	0.0%
FY 2013-14 Executive Request:						
Request Above/(Below) Recommendation	(\$11,863)	\$1,059	(\$564)	(\$11,745)	(\$613)	0.0

*This request will be voted on during Committee Staff's figure setting presentation for the Department of Revenue scheduled for Thursday, March 7, 2013.

**Previously acted upon during Committee staff's figure setting presentation by Eric Kurtz on Wednesday, January 30, 2013.

S.B. 06-235 Supplemental Amortization Equalization Disbursement

This appropriation reflects an increase to the effective PERA contribution rates beginning January 1, 2008 to bring the Office of the Governor into compliance with Section 24-51-211, C.R.S.

Request: The Office requests an appropriation of \$2,491,033 (including \$132,385 General Fund) for FY 2013-14.

Recommendation: Consistent with prior Committee action, staff recommends an appropriation of \$2,441,409 total funds for FY 2013-14 prior to any other pending decision items. The recommendation consists of \$130,964 General Fund, \$105,372 cash funds from various sources, \$2,090,435 reappropriated funds from direct billings by the Governor's Office of Information Technology and Statewide indirect cost collections from the Office of the Governor, Governor's Office of Information Technology, the Colorado Energy Office, and the Colorado Department of Transportation, and \$114,638 from various federal funds.

The staff recommendation for this line item is summarized in the following table. Note, the table includes an increase of \$59,870 reappropriated funds transferred to the Office of the Governor by the Department of Revenue as part of a decision item requested by the Department of Revenue (NPI Revenue Infrastructure) discussed at the beginning of this division.

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Special Purpose, S.B. 06-235 Supplemental Amortization Equalization Disbursement						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 13-1335 (Long Bill)	\$2,014,566	\$397,745	\$37,437	\$1,500,427	\$78,957	0.0
Other Legislation	<u>42,524</u>	<u>0</u>	<u>42,524</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,057,090	\$397,745	\$79,961	\$1,500,427	\$78,957	0.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$2,057,090	\$397,745	\$79,961	\$1,500,427	\$78,957	0.0
NPI: Revenue infrastructure*	59,870	0	0	59,870	0	0.0
Centrally appropriated line items**	<u>384,319</u>	<u>(266,781)</u>	<u>25,411</u>	<u>590,008</u>	<u>35,681</u>	<u>0.0</u>
TOTAL	\$2,501,279	130,964	\$105,372	\$2,150,305	\$114,638	0.0
Increase/(Decrease)	\$444,189	(\$266,781)	\$25,411	\$649,878	\$35,681	0.0
Percentage Change	21.6%	(67.1%)	31.8%	43.3%	45.2%	0.0%
FY 2013-14 Executive Request:						
Request Above/(Below) Recommendation	(\$10,246)	\$1,421	(\$509)	(\$10,604)	(\$554)	0.0

*This request will be voted on during Committee Staff's figure setting presentation for the Department of Revenue scheduled for Thursday, March 7, 2013.

**Previously acted upon during Committee staff's figure setting presentation by Eric Kurtz on Wednesday, January 30, 2013.

Shift Differential

This line item is used to pay for the adjustment to compensate employees for work performed outside of the regular Monday through Friday 8:00 a.m. to 5:00 p.m. work schedule. Employees eligible for shift differential in the Office of the Governor are assigned to the Governor's Office of Information Technology.

Request: The Office requests an appropriation of \$72,915 reappropriated funds for FY 2013-14. The request represents a decrease of 28.1 percent compared to the FY 2011-12 appropriation.

Recommendation: Consistent with prior Committee action, staff recommends an appropriation of \$81,671 total funds for FY 2013-14. The recommendation consists of reappropriated funds from direct billings by the Governor's Office of Information Technology. The staff recommendation for this line item is summarized in the following table.

*JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision*

Office of the Governor, Special Purpose, Shift Differential			
	Total Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:			
HB 13-1335 (Long Bill)	<u>\$75,981</u>	<u>\$75,981</u>	<u>0.0</u>
TOTAL	\$75,981	\$75,981	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$75,981	\$75,981	0.0
Centrally appropriated line items*	<u>5,690</u>	<u>5,690</u>	<u>0.0</u>
TOTAL	\$81,671	\$81,671	0.0
Increase/(Decrease)	\$5,690	\$5,690	0.0
Percentage Change	7.5%	7.5%	0.0%
FY 2013-14 Executive Request:			
Request Above/(Below) Recommendation	(\$8,756)	(\$8,756)	0.0

*Previously acted upon during Committee staff's figure setting presentation by Eric Kurtz on Wednesday, January 30, 2013.

Salary Survey

This line item provides funding for market adjustments to occupational groups' salaries in the Office of the Governor.

Request: The Office requests an appropriation of \$1,283,443 (including \$71,319 General Fund for FY 2013-14.

Recommendation: Consistent with prior Committee action taken during Committee staff's figure setting presentation by Eric Kurtz on Wednesday, January 30, 2013, staff recommends an appropriation of \$1,680,659 total funds for FY 2013-14. The recommendation consists of \$80,822 General Fund, \$69,937 cash funds from various sources, \$1,453,818 reappropriated funds from direct billings by the Governor's Office of Information Technology and Statewide indirect cost collections from the Office of the Governor, Governor's Office of Information Technology, the Colorado Energy Office, and the Colorado Department of Transportation, and \$76,082 from various federal funds.

Merit Pay

This line item funds merit pay for employees in the Office of the Governor based on performance and evaluations.

Request: The Office requests an appropriation of \$1,241,443 total funds (including \$71,319 General Fund) for FY 2013-14.

Recommendation: Consistent with prior Committee action taken during Committee staff's figure setting presentation by Eric Kurtz on Wednesday, January 30, 2013, staff recommends an appropriation of \$1,235,501 total funds for FY 2013-14. The recommendation consists of \$65,376 General Fund, \$51,594 cash funds from various sources, \$1,061,720 reappropriated funds from direct billings by the Governor's Office of Information Technology and Statewide indirect cost collections from the Office of the Governor, Governor's Office of Information Technology, the Colorado Energy Office, and the Colorado Department of Transportation, and \$56,811 from various federal funds.

Workers' Compensation

Workers' compensation insurance for the entire state (excluding Department of Higher Education institutions) is carried by the Department of Personnel and Administration. Appropriations to departments covered by the insurance are provided through Committee Common Policy determined through actuarial calculations and three years of claims history. All changes in the Office of the Governor's appropriation for workers' compensation are the result of Committee common policy changes.

Request: The Office requests an appropriation of \$441,923 total funds (\$53,915 General Fund) for FY 2013-14.

Recommendation: Staff's recommendation is pending the approval of the workers' compensation common policy by the Committee. This line item will be considered during Committee staff's figure setting presentation by Alfredo Kemm for several common policy items associated with the Department of Personnel and Administration scheduled for Friday, March 15, 2013. **Staff requests permission to adjust this line item based on the March 15th Committee action.**

Legal Services

Legal representation for all divisions in the Office of the Governor is provided by the Department of Law. This line item pays for those services. The appropriation is based on the blended hourly rate, as set by the Committee every year, and the number of hours an agency requires.

Request: For the Legal Services appropriation, the Office requests continuation funding in the amount of \$390,190 General Fund to purchase 5,051 hours of legal services in FY 2013-14. The total hours consists of a continuation of a base 1,451 hours plus 3,600 hours for the appeals process associated with the Lobato v. State of Colorado court case.

Recommendation: Consistent with prior Committee action taken during Committee staff's figure setting presentation on the Department of Law by Carolyn Kampman on Wednesday, February 13, 2013 in regards to the Lobato v. State of Colorado court case, staff recommends the Committee approve the Office of the Governor's request to purchase 5,051 hours of legal services from the Department of Law in FY 2013-14. The dollar amount of staff's recommendation is pending the determination of the hourly rate for legal services by

the Committee. **Staff requests permission to adjust the line item after the Committee has determined the hourly rate for legal services.**

Lobato Litigation Expenses

The line item appropriates moneys for the defense and trial of the Lobato v. State of Colorado court case outside of the legal services purchased from the Department of Law. Costs included in the line item include expert witnesses, transcripts, and retention of contract attorneys to review and produce documents on a short timeline.

Request: The Office requests an appropriation of \$50,000 General Fund for FY 2013-14.

Recommendation: Consistent with prior Committee action taken during Committee staff’s figure setting presentation on the Department of Law by Carolyn Kampman on Wednesday, February 13, 2013, staff recommends an appropriation of \$50,000 General Fund for FY 2013-14 for the ongoing legal expenses of the litigation outside of the purchase of legal services hours from the Department of Law.

Purchase of Services from Computer Center

The Office of the Governor’s share of the use of the State’s mainframe is funded by this appropriation. The Governor's Office of Information Technology bills agencies for the use of these services. Changes in the appropriation are based on department utilization and are adjusted through the common policy adopted by the Committee.

Request: The Office requests an appropriation of \$940,327 total funds (including \$205,612 General Fund) for FY 2013-14.

Recommendation: Staff’s recommendation is pending the approval of the common policy by the Committee. This request will be considered during Committee staff’s figure setting presentation by Kevin Neimond for the Governor’s Office of Information Technology scheduled for later this day. **Staff requests permission to adjust this line item based on the Committee’s action in the near future.** The pending staff recommendation for this line item is summarized in the following table.

Office of the Governor, Special Purpose, Purchase of Services from Computer Center				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2012-13 Appropriation:				
HB 13-1335 (Long Bill)	\$2,070,805	\$2,070,805	\$0	0.0
TOTAL	\$2,070,805	\$2,070,805	\$0	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$2,070,805	\$2,070,805	\$0	0.0
NPI: OIT enterprise management*	18,031	0	18,031	0.0

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Special Purpose, Purchase of Services from Computer Center				
	Total Funds	General Fund	Reappropriated Funds	FTE
IT common policy adjustments	(1,148,509)	(1,865,193)	716,684	0.0
TOTAL	\$940,327	\$205,612	\$734,715	0.0
Increase/(Decrease)	(\$1,130,478)	(\$1,865,193)	734,715	0.0
Percentage Change	(54.6%)	(90.1%)	0.0%	0.0%
FY 2013-14 Executive Request:	\$940,327	\$205,612	\$734,715	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

*This request will be considered during Committee staff's figure setting presentation by Kevin Neimond for the Governor's Office of Information Technology scheduled for later this day.

Multi-use Network Payments

Per common policy, the multiuse network (MNT) payments appropriation provides funding for the Office of the Governor's payment to the Governor's Office of Information Technology to support the State's telecommunication infrastructure.

Request: The Office requests an appropriation of \$285,107 total funds (including \$52,957 General Fund) for FY 2012-13.

Recommendation: Staff's recommendation is pending the approval of the common policy by the Committee. This request will be considered during Committee staff's figure setting presentation by Kevin Neimond for the Governor's Office of Information Technology scheduled for later this day. **Staff requests permission to adjust this line item based on the Committee's action in the near future.**

Management and Administration of OIT

The line item was added during the FY 2008-09 supplemental appropriation process to reimburse the Governor's Office of Information Technology for the Office of the Governor's share of the management and administration of the Governor's Office of Information Technology.

Request: The Office of the Governor is not requesting an appropriation for FY 2013-14 for this line item.

Recommendation: Staff's recommendation is pending the approval of the common policy by the Committee. This request will be considered during Committee staff's figure setting presentation by Kevin Neimond for the Governor's Office of Information Technology scheduled for later this day. **Staff requests permission to adjust this line item based on the Committee's action in the near future.**

COFRS Modernization

This line item contains appropriations for the Office's share of costs associated with the implementation of the Colorado Financial Reporting System (COFRS) upgrade project.

Request: The Office seeks an appropriation of \$69,883 total funds (including \$22,407 General Fund) for FY 2013-14 for this line item.

Recommendation: Staff's recommendation is pending the approval of the Capital Construction appropriation by the Committee. This line item will be considered during Committee staff's figure setting presentation by Amanda Bickel scheduled for Friday, March 15, 2013. Staff requests permission to adjust this line item based on the March 15th Committee action.

Payment to Risk Management and Property Funds

The Office of the Governor's share of liability and property insurance carried by the Department of Personnel and Administration is appropriated through this line item. The State's liability program is used to pay liability claims and expenses brought against the state. The Office of the Governor's appropriation, and any changes to it, are driven by the common policies established by the Committee.

Request: The Office requests an appropriation of \$215,241 total funds (including \$64,573 General Fund) for FY 2013-14.

Recommendation: Staff's recommendation is pending the approval of the risk management and property funds common policy by the Committee. Staff requests permission to adjust this line item based on the Committee action. The pending staff recommendation for this line item is summarized in the following table.

Office of the Governor, Special Purpose, Payment to Risk Management and Property Funds				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2012-13 Appropriation:				
HB 13-1335 (Long Bill)	\$157,246	\$75,795	\$81,451	0.0
SB 13-088 (Supplemental)	<u>32,579</u>	<u>15,703</u>	<u>16,876</u>	<u>0.0</u>
TOTAL	\$189,825	\$91,498	\$98,327	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$189,825	\$91,498	\$98,327	0.0
NPI: Employee engagement survey*	3,802	1,141	2,661	0.0
Centrally appropriated line items	54,193	(12,363)	66,556	0.0
Annualize prior year legislation	<u>(32,579)</u>	<u>(15,703)</u>	<u>(16,876)</u>	<u>0.0</u>
TOTAL	\$215,241	\$64,573	\$150,668	0.0
Increase/(Decrease)	\$25,416	(\$26,925)	\$52,341	0.0

*JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision*

Office of the Governor, Special Purpose, Payment to Risk Management and Property Funds				
	Total Funds	General Fund	Reappropriated Funds	FTE
Percentage Change	13.4%	(29.4%)	53.2%	0.0%
FY 2013-14 Executive Request:	\$215,241	\$64,573	\$150,668	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

*This request will be considered during Committee staff’s figure setting presentation by Alfredo Kemm for several common policy items associated with the Department of Personnel and Administration scheduled for Friday, March 15, 2013.

Vehicle Lease Payments

This line funds the annual payment to the Department of Personnel and Administration for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles. No vehicles are assigned to the Governor’s Office, the Lieutenant Governor’s Office, the Office of Homeland Security, or the Office of State Planning and Budgeting. Leased vehicles for the Office of the Governor are used by staff in Governor’s Office of Information Technology.

Request: The Office requests an appropriation of \$88,313 reappropriated funds for FY 2013-14.

Recommendation: Staff’s recommendation is pending the approval of the fleet common policy by the Committee. Staff requests permission to adjust this line item based on the Committee action. The pending staff recommendation for this line item is summarized in the following table.

Office of the Governor, Special Purpose, Vehicle Lease Payments				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2012-13 Appropriation:				
HB 13-1335 (Long Bill)	<u>\$91,010</u>	<u>\$0</u>	<u>\$91,010</u>	<u>0.0</u>
TOTAL	\$91,010	\$0	\$91,010	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$91,010	\$0	\$91,010	0.0
NPI: Fleet request*	<u>(2,697)</u>		<u>(2,697)</u>	<u>0.0</u>
TOTAL	\$88,313	\$0	\$88,313	0.0
Increase/(Decrease)	(\$2,697)		(\$2,697)	0.0
Percentage Change	(3.0%)	0.0%	(3.0%)	0.0%
FY 2013-14 Executive Request:	\$88,313	\$0	\$88,313	0.0

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Special Purpose, Vehicle Lease Payments				
	Total Funds	General Fund	Reappropriated Funds	FTE
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

*This request will be considered during Committee staff's figure setting presentation by Alfredo Kemm for several common policy items associated with the Department of Personnel and Administration scheduled for Friday, March 15, 2013.

Leased Space

The appropriation funds the leased space needs of OIT only. The majority of the leased space expenses for the Governor's Office of Information Technology are tied to a ten-year lease at Pearl Plaza (601 East 18th Avenue in Denver) and the Enterprise Facility for Operational Recovery, Readiness Response and Transition (eFort).

Request: The Office requests an appropriation of \$3,148,018 reappropriated funds for FY 2013-14.

Recommendation: Staff's recommends an appropriation of \$3,148,018 reappropriated funds for FY 2013-14. The appropriation consists of funds from direct billings by the Governor's Office of Information Technology. The staff recommendation for this line item is summarized in the following table.

Office of the Governor, Special Purpose, Leased Space			
	Total Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:			
HB 13-1335 (Long Bill)	<u>\$2,371,521</u>	<u>\$2,371,521</u>	<u>0.0</u>
TOTAL	\$2,371,521	\$2,371,521	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$2,371,521	\$2,371,521	0.0
Transfer of eFort to OIT	<u>776,497</u>	<u>776,497</u>	<u>0.0</u>
TOTAL	\$3,148,018	\$3,148,018	0.0
Increase/(Decrease)	\$776,497	\$776,497	0.0
Percentage Change	32.7%	32.7%	0.0%
FY 2013-14 Executive Request:			
Request Above/(Below) Recommendation	\$0	\$0	0.0

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Capitol Complex Leased Space

The Capitol Complex Leased Space appropriation funds the Governor’s Office payment to the Department of Personnel and Administration for leased space within the Capitol Complex per Common Policy. All changes in the appropriation are a result of the rate increases charged by the Department of Personnel and Administration.

Request: The Office requests an appropriation of \$583,519 total funds (including \$345,163 General Fund) for FY 2013-14.

Recommendation: Staff's recommendation is pending the approval of the Capitol Complex common policy by the Committee. Staff requests permission to adjust this line item based on the Committee action. The pending staff recommendation for this line item is summarized in the following table.

Office of the Governor, Special Purpose, Capitol Complex Leased Space				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2012-13 Appropriation:				
HB 13-1335 (Long Bill)	<u>\$457,377</u>	<u>\$258,997</u>	<u>\$198,380</u>	<u>0.0</u>
TOTAL	\$457,377	\$258,997	\$198,380	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$457,377	\$258,997	\$198,380	0.0
NPI: Capitol Complex upgrades*	34,494	20,404	14,090	0.0
Centrally appropriated line items	<u>91,648</u>	<u>65,762</u>	<u>25,886</u>	<u>0.0</u>
TOTAL	\$583,519	\$345,163	\$238,356	0.0
Increase/(Decrease)	\$126,142	\$86,166	\$39,976	0.0
Percentage Change	27.6%	33.3%	20.2%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

*This request will be considered during Committee staff’s figure setting presentation by Alfredo Kemm for several common policy items associated with the Department of Personnel and Administration scheduled for Friday, March 15, 2013.

(C) COLORADO ENERGY OFFICE

The Colorado Energy Office (CEO) has historically been funded with federal moneys associated with weatherization projects and petroleum violation escrow funds (PVE) awarded to the State beginning in the early 1980s. PVE is a fixed source of funding, with a total allocation to Colorado of \$70.5 million. In preparation for the depletion of PVE funds, CEO migrated funding for its programs to alternative sources, such as limited gaming tax revenue, which were later eliminated due to the influx of federal moneys from the American Recovery and Reinvestment Act of 2009 (ARRA). Under federal guidelines, the Office exhausted the ARRA moneys by the middle of FY 2012-13.

To address the future of the Office in a post-era environment, H.B. 12-1315 (Becker/Steadman) changed the statutory mission of CEO from promoting renewable energy and energy efficiency to encouraging all sources of energy development. Additionally, it created the Clean and Renewable Energy Cash Fund and the Innovative Energy Fund. The Clean and Renewable Energy Cash Fund receives a transfer of \$1.6 million from the General Fund from FY 2012-13 through FY 2016-17, while the Innovative Energy Fund receives a transfer of \$1.5 million from the Severance Tax Trust Fund from FY 2012-13 through FY 2016-17.

In response to the H.B. 12-1315-authorized restructuring, the Colorado Energy Office organized itself into four areas: policy, initiatives, low income weatherization assistance, and communications. Through these four functional areas, the Office is engaged in accomplishing the following six goals and objectives in accordance with the broad statutory parameters set forth by H.B. 12-1315 (note, the Office has implemented corresponding performance measures for each goal and objective which are not listed in this document, but are available if the Committee desires to view them):

- Enhance the state’s policies to increase energy efficiency and incentivize discussions and decisions in the electric power sector by engaging the environmental community, the renewable energy industry, the coal and mining industry, the oil and gas industry, and utilities;
- Promote the diversification of infrastructure of the state’s transportation fuels by increasing fleet adoption, availability, and knowledge of alternative fuels and innovative technologies;
- Unlock the potential of energy efficiency in the residential, commercial, and governmental sectors;
- Support innovation in the energy market and economic development through achievement of the objectives of the Colorado Blueprint published by the Office of Economic Development and International Trade;
- Increase energy information in the state by providing accurate information to State agencies, stakeholders, media, and communities; and
- Administer the Low-Income Weatherization Assistance Program to provide energy efficiency services to qualifying Coloradans.

At the behest of the legislature and the former Colorado Energy Office Director, the Colorado Office of the State Auditor conducted a performance audit of the Colorado Energy Office to determine if between the years of 2007 and 2012 the Office had accomplished the following:

- Established effective processes for selecting, implementing, and managing energy programs, projects, and other activities; and
- Complied with relevant State laws and provided sufficient oversight and guidance to contract management staff in the area of contract management processes and controls.

The audit, presented in January 2013, found that the Office did not:

- Demonstrate that \$252 million spent between 2007 and 2012 was spent cost-effectively;
- Enter complete information (performance information and contractor progress) in the State's contract database for all contracts;
- Adequately provide evidence that a portion of the reviewed payments to contractors contained information on contractor progress toward deliverables;
- Provide evidence that a portion of reviewed travel expenditures were properly approved, justified, and documented; and
- Maintain consistent, centralized data-keeping systems to support programmatic work, and did not establish an operational framework that includes guiding policies and procedures.

The Colorado Energy Office formally agrees with all five of the recommendations set forth by the audit to remedy the issues above, and has developed implementation plans and implementation schedules for accomplishing the recommendations. Additionally, the Office has parted ways with nearly all individuals on staff between 2007 and 2012, hired a certified public accountant to fill the Controller position, and hired an Operations and Programs Director tasked with fulfilling the role of a budget director (program budget planning and performance monitoring).

It is staff's opinion that the post-ARRA environment provides the legislature and the executive branch with an opportunity to reshape the purpose, program administration strategies, and funding of the Colorado Energy Office to reflect the future direction of the agency and correct any past deficiencies in accounting and budgeting practices, as outlined by the recent performance audit. The legislature has taken the first steps in reforming the Colorado Energy Office with the passage of H.B. 12-1315 and the performance audit conducted by the Office of the State Auditor. However, **it is staff's recommendation that the statutory provisions governing the Colorado Energy Office be revisited by the Joint Budget Committee to accomplish two objectives:**

- Repeal and remove programs that no longer have a dedicated funding stream to focus the Office only on programs that are currently operational; and
- Change the funding mechanism for the Office from the Clean and Renewable Energy Cash Fund and the Innovative Energy Fund from a continuously appropriated model to an annual appropriation model to provide increased legislative oversight on a regular basis.

Additionally, staff recommends the inclusion of the following request for information to provide the Committee with up-to-date information on budgetary and program performance:

Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Governor, Colorado Energy Office -- The Colorado Energy Office is requested to submit a quarterly report to the Joint Budget Committee on September 3, 2013, December 2, 2013, March 3, 2014, and June 2, 2014. At a minimum, the report shall specify the following information with regard to the programs administered by the Office in FY 2013-14: (1) the amount of moneys expended (or encumbered) in FY 2013-14 from the Clean and Renewable Energy Fund, Innovative Energy Fund, Colorado Low-income Energy Assistance Fund, and Public School Energy Efficiency Fund; (2) the goals and objectives that the moneys in section (1) were intended to achieve; (3) the performance measures used by the Office to monitor the status of moneys outlined in section (1) against said measures; and (4) the status of the performance measures outlined in section (3). Additionally, the Office shall make itself available for quarterly meetings with the Joint Budget Committee on an as needed basis (as determined by the Joint Budget Committee) to respond to inquiries related to the quarterly reports.

Program Administration

The line item reflects moneys received by the Office from the Clean and Renewable Energy Cash Fund, the Innovative Energy Fund, and the federal U.S. Department of Energy for the administration and implementation of the Office’s programs.

Request: The Office requests an appropriation of \$6,346,624 total funds (including \$1,393,067 cash funds transferred from the General Fund and \$1,453,557 cash funds transferred from severance tax revenue) and 32.3 FTE for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$6,346,624 total funds and 32.3 FTE for FY 2013-14. The recommendation consists of \$1,453,557 cash funds from the Clean and Renewable Energy Cash Fund (originating as severance tax moneys), \$1,393,067 cash funds from the Innovative Energy Fund (originating as General Fund moneys), and \$3,500,000 federal funds from the Department of Energy. The staff recommendation for this line item is summarized in the following table.

Office of the Governor, Governor's Energy Office, Program Administration				
	Total Funds	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 13-1335 (Long Bill)	\$3,500,000	\$0	\$3,500,000	11.6
Other Legislation	2,807,115	2,807,115	0	20.7
SB 13-088 (Supplemental)	<u>(1,576,779)</u>	<u>(701,779)</u>	<u>(875,000)</u>	<u>0.0</u>
TOTAL	\$4,730,336	\$2,105,336	\$2,625,000	32.3

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Governor's Energy Office, Program Administration				
	Total Funds	Cash Funds	Federal Funds	FTE
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$4,730,336	\$2,105,336	\$2,625,000	32.3
Annualize prior year legislation	<u>1,616,288</u>	<u>741,288</u>	<u>875,000</u>	<u>0.0</u>
TOTAL	\$6,346,624	\$2,846,624	\$3,500,000	32.3
Increase/(Decrease)				
	\$1,616,288	\$741,288	\$875,000	0.0
Percentage Change				
	34.2%	35.2%	33.3%	0.0%
FY 2013-14 Executive Request:				
	\$6,346,624	\$2,846,624	\$3,500,000	32.3
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Low-Income Energy Assistance

Moneys from the Operational Account of the Severance Tax Trust Fund are transferred to CEO's Low-Income Energy Assistance Fund. Moneys in the Fund are continuously appropriated to CEO to provide home energy efficiency improvements for low-income households.

Request: The Office requests \$7,100,000 cash funds for FY 2013-14 to provide home energy efficiency improvements for low-income households.

Recommendation: Staff recommends an appropriation of \$7,100,000 cash funds for FY 2013-14. The recommendation consists of \$6,500,000 cash funds from the transfer of moneys from the Operational Account of the Severance Tax Trust Fund and \$600,000 cash funds from contracts with utility providers that are deposited in the Clean and Renewable Energy Cash Fund. The staff recommendation for this line item is summarized in the following table.

Office of the Governor, Governor's Energy Office, Low-Income Energy Assistance			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 13-1335 (Long Bill)	\$6,500,000	\$6,500,000	0.0
Other Legislation	600,000	600,000	0.0
SB 13-088 (Supplemental)	<u>(1,775,000)</u>	<u>(1,775,000)</u>	<u>0.0</u>
TOTAL	\$5,325,000	\$5,325,000	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$5,325,000	\$5,325,000	0.0
Annualize prior year legislation	<u>1,775,000</u>	<u>1,775,000</u>	<u>0.0</u>

*JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision*

Office of the Governor, Governor's Energy Office, Low-Income Energy Assistance			
	Total Funds	Cash Funds	FTE
TOTAL	\$7,100,000	\$7,100,000	0.0
Increase/(Decrease)	\$1,775,000	\$1,775,000	0.0
Percentage Change	33.3%	33.3%	0.0%
FY 2013-14 Executive Request:	\$7,100,000	\$7,100,000	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

Clean Energy

The line item reflects the funds transferred to the Clean Energy Fund from the Limited Gaming Fund to support the advancement of energy efficiency and renewable energy in the state. This transfer was eliminated via S.B. 11-159 (Steadman/Ferrandino).

School Energy Efficiency

House Bill 07-1309 (Weissmann/Tupa) required estimated tax payments and withholding for oil and gas severance taxes to be made on a monthly basis, rather than quarterly. The additional interest earned from collecting monthly payments is deposited into the Public School Energy Efficiency Fund, up to a maximum of \$1.5 million annually. Money in the fund is continuously appropriated to the Colorado Energy Office for energy efficiency projects and programs in public schools.

Request: The Office requests an appropriation of \$207,975 cash funds and 2.0 FTE for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$207,975 cash funds and 1.4 FTE from interest earned from collecting monthly tax payments and withholding for oil and gas severance for FY 2013-14. The staff recommendation for this line item is summarized in the following table.

Office of the Governor, Governor's Energy Office, School Energy Efficiency			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 13-1335 (Long Bill)	\$207,975	\$207,975	1.4
SB 13-088 (Supplemental)	(51,994)	(51,994)	0.0
TOTAL	\$155,981	\$155,981	1.4
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$155,981	\$155,981	1.4

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Governor's Energy Office, School Energy Efficiency			
	Total Funds	Cash Funds	FTE
Annualize prior year legislation	51,994	51,994	0.0
TOTAL	\$207,975	\$207,975	1.4
Increase/(Decrease)	\$51,994	\$51,994	0.0
Percentage Change	33.3%	33.3%	0.0%
FY 2013-14 Executive Request:	\$207,975	\$207,975	1.4
Request Above/(Below) Recommendation	\$0	\$0	(0.0)

Legal Services

The Legal Services appropriation provides funding for the cost of purchasing legal services from the Department of Law based on GEO's number of legal services hours needed and the hourly rate per Common Policy. These hours have traditionally been federally funded, and represent anticipated legal services costs for GEO.

Request: The Office requests a continuation funding level of \$84,976 total funds to purchase 1,100 hours of legal services from the Department of Law for FY 2013-14.

Recommendation: Staff recommends sufficient funding to purchase a continuation level of 1,100 hours of legal services in FY 2013-14. The dollar amount of staff's recommendation is pending the determination of the hourly rate for legal services by the Committee. **Staff requests permission to adjust the line item after the Committee has determined the hourly rate for legal services.** The pending staff recommendation for this line item is summarized in the following table.

Office of the Governor, Governor's Energy Office, Legal Services				
	Total Funds	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:				
HB 13-1335 (Long Bill)	\$17,768	\$0	\$17,768	0.0
Other Legislation	67,208	67,208	0	0.0
SB 13-088 (Supplemental)	(21,244)	(16,802)	(4,442)	0.0
TOTAL	\$63,732	\$50,406	\$13,326	0.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$63,732	\$50,406	\$13,326	0.0
Annualize prior year legislation	21,244	16,802	4,442	0.0
TOTAL	\$84,976	\$67,208	\$17,768	0.0

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Office of the Governor, Governor's Energy Office, Legal Services				
	Total Funds	Cash Funds	Federal Funds	FTE
Increase/(Decrease)	\$21,244	\$16,802	\$4,442	0.0
Percentage Change	33.3%	33.3%	33.3%	0.0%
FY 2013-14 Executive Request:	\$84,976	\$67,208	\$17,768	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Indirect Cost Assessment

The line item appropriates funds for the Office's share of assessed Statewide indirect cost recoveries.

Request: The Office requests an appropriation of \$155,618 total funds for FY 2013-14.

Recommendation: Consistent with prior Committee action, staff recommends an appropriation of \$29,889 cash funds from various sources for FY 2013-14. The staff recommendation for this line item is summarized in the following table.

Office of the Governor, Governor's Energy Office, Indirect Cost Assessment				
	Total Funds	Cash Funds	FTE	
FY 2012-13 Appropriation:				
HB 13-1335 (Long Bill)	\$7,484	\$7,484	0.0	
SB 13-088 (Supplemental)	<u>(1,871)</u>	<u>(1,871)</u>	<u>0.0</u>	
TOTAL	\$5,613	\$5,613	0.0	
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$5,613	\$5,613	0.0	
Indirect cost assessment*	22,405	22,405	0.0	
Annualize prior year legislation	<u>1,871</u>	<u>1,871</u>	<u>0.0</u>	
TOTAL	\$29,889	\$29,889	0.0	
Increase/(Decrease)	\$24,276	\$24,276	0.0	
Percentage Change	432.5%	432.5%	0.0%	
FY 2013-14 Executive Request:	\$155,618	\$155,618	0.0	
Request Above/(Below) Recommendation	\$125,729	\$125,729	0.0	

*Action was taken on this request during Committee staff's figure setting presentation by Alfredo Kemm for Statewide Indirect Cost Recoveries on Wednesday, January 30, 2013.

(D) OTHER PROGRAMS AND GRANTS

Program Administration

The line item provides funds for the disabled parking and education program established via H.B. 10-1019 (Frangas/Williams).

Request: The Office of the Governor requests a continuation appropriation of \$1,000 cash funds for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$1,000 cash funds for FY 2013-14 from the Disabled Parking Education and Enforcement Fund per H.B. 10-1019.

(E) OFFICE OF HOMELAND SECURITY

The Office of Homeland Security, and its associated funding, was transferred to the Colorado Department of Public Safety via H.B. 12-1283 (Barker/Giron). All FY 2013-14 funding requests related to this subdivision appear in the figure setting document for the Department of Public Safety.

(2) Office of the Lieutenant Governor

Colorado's Constitution provides for the Lieutenant Governor to become Governor in the case of the death, impeachment, felony conviction, incapacitation, or resignation of the Governor. The Lieutenant Governor serves as chairperson of the Colorado Commission of Indian Affairs, and handles additional responsibilities assigned by the Governor.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

The Office requested, and staff recommends, a continuation level of funding of \$302,194 total funds (including \$301,010 General Fund) for FY 2013-14.

Office of the Lieutenant Governor					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:					
HB 13-1335 (Long Bill)	<u>302,194</u>	<u>301,010</u>	<u>1,184</u>	<u>0</u>	<u>5.0</u>
TOTAL	\$302,194	\$301,010	\$1,184	\$0	5.0
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	<u>\$302,194</u>	<u>\$301,010</u>	<u>\$1,184</u>	<u>\$0</u>	<u>5.0</u>
TOTAL	\$302,194	\$301,010	\$1,184	\$0	5.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:					
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

LINE ITEM DETAIL – (2) OFFICE OF THE LIEUTENANT GOVERNOR

Administration

The Administration appropriation provides funding for personal services and operating expenses in the Lieutenant Governor's office.

Request: The Office of the Governor requests an appropriation of \$221,233 General Fund and 2.7 FTE for FY 2013-14.

Recommendation: Staff recommends that the Committee appropriate \$221,233 General Fund and 2.7 FTE for the line item in FY 2013-14.

Discretionary Fund

The line item funds discretionary funding for the Lieutenant Governor’s Office. Pursuant to Section 24-9-105, C.R.S., elected officials may be provided specified amounts to expend as each elected official sees fit. The specified maximum amount for the Lieutenant Governor is \$5,000, and is subject to appropriation by the General Assembly. Traditionally the fund has been used to purchase items like flowers for funerals of dignitaries, cards, official photos and other items not covered in the Administration line item of the Lieutenant Governor’s Office.

Request: The Office of the Governor requests an appropriation of \$2,875 General Fund for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$2,875 General Fund for FY 2013-14.

Commission of Indian Affairs

The Commission acts as a liaison between Native Americans and the State government, with the goal of providing easy access to government. It focuses on Indian health, child welfare, water rights, economic development, and other issues identified by Colorado's Native American population.

Request: The Office of the Governor requests an appropriation of \$78,086 (including \$76,902 General Fund) and 2.3 FTE for FY 2013-14.

Recommendation: Staff recommends that the Committee appropriate \$78,086 total funds total funds and 2.7 FTE for the line item in FY 2013-14. The recommendation consists of \$76,902 General Fund and \$1,184 cash funds from private donations.

(3) Office of State Planning and Budgeting

The Office of State Planning and Budgeting (OSPB) is responsible for the development of executive budget requests, the review and analysis of departmental expenditures, and preparation of revenue and economic forecasts for the state. The Office is funded primarily with reappropriated funds from Statewide indirect cost recoveries.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Office of State Planning and Budgeting				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2012-13 Appropriation:				
HB 13-1335 (Long Bill)	\$1,471,281	\$0	\$1,471,281	19.5
Other Legislation	350,000	350,000	0	0.0
SB 13-088 (Supplemental)	<u>188,920</u>	<u>188,920</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,010,201	\$538,920	\$1,471,281	19.5
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$2,010,201	\$538,920	\$1,471,281	19.5
R-1: Continuous improvement program	965,650	965,650	0	0.0
BA: IT allocation study	0	0	0	0.0
Annualize prior year legislation	<u>(538,920)</u>	<u>(538,920)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,436,931	\$965,650	\$1,471,281	19.5
Increase/(Decrease)	\$426,730	\$426,730	\$0	0.0
Percentage Change	21.2%	79.2%	0.0%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$310,218	\$310,218	\$0	0.0

Issue Descriptions

R-1: Continuous improvement program: The recommendation includes an increase of \$965,650 General Fund for FY 2013-14 to continue the implementation of Lean operational process improvements in executive branch agencies.

➔ Request R-1: Continuous improvement program

Request: The request includes an increase of \$975,868 General Fund to support the continuation of the implementation of the Lean operational process improvement methodology in State agencies.

Recommendation: **Staff recommends an increase of \$965,650 General Fund to support the initiative.** Staff's recommendation does not include \$10,218 requested by the Office for centrally appropriated expenses (health, life, and dental, short-term disability, S.B. 04-257 amortization equalization disbursement, and S.B. 06-235 supplemental amortization equalization disbursement). Committee policy dictates that these centrally appropriated expenses are only applied to appropriations that include 20.0 or more FTE. This recommendation only includes funding for one FTE (note, the Office does not require additional FTE authority for this request due to existing, unused FTE authority).

Analysis: The Office of State Planning and Budgeting began implementing a program to enhance the efficiency of Colorado's State government operations in 2011 using federal moneys from the American Recovery and Reinvestment Act of 2009's (ARRA) State Fiscal Stabilization Fund. The program, administered and coordinated by a small team in the Office, works with most State departments to design projects, deploy contracted resources, develop and administer training, and implement performance measures using the Lean operational process improvement methodology.

The Lean operational process improvement methodology is a systematic approach focused on providing services to customers in the most efficient and effective manner possible by eliminating waste (waste in this context refers to activity that consumes resources, but does not create value for the customer). As applied by the State, OSPB and its contractors work directly with State agencies to identify, select, scope, and approve projects for agency services that could benefit from process improvement. Once the project is selected, the focus turns to the customer experience interacting with the agency service and how it can be improved through problem solving and continual performance measurement.

OSPB has used completed projects to date to explore what works well and what does not work well in State agencies in regard to the implementation of Lean methodologies. The expertise gained has given the Office confidence to apply the methods and tools to larger and more complex processes that frequently experience deficiencies. As a result, OSPB proposes to conduct 20 to 30 new process improvement projects and develop and implement five to seven training sessions for State employees.

Staff agrees that there is a benefit to implementing Lean methodologies. One potential benefit of implementing Lean methodologies is cost savings. Procedures must be in place, however, to ensure that the cost savings generated through the program are captured in budget requests. It is not advantageous for the legislative branch to provide funding to OSPB to conduct Lean projects, have State agencies achieve a cost savings from the projects, and then reinvest the savings without consulting the legislative branch. For this reason, **staff recommends an**

increase of \$965,650 General Fund with the caveat that a request for information be included for FY 2013-14 that outlines the desire of the legislative branch to be made aware of cost savings and cost avoidances associated with the implementation of Lean methodologies.

Governor - Lieutenant Governor - State Planning and Budgeting, Office of the State Planning and Budgeting -- The Office of State Planning and Budgeting is requested to submit a report to the Joint Budget Committee on October 15, 2013. At a minimum, the report shall specify the following information with regard to the implementation of Lean methodologies in executive branch agencies funded with General Fund moneys in FY 2012-13 and FY 2013-14: (1) the amount of General Fund moneys expended or encumbered by project; (2) the goals and objectives that the moneys in section were intended to achieve; (3) the outcome or current status of the projects in achieving the goals; (4) the level of cost savings and cost avoidances achieved; and (5) anticipated budgetary reductions associated with achieved cost savings.

BA: IT allocation study: The request includes an increase of \$300,000 General Fund for FY 2013-14 to conduct an information technology billing study. Staff does not recommend funding this request.



Budget Amendment Request: IT billing allocation study

Request: The Office requests an appropriation of \$300,000 General Fund for FY 2013-14 to contract with a vendor to conduct an in-depth analysis of existing information technology billing and allocation methodologies employed by other states. The goal of the analysis is to provide the Governor's Office of Information Technology with alternatives to the existing billing and allocation methodologies used today.

Recommendation: **Staff recommends the Committee reject the Office's request for \$300,000 General Fund to contract for a study for FY 2013-14.**

Analysis: The Governor's Office of Information Technology (OIT) provides information technology services to State agencies on a cost reimbursement basis with OIT acting as a vendor to State agencies. OSPB indicates that the current billing model does not provide clear and concise itemized statements to agencies. Together with OIT, OSPB is in the process of reassessing the existing methodologies used to allocate costs to State agencies for information technology services. To augment this work, OSPB proposes contracting with an independent vendor to propose alternative billing and agency allocation solutions. Staff concurs with the desire of OSPB to investigate approaches to update the current billing and agency allocation methodologies. However, staff does not concur with OSPB that additional funding, or an independent contractor, is required to determine feasible solutions that will provide benefits to OIT, State agencies, and the Joint Budget Committee in the areas of accuracy and clarity. For

this reason, **staff recommends rejecting OSPB’s request for an increase of \$300,000 General Fund for FY 2013-14.** It is staff’s opinion that the tasks reserved for a vendor in OSPB’s proposal can be performed by existing staff within existing resources.

Annualize prior year legislation: The recommendation includes the annualization of one-time funding appropriated to the Office via H.B. 12-1336 (prison utilization study) and S.B. 13-088 (supplemental appropriation for the Lean program).

LINE ITEM DETAIL – (3) OFFICE OF STATE PLANNING AND BUDGETING

Personal Services

The line item provides an appropriation for the personal services costs for the FTE allocated to the Office.

Request: The Office of the Governor requests an appropriation of \$2,679,843 total funds (including \$1,275,868 General Fund) and 19.5 FTE for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$2,369,625 total funds and 19.5 FTE for the line item in FY 2013-14. The recommendation consists of \$965,650 General Fund and \$1,403,975 from Statewide indirect costs collected by the Colorado Department of Transportation and transferred to the Office of State Planning and Budgeting. The following table summarizes the calculations for staff’s recommendation.

Office of State Planning and Budgeting, Personal Services				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2012-13 Appropriation:				
HB 13-1335 (Long Bill)	\$1,403,975	\$0	\$1,403,975	19.5
Other Legislation	350,000	350,000	0	0.0
SB 13-088 (Supplemental)	<u>188,920</u>	<u>188,920</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,942,895	\$538,920	\$1,403,975	19.5
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$1,942,895	\$538,920	\$1,403,975	19.5
R-1: Continuous improvement program	965,650	965,650	0	0.0
BA: IT allocation study	0	0	0	0
Annualize prior year legislation	<u>(538,920)</u>	<u>(538,920)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,369,625	965,650	\$1,403,975	19.5

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Office of State Planning and Budgeting, Personal Services				
	Total Funds	General Fund	Reappropriated Funds	FTE
Increase/(Decrease)	\$426,730	\$426,730	\$0	0.0
Percentage Change	22.0%	79.2%	0.0%	0.0%
FY 2013-14 Executive Request:	\$2,379,843	\$975,868	\$1,403,975	19.5
Request Above/(Below) Recommendation	\$10,218	\$10,218	\$0	0.0

Operating Expenses

The line item appropriation provides funding for all operating costs for the Office.

Request: The Office of the Governor requests a continuation appropriation of \$50,944 reappropriated funds for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$50,944 reappropriated funds for FY 2013-14. The recommendation consists of funds from Statewide indirect costs collected by the Colorado Department of Transportation and transferred to the Office.

Economic Forecasting Subscriptions

The line item is intended to fund the purchase of economic models, subscriptions, and software used for revenue and economic forecasting. When possible, the Office shares expenses for subscriptions and software with the Legislative Council staff.

Request: The Office of the Governor requests a continuation level appropriation of \$16,362 reappropriated funds for FY 2013-14.

Recommendation: Staff recommends a continuation level appropriation of \$16,362 reappropriated funds for FY 2012-13. The recommendation consists of funds from Statewide indirect costs collected by the Colorado Department of Transportation and transferred to the Office.

(4) Economic Development Programs

The Colorado Office of Economic Development and International Trade (OEDIT) is tasked with assisting in creating a positive business climate, encouraging economic development, and building sustainable job growth across the state.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Economic Development Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 13-1335 (Long Bill)	\$28,279,342	\$11,174,626	\$14,681,621	\$87,765	\$2,335,330	49.0
Other Legislation	7,000,000	0	7,000,000	0	0	0.0
SB 13-088 (Supplemental)	<u>1,854,403</u>	<u>0</u>	<u>1,854,403</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$37,133,745	\$11,174,626	\$23,536,024	\$87,765	\$2,335,330	49.0
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$37,133,745	\$11,174,626	\$23,536,024	\$87,765	\$2,335,330	49.0
R-2: Prospect pipeline and branding	133,500	133,500	0	0	0	0.0
R-3: EDC General Fund increase	2,915,515	2,915,515	0	0	0	0.0
R-4: Leased space increase	129,322	129,322	0	0	0	0.0
R-5: Tourism promotion and branding	1,500,000	1,500,000	0	0	0	0.0
R-6: Film incentives	800,000	800,000	0	0	0	0.0
Gaming revenue adjustment	8,722,245	0	8,722,245	0	0	0.0
Indirect cost assessment	23,229	0	22,416	813	0	0.0
Annualize prior year legislation	(6,391,387)	0	(6,391,387)	0	0	0.5
Staff initiated reduction	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$40,966,169	\$12,652,963	\$25,889,298	\$88,578	\$2,335,330	49.5
Increase/(Decrease)	\$3,832,424	\$1,478,337	\$2,353,274	\$813	\$0	0.5
Percentage Change	10.3%	13.2%	10.0%	0.9%	0.0%	1.0%
FY 2013-14 Executive Request:						
Request Above/(Below) Recommendation	\$4,277,576	\$5,240,453	(\$962,064)	(\$813)	\$0	4.5

Issue Descriptions

R-2: Prospect pipeline and branding: The recommendation includes an increase of \$133,500 General Fund for FY 2013-14 for proactive business retention and prospecting activities.

Request R-2: Prospect pipeline and branding

Request: The request includes an increase of \$603,232 General Fund and 3.6 FTE for FY 2013-14 to drive proactive business retention, prospecting activities, and branding initiatives.

Recommendation: **Staff recommends the request be partially funded at a level of \$133,500 General Fund and no additional FTE for FY 2013-14.**

Analysis: OEDIT is tasked with assisting in creating a positive business climate, encouraging economic development, and building sustainable job growth across the state. The Office offers a wide variety of programs and services to support business growth at every level including business recruitment, retention, and expansion services.

OEDIT is focused on retention and growth in 14 key industries that represent almost 60 percent of the state's jobs and an equivalent percentage of the state's economic output. The key industries were identified using feedback received from the agency's strategic planning process (published in the Colorado Blueprint), an inventory of existing industry initiatives, and analysis developed independently by PricewaterhouseCoopers. The industries include advanced manufacturing, information and technology, electronics, energy, and natural resources, bioscience, food, and agriculture, aerospace, defense and homeland security, health and wellness, creative industries, tourism and outdoor recreation, transportation and logistics, infrastructure engineering and construction, and financial and business services.

The Office proposes an increase of \$603,232 General Fund and 3.6 FTE for FY 2013-14 to more aggressively retain and grow the 14 key industries by focusing on prospecting missions, out-of-state visits to companies, event participation, outreach visits to existing businesses, foreign trade missions, and state branding. Staff recommends that only the portion of the proposal directly focused on outreach to prospective and existing businesses be funded for FY 2013-14. Specifically, **staff recommends an increase of \$133,500 General Fund for FY 2013-14 to support retention and prospecting activities using existing Office staff.**

Additional staff, a branding initiative to sell Colorado, and a web and social media campaign are not recommended by staff to receive funding because these request components are not required to successfully implement the key tenets of the Colorado Blueprint. What is required is a strategy that engages existing businesses to help them remain and grow in Colorado and sends key leaders to directly meet with and recruit businesses to come to Colorado that have needs that match the resources (e.g. labor market, transportation networks, existing support industries, etc.) found in Colorado. The proposed increase in funding for retention and prospecting activities by the Office aligns well with this requirement. The staff recommendation for this request is summarized in the following table.

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FY 2013-14 Prospect pipeline and Branding Recommendation		
Staff Recommended Items	General Fund	FTE
Business Prospecting Missions	\$48,000	0.0
Out-of-state Headquarter Visits	10,000	0.0
Events Hosted by OEDIT	18,000	0.0
Proactive Outreach Visits	7,500	0.0
Trade Missions to Japan and Canada	50,000	0.0
Total Staff Recommended Items	\$133,500	0.0
Staff Rejected Items	General Fund	FTE
Additional Staff	\$321,774	3.6
Statewide Branding	117,958	0.0
OEDIT Website and Social Media	30,000	0.0
Total Staff Rejected Items	\$469,732	3.6
Total Staff Recommendation	\$133,500	0.0
Total Office Request	\$603,232	3.6

R-3: EDC General Fund increase: The recommendation includes \$2,915,515 General Fund for FY 2013-14 to maintain a level of funding for economic development incentives that is consistent with the FY 2012-13 appropriation for the same purpose.

➔ Request R-3: EDC General Fund increase

Request: The request includes \$2,986,236 General Fund and 0.9 FTE for FY 2013-14 to provide new job creation incentives for companies relocating to Colorado or expanding in Colorado.

Recommendation: **Staff recommends an appropriation of \$2,915,515 General Fund for FY 2013-14 and no additional FTE.**

Analysis: The Colorado Economic Development Commission (EDC) was created in 1987 by the legislature to promote economic development in Colorado. The Commission includes four members appointed by the governor (at least one person from west of the continental divide and one person from the eastern slope predominately from the rural area), two members appointed by the Speaker of the House of Representatives, and two members appointed by the President of the Senate. The EDC is responsible for developing incentive packages (in the form of financial assistance such as loans, grants, and local match requirements) and package operating guidelines to assist with existing business expansions and new company relocations in order to promote job creation and retention in all regions of the state.

As it relates to this request, the legislature appropriates moneys each year to the EDC for its Strategic Fund. Moneys in the Strategic Fund provide financial incentives to businesses that create and maintain net new jobs. The incentive amount is based on a cost per job calculation that considers annual average wage rate (county level), as well as whether the business is located in an enterprise zone. Moneys from the Strategic Fund are only disbursed after a company has met the agreed upon retention or new job creation measures. Cash distributions are not made until jobs are created and maintained for at least one year. The amount of moneys in the

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Strategic Fund to offer incentives is dependent upon discretionary appropriations made by the legislature.

For FY 2012-13, the Strategic Fund received an appropriation of \$2.0 million General Fund in the Long Bill and a one-time appropriation of \$4.0 million cash funds transferred from the General Fund via H.B. 12-1360 (Gerou & Levy/Steadman & Lambert). The Office’s FY 2013-14 request seeks a continuation appropriation of \$2.0 million General Fund and an additional appropriation of \$3.0 million General Fund to backfill 75.0 percent of the one-time moneys provided via H.B. 12-1360.

The funding request indicates that 1,230 new jobs in Colorado will be created if the \$3.0 million General Fund appropriation request is included in the enacted FY 2013-14 budget. This job creation figure is based on return on investment data for prior years. The proposal estimates that the investment of \$3.0 million General Fund will be fully offset by tax revenue in one to three years from the hire date of employees. The table below summarizes the incentives provided to companies in FY 2011-12 and FY 2012-13 to provide the Committee with examples of the investment made by the State and the return on those investments.

FY 2011-12 and FY 2012-13 Strategic Fund Incentives			
Recipient	Maximum Conditional Amount	Project Jobs Created	Projected Annual Average Wage
On Deck Capital	\$500,000	200	\$63,228
Project Heat	2,019,500	577	89,931
Niagara Bottling	38,000	38	44,559
WH Pacific	280,000	56	99,500
Win Wholesale	55,000	52	46,447
Hitachi	640,000	300	70,000
Avago	230,000	92	49,783
DaVita	119,209	58	58,257
Cooper Controls (Lighting)	321,000	321	41,272
Entegris, Inc.	109,266	63	36,098
The Coleman Company	370,000	74	118,000
JBS	1,000,000	200	70,682
Siemens	250,000	60	98,533
Sisters of Charity	937,500	750	65,000
Total	\$6,869,475	2,841	\$67,949

It is important to note that Colorado is not known as a state that provides rich incentives to businesses located in the state or businesses contemplating a move to the state. Colorado is known as a state that uses its funding to target industries that are attracted to the state based on a number of factors including transportation networks, educational institutions, climate, and skilled labor. Other states, like Texas and Arizona, rely on large financial incentives to attract business. OEDIT does not request moneys for the Strategic Fund in hopes of being able to compete with other states solely on a dollar-for-dollar basis. It requests funding to showcase to prospective companies looking to relocate to or expand in Colorado that the State is committed to and invested in creating a positive business environment.

Staff recommends an appropriation of \$2,915,515 General Fund for FY 2013-14 to provide the Office with a pool of incentive money that is consistent with the FY 2012-13 appropriation. Staff also recommends that staffing levels in support of the EDC remain consistent with the FY 2012-13 level and that no additional staffing resources be added for this function.

R-4: Leased space increase: The recommendation includes an increase of \$129,322 General Fund for FY 2013-14 for the new lease agreement for the Office’s 1625 Broadway location in Denver.

➔ Request R-4: Leased space increase

Request: Request R-4 seeks an increase of \$129,322 General Fund for FY 2013-14 to cover the Office of Economic Development and International Trade’s projected leased space costs for its office space.

Recommendation: **Staff recommends an increase of \$129,322 General Fund for Request R-4.**

Analysis: The Office leases 14,337 square feet at 1625 Broadway in Denver at a rate of \$18.60 per square foot. The current lease for the space expires on June 30, 2013. The Office indicates that the square footage market rate for the building has increased since the contract was executed in 2005, requiring an additional \$6.57 per square foot.

R-5: Tourism promotion and branding: The recommendation includes an increase of \$1,500,000 General Fund for FY 2013-14 to promote tourism in the state.

➔ Request R-5: Tourism promotion and branding

Request: The request seeks an increase of \$2,000,000 General Fund to support tourism promotional activities and develop a branding platform for the state.

Recommendation: **Staff recommends an increase of \$1,500,000 General Fund for FY 2013-14 to support tourism promotion activities and advertising.**

Analysis: The Colorado Tourism Office (CTO) promotes Colorado as a tourism destination to

potential tourists through domestic and international advertising, a marketing and public relations campaign, the Official State Vacation Guide and Official State Map, www.Colorado.com and by providing traveler services at state Welcome Centers. The agency is steered by a 15-member board of directors from hotel, restaurant, attraction, and other tourism related businesses, as well as several members of the General Assembly. State funding appropriated to the agency is derived from General Fund and cash funds from limited gaming tax revenue. The FY 2012-13 appropriation to the CTO equaled \$13.5 million total funds (\$9.8 million cash funds and \$3.7 million General Fund). Assuming the passage of S.B. 13-133, the Office will receive an appropriation of \$15.0 million cash funds from limited gaming tax revenue for FY 2013-14 to support its core functions.

In addition to its base appropriation, the Office requests an increase of \$2.0 million General Fund to support tourism promotional activities and the development of a branding platform for the state as a whole. The request includes the following four components:

- Support International Flights (\$200,000) – Identify new international markets to invest in travel promotion. The United States is experiencing an increase in travel into the country from Brazil, Russia, India, and China. Moneys would be used to determine if these markets are a wise investment for Colorado.
- Increase Advertising in Spring/Summer Campaigns (\$975,000) – Allocate moneys to television advertising in two new Tier 2 markets (Houston, Minneapolis, Austin, Kansas City, and/or Albuquerque) and national interactive cable/satellite television to generate additional visitors guide requests.
- Increase Advertising in Winter Campaigns (\$325,000) – Allocate moneys to strengthen television advertising in current Tier 1 markets (Chicago, Dallas, and Minneapolis) and add two new out-of-state markets (Albuquerque, Kansas City, Austin, Houston, and/or Phoenix) to generate additional visitors guide requests.
- Branding Platform (\$500,000) – Provide moneys for the State's Chief Marketing Officer to launch a Colorado brand identity platform to increase the brand power of the state. The goal of the program is to make Colorado more competitive in attracting visitors, talent, businesses, and capital.

Staff recommends an increase of \$1,500,000 General Fund for the Office for FY 2013-14 to identify new international travel markets and increase tourism advertising in the spring/summer and winter campaigns. Staff recommends rejecting the request for \$500,000 General Fund to fund a new program to create a branding platform for the State.

- Support International Flights (\$200,000) – Statistics indicate that a significant increase in travel into the United States is occurring from the countries of Brazil, Russia, India, and China. The investment of a small amount of State funding to determine which (if any) of these markets warrant a larger investment of time and resources to cultivate relationships is a

sound investment prior to making any long term resource commitments for attracting flights to Denver International Airport. **Staff recommends funding this request.**

- Increase Advertising (\$1,300,000) – The Office currently invests State funds in advertising campaigns aimed at attracting certain highly targeted markets to travel to Colorado. The funding request provides moneys to add new markets (based on studies of which markets possess attributes conducive to travel to Colorado) to its campaigns in an effort to expose more markets to the Colorado message. The Office has the ability to track the percentage of consumers in a market reached, the number of guides requested, and the number of visits to the www.Colorado.com website. Tracking these categories enables the Office to determine the conversion of its marketing efforts to actual visits using industry standard conversion studies and actual visitation data. **Staff recommends funding this request.**
- Branding Platform (\$500,000) – **Staff recommends rejecting this request** due to a lack of specific deliverables, measureable goals/objectives, and performance measures. Additionally, the Office has not provided any empirical data to indicate that creating a branding platform for the state will increase economic development opportunities. For these reasons, staff does not recommend funding this new program.

R-6: Film incentives: The recommendation includes \$800,000 General Fund for FY 2013-14 for the continuation of the performance-based film incentives program.

➔ Request R-6: Film incentives

Request: The request includes \$1,000,000 General Fund for FY 2013-14 to provide performance-based production incentives for companies hiring Colorado employees and spending money in Colorado during the production feature films, television commercials, and digital games.

Recommendation: **Staff recommends an appropriation of \$800,000 General Fund for the continuation of the performance-based film incentives program in FY 2013-14.**

Analysis: The Colorado Office of Film, Television, and Media is legislatively tasked with promoting Colorado as a location for making feature films, television shows, television commercials, still photography, music videos, and emerging mass media projects. To accomplish this, the Office provides performance-based financial incentives to companies for a percentage of their local expenditures for approved productions if they meet the 50.0 percent local hire requirement and offers a gap loan program to provide up to 20 percent of a production's costs in the form of a low-interest bank loan that is guaranteed by the State.

For FY 2012-13, the Office of Film, Television, and Media received a Long Bill appropriation of \$195,541 cash funds from limited gaming tax revenue and a one-time appropriation of \$3.0 million cash funds transferred from the General via H.B. 12-1286 (Massey & Ferrandino/Newell & White). The agency has used a portion of the funds for incentives to Rocky Mountain PBS for a television series entitled "Colorado Experience," High Noon Production, LLC for a television series on The Weather Channel entitled "Prospectors," Clean Guys Entertainment, LLC for the

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“Clean Guys Comedy” production, Gartner to produce a Coors commercial, and Universal Sports (a division of NBC Universal) to move its production facilities from Los Angeles to Denver along with a projection of 44 jobs.

The Office’s FY 2013-14 request seeks an appropriation of \$1.0 million General Fund to backfill 33.3 percent of the one-time moneys provided via H.B. 12-1286. Based on the early successes of the program in engaging and promoting the film industry in Colorado, **staff recommends an appropriation of \$800,000 General Fund to continue the performance-based incentives initiative.** Staff’s recommendation is \$200,000 General Fund moneys less than the request because the transfer of limited gaming tax revenue to the Office for use in FY 2013-14 will be increased \$260,302 from \$239,698 to \$500,000 via S.B. 13-133. It is assumed that S.B. 13-133 will pass prior to the Long Bill introduction (March 25). Thus, the Office’s request to continue the program can be funded with a combination of General Fund moneys and limited gaming tax revenue in the FY 2013-14 Long Bill.

Gaming revenue adjustment: The recommendation includes an increase of \$8,722,245 based on the assumed current law transfer of limited gaming tax revenue to economic development cash funds contained in S.B. 13-133. Note, staff’s recommendation assumes S.B. 13-133 will pass prior to the introduction of the FY 2013-14 Long Bill (March 25) and the FY 2013-14 Long Bill will include an appropriation of \$8,722,245 cash funds over the existing current law levels from limited gaming tax revenue, as authorized by the bill (S.B. 13-133 will not include an appropriation clause under this assumption).

Indirect cost assessment: The recommendation includes an increase of \$23,229 totals funds in the Office for FY 2013-14 for Statewide indirect cost collections. Staff’s recommendation is consistent with prior Committee action.

Annualize prior year legislation: The recommendation includes a decrease of \$6,391,387 cash funds and an increase of 0.5 FTE via the annualization of funding contained in the following bills:

FY 2013-14 Annualization of Prior Year Legislation for Economic Development Programs			
Bill	Cash Funds	FTE	Description
S.B. 13-088	(\$1,854,403)	0.0	FY 2013-13 one-time increase in limited gaming revenue distributions
H.B. 12-1286	(3,000,000)	0.0	FY 2012-13 one-time increase in film incentives
H.B. 12-1360	(4,000,000)	0.0	FY 2013-13 one-time increase in economic development incentives
S.B. 11-047	2,463,016	0.5	FY 2013-14 increase for advanced industries
Total	(\$6,391,387)	0.5	

Staff initiated General Fund reduction: The FY 2012-13 appropriation for tourism promotion and creative industries included \$4,000,000 General Fund (\$3,700,000 for tourism promotion and \$300,000 for creative industries) to offset the loss of limited gaming tax revenue due to less than anticipated collections from that revenue stream. For FY 2013-14, staff recommends a decrease of \$4,000,000 General Fund. The recommendation is predicated on S.B. 13-133

(Steadman/Gerou) passing both chambers prior to the introduction of the FY 2013-14 Long Bill (March 25). If this occurs as anticipated, the FY 2013-14 Long Bill will contain increased transfers of limited gaming tax revenues for tourism promotion and creative industries that increase the appropriation of moneys for the two programs by \$2,437,517 over the combined General Fund and cash funds appropriation for FY 2012-13.

Tourism Promotion and Creative Industries General Fund and Cash Funds Comparison			
Program	FY 2012-13 General Fund + Cash Funds	FY 2013-14 Cash Funds Only	Difference
Tourism	\$13,480,321	\$15,000,000	\$1,519,679
Creative	1,082,162	2,000,000	917,838
Total	\$14,562,483	\$17,000,000	\$2,437,517

LINE ITEM DETAIL – (4) ECONOMIC DEVELOPMENT PROGRAMS

Administration

The line item provides funding for the centralized administration for the Office of Economic Development and International Trade (OEDIT). The appropriation includes funds for the Director of OEDIT, accounting, budget, procurement, personnel, information technology administration, and other administrative functions.

Request: The Office of the Governor requests a continuation level of funding of \$597,994 total funds (including \$585,925 General Fund) and 6.0 FTE for FY 2013-14.

Recommendation: Staff recommends that the Committee appropriate a continuation level of funding of \$588,021 total funds and 6.0 FTE for the line item in FY 2013-14. The recommendation consists of \$585,925 General Fund, \$2,435 cash funds from various sources, \$7,484 reappropriated funds from Statewide indirect costs collected within the Division, and \$2,150 federal funds.

Vehicle Lease Payments

This line item is used to pay for motor vehicles that are acquired through the Department of Personnel and Administration pursuant to Section 24-30-1117, C.R.S.

Request: The Office of the Governor requests a continuation appropriation of \$15,161 General Fund for FY 2013-14.

Recommendation: Staff's recommendation is pending the approval of the common policy by the Committee. This request will be considered during Committee staff's figure setting presentation by Alfredo Kemm for several common policy items associated with the Department of Personnel and Administration scheduled for Friday, March 15, 2013. **Staff requests permission to adjust the line item after the Committee has determined the Common Policy.**

Leased Space

The Office currently has 14,337 square feet of leased space in the World Trade Center at 1625 Broadway in Denver. This line item provides the appropriation for the lease.

Request: The Office of the Governor requests an appropriation of \$360,862 General Fund for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$360,862 General Fund for FY 2013-14. The following table summarizes the calculations for staff's recommendation.

Economic Development Programs, Leased Space			
	Total Funds	General Fund	FTE
FY 2012-13 Appropriation:			
HB 13-1335 (Long Bill)	<u>\$231,540</u>	<u>\$231,540</u>	<u>0.0</u>
TOTAL	\$231,540	\$231,540	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$231,540	\$231,540	0.0
R-4: Leased space increase	<u>129,322</u>	<u>129,322</u>	<u>0.0</u>
TOTAL	\$360,862	\$360,862	0.0
Increase/(Decrease)	\$129,322	\$129,322	0.0
Percentage Change	55.9%	55.9%	0.0%
FY 2013-14 Executive Request:			
Request Above/(Below) Recommendation	\$0	\$0	0.0

Global Business Development

The line item provides for the expenses of the former Business Development, Grand Junction Satellite Office, International Trade, and Minority Business Office line items.

Request: The Department requests an appropriation of \$2,669,085 total funds (including \$2,070,948 General Fund) and 21.2 FTE for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$2,199,353 total funds and 17.6 FTE for the line item in FY 2013-14. The recommendation consists of \$1,601,216 General Fund, \$240,000 cash funds from fees collected by participants in activities conducted by the Office and the Minority Business Fund, and \$358,137 federal funds. The staff recommendation for this line item is summarized in the following table.

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Economic Development Programs, Global Business Development					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 13-1335 (Long Bill)	<u>\$2,065,853</u>	<u>\$1,467,716</u>	<u>\$240,000</u>	<u>\$358,137</u>	<u>17.6</u>
TOTAL	\$2,065,853	\$1,467,716	\$240,000	\$358,137	17.6
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$2,065,853	\$1,467,716	\$240,000	\$358,137	17.6
R-2: Prospect pipeline and branding	<u>133,500</u>	<u>133,500</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,199,353	\$1,601,216	\$240,000	\$358,137	17.6
Increase/(Decrease)	\$133,500	\$133,500	\$0	\$0	0.0
Percentage Change	6.5%	9.1%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:					
Request Above/(Below) Recommendation	\$469,732	\$469,732	\$0	\$0	3.6

Leading Edge Program Grants

The Leading Edge Program provides entrepreneurial training at Small Business Development Centers. Trainees receive 35-45 hours of business planning assistance for their planned, new, or existing businesses. All of the funds in this appropriation support the direct cost of training. Administrative costs are absorbed within the Small Business Development Centers appropriation.

Request: The Office of the Governor requests a continuation level of funding of \$126,407 total funds (including \$50,976 General Fund) for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$126,407 total funds for FY 2013-14. The recommended appropriation is comprised of \$50,976 of General Fund moneys and \$75,431 cash funds from various fees collected from participants in activities conducted by the Office.

Small Business Development Centers

The line item funds a program that oversees a network of ten college and university-based centers, five community-based centers, and three satellite offices that provide training and counseling to new business ventures in conjunction with the federal Small Business Administration.

Request: The Office of the Governor requests a continuation level of funding of \$1,295,168 (including \$84,522 General Fund) and 4.0 FTE for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$1,290,450 total funds and 4.0 FTE for FY 2013-14. The recommendation consists of \$84,522 General Fund and \$1,210,646 federal funds.

Colorado Office of Film, Television, and Media

The Colorado Office of Film, Television, and Media is legislatively tasked with promoting Colorado as a location for making feature films, television shows, television commercials, still photography, music videos, and emerging mass media projects and providing financial incentives to accomplish the promotion activities.

Request: The Office requests an appropriation of \$1,300,000 total funds (including \$1,000,000 General Fund) and 4.5 FTE for FY 2013-14.

Recommendation: Staff assumes that S.B. 13-133 will pass prior to the introduction of the FY 2013-14 Long Bill (March 25) and the FY 2013-14 Long Bill will include an appropriation of \$500,000 cash funds from limited gaming tax revenue, as authorized by the bill (S.B. 13-133 will not include an appropriation clause under this assumption). Thus, **staff recommends an appropriation of \$1,300,000 total funds and 4.5 FTE for FY 2013-14.** The recommendation consists of \$800,000 General Fund and \$500,000 cash funds from the State share of limited gaming tax revenue.

However, if S.B. 13-133 does not pass prior to the Long Bill introduction, the Long Bill will include a current law appropriation level of \$239,698 cash funds from limited gaming tax revenue, \$800,000 General Fund, and S.B. 13-133 will require an appropriation clause that adjusts the Long Bill appropriation to include the additional \$260,302 cash funds from limited gaming tax revenue.

The staff recommendation for this line item is summarized in the following table.

Economic Development Programs, Colorado Office of Film, Television, and Media				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 13-1335 (Long Bill)	\$195,541	\$0	\$195,541	4.5
Other Legislation	3,000,000	0	3,000,000	0.0
SB 13-088 (Supplemental)	<u>25,447</u>	<u>0</u>	<u>25,447</u>	<u>0.0</u>
TOTAL	\$3,220,988	\$0	\$3,220,988	4.5
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$3,220,988	0	\$3,220,988	4.5
R-6: Film incentives	800,000	800,000	0	0.0
Gaming revenue adjustment	304,459	0	304,459	0.0

*JBC Staff Figure Setting – FY 2013-14
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Economic Development Programs, Colorado Office of Film, Television, and Media				
	Total Funds	General Fund	Cash Funds	FTE
Annualize prior year legislation	(3,025,447)	0	(3,025,447)	0.0
TOTAL	\$1,300,000	\$800,000	\$500,000	4.5
Increase/(Decrease)	(\$1,920,988)	\$800,000	(\$2,720,988)	0.0
Percentage Change	(59.6%)	0.0%	(84.5%)	0.0%
FY 2013-14 Executive Request:	\$1,300,000	\$1,000,000	\$300,000	4.5
Request Above/(Below) Recommendation	\$0	\$200,000	(\$200,000)	0.0

Colorado Promotion - Colorado Welcome Centers

The line item funds the State-operated highway-based welcome centers, which have operated for more than two decades to promote tourism and provide vacation guides, maps and other basic guidance and limited services to road travelers. Eight centers are currently in operation at the major highway entrances to the state, receiving nearly 1,000,000 visitors annually.

Request: The Office of the Governor requests a continuation level of funding of \$500,000 cash funds and 3.3 FTE for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$500,000 cash funds from limited gaming tax revenue and 3.3 FTE for FY 2013-14.

Colorado Promotion - Other Program Costs

The line item funds the Colorado Tourism Office and staff support for its board. The Office promotes Colorado as a vacation destination by developing and implementing marketing and promotional strategies, materials and programs that, in concert with private sector promotional activities, portray a consistent, unified brand image of Colorado in the tourism marketplace. The major expenses are a contract with an ad agency to develop campaigns, and a fulfillment center to handle day-to-day inquiries, the 800-number, and vacation guide distribution.

Request: The Office requests an appropriation of \$18,400,000 total funds (including \$5,700,000 General Fund) and 4.0 FTE for FY 2013-14.

Recommendation: Staff assumes that S.B. 13-133 will pass prior to the introduction of the FY 2013-14 Long Bill (March 25) and the FY 2013-14 Long Bill will include an appropriation of \$14,500,000 cash funds from limited gaming tax revenue, as authorized by the bill (S.B. 13-133 will not include an appropriation clause under this assumption). Thus, **staff recommends an appropriation of \$16,000,000 total funds and 4.0 FTE for FY 2013-14.** The recommendation consists of \$1,500,000 General Fund and \$14,500,000 cash funds from the State share of limited gaming tax revenue.

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However, if S.B. 13-133 does not pass prior to the Long Bill introduction, the Long Bill will include a current law appropriation level of \$11,484,879 cash funds from limited gaming tax revenue, \$1,500,000 General Fund, and S.B. 13-133 will require an appropriation clause that adjusts the Long Bill appropriation to include the additional \$3,015,121 cash funds from limited gaming tax revenue.

The staff recommendation for this line item is summarized in the following table.

Economic Development Programs, Colorado Promotion - Other Program Costs				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 13-1335 (Long Bill)	\$12,980,321	\$3,700,000	\$9,280,321	\$4
SB 13-088 (Supplemental)	<u>1,269,103</u>	<u>0</u>	<u>1,269,103</u>	<u>0.0</u>
TOTAL	\$14,249,424	\$3,700,000	\$10,549,424	4.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$14,249,424	\$3,700,000	\$10,549,424	4.0
R-5: Tourism promotion and branding	1,500,000	1,500,000	0	0.0
Gaming revenue adjustment	5,219,679	0	5,219,679	0.0
Staff initiated General Fund reduction	(3,700,000)	(3,700,000)	0	0.0
Annualize prior year legislation	<u>(1,269,103)</u>	<u>0</u>	<u>(1,269,103)</u>	<u>0.0</u>
TOTAL	\$16,000,000	\$1,500,000	\$14,500,000	4.0
Increase/(Decrease)	\$1,750,576	(\$2,200,000)	\$3,950,576	0.0
Percentage Change	12.3%	(59.5%)	37.4%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$2,400,000	\$4,200,000	(\$1,800,000)	0.0

Economic Development Commission - General Economic Incentives and Marketing

The legislature created the Colorado Economic Development Commission (EDC) to promote economic development in Colorado. The Governor, President of the Senate, and Speaker of the House appoint the members of the Commission. The EDC approves loans and grants from the Economic Development Fund to public and private entities in Colorado to help existing businesses expand and new companies locate to the state. It also supports marketing programs and special activities to promote Colorado nationally and internationally. The EDC shares responsibility for oversight of the state's Enterprise Zone program. The nine Commission members make all policy and funding decisions.

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Request: The Office requests an appropriation of \$5,078,516 total funds (including \$5,000,000 General Fund) and 4.9 FTE for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$5,007,795 totals funds and 4.0 FTE for FY 2013-14. The recommended appropriation is comprised of \$4,929,279 General Fund moneys and \$78,516 cash funds from the Colorado Innovation Investment Tax Credit Cash Fund. The staff recommendation for this line item is summarized in the following table.

Economic Development Programs, Economic Development Commission – General Economic Incentives and Marketing				
	Total Funds	General Fund	Cash Funds	FTE
FY 2012-13 Appropriation:				
HB 13-1335 (Long Bill)	\$2,092,280	\$2,013,764	\$78,516	4.0
Other Legislation	<u>4,000,000</u>	<u>0</u>	<u>4,000,000</u>	<u>0.0</u>
TOTAL	\$6,092,280	\$2,013,764	\$4,078,516	4.0
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$6,092,280	\$2,013,764	\$4,078,516	4.0
R-3: EDC General Fund increase	2,915,515	2,915,515	0	0.0
Annualize prior year legislation	<u>(4,000,000)</u>	<u>0</u>	<u>(4,000,000)</u>	<u>0.0</u>
TOTAL	\$5,007,795	\$4,929,279	\$78,516	4.0
Increase/(Decrease)	(\$1,084,485)	\$2,915,515	(\$4,000,000)	0.0
Percentage Change	(17.8%)	144.8%	(98.1%)	0.0%
FY 2013-14 Executive Request:				
	\$5,078,516	\$5,000,000	\$78,516	4.9
Request Above/(Below) Recommendation	\$70,721	\$70,721	\$0	0.9

Colorado First Customized Job Training

The line item funds grants to companies that are relocating to Colorado or existing companies that are undertaking a major expansion. The grants are used to provide job training assistance. Companies receiving assistance must provide a partial funding match. The Office determines which companies will receive this assistance and then transfers funding to the Community Colleges of Colorado to develop and provide the training programs. The grant may be used to provide:

- Instructor's wages;
- Curriculum development; and/or
- The purchase of consumable training supplies.

According to the Office, grant applications must meet the following criteria:

- Maximum grant award of \$800 per employee;
- Training must be for permanent, full-time, non-seasonal, non-retail positions in the state of Colorado, which have significant career opportunities and require substantive instruction;
- Meet a sustainable wage threshold: in urban areas, employers must pay an average wage of at least \$10.46/hour; average wages in rural areas must be at least \$8.21/hour;
- Training must be customized to meet the company's specific needs;
- Applicant companies must pay for a minimum of 40% of the total training costs; and
- An on-site visit of the applicant company is required.

All of the funds in this appropriation support the direct cost of training. Administrative costs are absorbed by the Business Development appropriation within OEDIT. The funds appropriated to this line item are transferred to the Division of Occupational Education in the Department of Higher Education where they appear as reappropriated funds.

Request: The Office requests a continuation level of funding of \$2,725,022 General Fund for FY 2013-14.

Recommendation: Staff recommends the request for a continuation appropriation of \$2,725,022 General Fund for FY 2013-14.

CAPCO Administration

The Certified Capital Companies Program (CAPCO) was legislatively created with the goal of making venture capital funds available to new or expanding small businesses throughout Colorado. The State of Colorado provided \$100 million for this program in the form of premium tax credits. The \$100 million in premium tax credits were given to insurance companies in exchange for the insurance companies giving \$100 million in cash to the CAPCOs. The CAPCOs then use these funds to invest in qualifying Colorado businesses.

Request: The Office requests a continuation level of funding of \$80,281 reappropriated funds and 2.0 FTE for FY 2013-14. The source of the moneys is the Division of Insurance Cash Fund in the Department of Regulatory Agencies.

Recommendation: Staff recommends a continuation level of funding of \$80,281 reappropriated funds and 2.0 FTE for FY 2013-14.

Council on Creative Industries

The Creative Industries Council promotes the cultural, educational, and economic growth of Colorado through development of its arts and cultural heritage. The Council administers grants and provides services that make the arts more accessible to all Colorado citizens, expand arts education opportunities for youth, support tourism and other economic development strategies, preserve and promote our cultural heritage, and stimulate and encourage the development of artists and arts organizations.

JBC Staff Figure Setting – FY 2013-14
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Request: The Office requests an appropriation of \$2,164,397 total funds (including \$300,000 General Fund) and 3.0 FTE for FY 2013-14.

Recommendation: Staff assumes that S.B. 13-133 will pass prior to the introduction of the FY 2013-14 Long Bill (March 25) and the FY 2013-14 Long Bill will include an appropriation of \$2,000,000 cash funds from limited gaming tax revenue, as authorized by the bill (S.B. 13-133 will not include an appropriation clause under this assumption). Thus, **staff recommends an appropriation of \$2,764,397 total funds and 3.0 FTE for FY 2013-14.** The recommendation consists of \$2,000,000 cash funds from the State share of limited gaming tax revenue and \$764,397 federal funds.

However, if S.B. 13-133 does not pass prior to the Long Bill introduction, the Long Bill will include a current law appropriation level of \$958,790 cash funds from limited gaming tax revenue, \$764,397 federal funds, and S.B. 13-133 will require an appropriation clause that adjusts the Long Bill appropriation to include the additional \$1,041,210 cash funds from limited gaming tax revenue.

The staff recommendation for this line item is summarized in the following table.

Economic Development Programs, Council on Creative Industries					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2012-13 Appropriation:					
HB 13-1335 (Long Bill)	\$1,846,559	\$300,000	\$782,162	\$764,397	3.0
SB 13-088 (Supplemental)	<u>101,791</u>	<u>0</u>	<u>101,791</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,948,350	\$300,000	\$883,953	\$764,397	3.0
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	\$1,948,350	\$300,000	\$883,953	\$764,397	3.0
Gaming revenue adjustment	1,217,838	0	1,217,838	0	0.0
Staff initiated General Fund reduction	(300,000)	(300,000)	0	0	0.0
Annualize prior year legislation	<u>(101,791)</u>	<u>0</u>	<u>(101,791)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,764,397	\$0	\$2,000,000	\$764,397	3.0
Increase/(Decrease)	\$816,047	(\$300,000)	\$1,116,047	\$0	0.0
Percentage Change	41.9%	(100.0%)	126.3%	0.0%	0.0%
FY 2013-14 Executive Request:	\$2,164,397	\$300,000	\$1,100,000	\$764,397	3.0
Request Above/(Below) Recommendation	(\$600,000)	\$300,000	(\$900,000)	\$0	0.0

New Jobs Incentives

The line item funded the provision of an incentive payment to qualifying companies that had created new jobs paying above average wages. Its purpose was designed to support and encourage new business development, business expansions and relocations that generated new jobs throughout the State. The incentive program expired on January 1, 2011 and was not reauthorized by the legislature.

Bioscience Discovery Evaluation

The Bioscience Discovery Evaluation Grant Program is a legislatively-created (24-48.5-108, C.R.S.) initiative designed to provide funding support for new business development in the bioscience industry in Colorado. Specifically, the Program, administered by the Office of Economic Development and International Trade, advances new technologies from the labs at the state's non-profit research institutions toward commercial products and services. Three types of grants are offered to the institutions to achieve this goal:

- Proof of Concept – Funds are used to enhance the commercial potential of research projects that focus on life sciences, engineering, material sciences, computer sciences, photonics, or nanotechnology;
- Early Stage Company – Funds are used to support the commercialization of therapeutic or diagnostic products, devices, or instruments that improve human health, bioscience technologies that improve agriculture, or biofuels; and
- Commercialization Infrastructure – Funds are used to support partnerships between the bioscience industry and research institutions to build infrastructure that supports the commercialization of bioscience technologies.

According to the Bioscience Discovery Evaluation Grant Program Update report, issued in April 2012 to the House and Senate Finance Committees, 130 grants have been awarded to researchers at Colorado research institutions to bring their cutting-edge technologies closer to market, 44 grants have been awarded to help companies further these technologies as they complete studies, secure intellectual property, and develop their approach to bring their products to market, and four new bioscience technology organizations that identify and manage technologies, and support collaboration to bring necessary expertise together to advance novel Colorado biotechnologies to commercialization, have received funding.

Request: The Bioscience Discovery Evaluation Cash Fund receives transfers of limited gaming tax revenue. The Office requests an appropriation of \$9,900,000 cash funds and 1.1 FTE for FY 2013-14.

Recommendation: Staff assumes that S.B. 13-133 will pass prior to the introduction of the FY 2013-14 Long Bill (March 25) and the FY 2013-14 Long Bill will include an appropriation of \$5,500,000 cash funds from limited gaming tax revenue, as authorized by the bill (S.B. 13-133 will not include an appropriation clause under this assumption). Thus, **staff recommends an appropriation of \$7,963,016 total funds and 1.1 FTE for FY 2013-14.** The recommendation

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consists of \$5,500,000 cash funds from the State share of limited gaming tax revenue and \$2,004,954 cash funds from the annualization of S.B. 11-047 (Gerou/Heath).

However, if S.B. 13-133 does not pass prior to the Long Bill introduction, the Long Bill will include a current law appropriation level of \$4,314,556 cash funds from limited gaming tax revenue and \$2,004,954 cash funds from the the annualization of S.B. 11-047, and S.B. 13-133 will require an appropriation clause that adjusts the Long Bill appropriation to include the additional \$1,185,444 cash funds from limited gaming tax revenue.

The staff recommendation for this line item is summarized in the following table.

Economic Development Programs, Bioscience Discovery Evaluation			
	Total Funds	Cash Funds	FTE
FY 2012-13 Appropriation:			
HB 13-1335 (Long Bill)	\$3,519,731	\$3,519,731	0.6
SB 13-088 (Supplemental)	<u>458,062</u>	<u>458,062</u>	<u>0.0</u>
TOTAL	\$3,977,793	\$3,977,793	0.6
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$3,977,793	\$3,977,793	0.6
Annualize prior year legislation	2,004,954	2,004,954	0.5
Gaming revenue adjustment	<u>1,980,269</u>	<u>1,980,269</u>	<u>0.0</u>
TOTAL	\$7,963,016	\$7,963,016	1.1
Increase/(Decrease)	\$3,985,223	\$3,985,223	0.5
Percentage Change	100.2%	100.2%	83.3%
FY 2013-14 Executive Request:			
Request Above/(Below) Recommendation	\$1,936,984	\$1,936,984	0.0

Indirect Cost Assessment

The appropriation provides funds for the Office’s share of assessed Statewide indirect cost recoveries.

Request: The Office requests an appropriation of \$30,852 total funds for FY 2013-14.

Recommendation: Consistent with prior Committee action, staff recommends an appropriation of \$30,713 total funds. The recommendation consists of \$29,900 cash funds and \$813 reappropriated funds transferred from the CAPCO Administration line item in this division.

(5) Office of Information Technology

The Governor's Office of Information Technology (OIT) oversees executive department technology initiatives and recommends strategies to maximize service delivery efficiency in a cost-effective manner through the application of enterprise technology solutions. The Office provides services to State agencies on a cost reimbursement basis with OIT acting as a vendor to State agencies. Services offered by OIT to State agencies have a mixture of costs (e.g. personal services, benefits, operating expenses, and contract expenses) associated with the service delivery. The costs are allocated to agencies based on level of service consumed.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Office of Information Technology						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
HB 13-1335 (Long Bill)	\$115,641,925	\$0	\$1,250,928	\$114,269,997	\$121,000	898.8
Other Legislation	12,728,956	0	0	12,728,956	0	0.0
SB 13-088 (Supplemental)	<u>7,969,001</u>	<u>0</u>	<u>0</u>	<u>7,969,001</u>	<u>0</u>	<u>(1.3)</u>
TOTAL	\$136,339,882	\$0	\$1,250,928	\$134,967,954	\$121,000	897.5
FY 2013-14 Recommended Appropriation:						
FY 2012-13 Appropriation	\$136,339,882	0	\$1,250,928	\$134,967,954	\$121,000	897.5
R-7: OIT staff operating transfer	345,335	345,335	0	0	0	0.0
R-8: OIT enterprise management	437,600	0	0	437,600	0	0.0
R-9: Microwave upgrade assessment	300,000	0	300,000	0	0	0.0
BA: CBMS modernization continuation	15,721,587	0	0	15,721,587	0	0.0
BA: CSN funding modification	1,394,368	0	0	1,394,368	0	0.0
BA: Enterprise security services	1,075,700	0	0	1,075,700	0	0.0
BA: OIT staff transfer	(265,656)	0	0	(265,656)	0	(3.8)
NPI: Revenue infrastructure	2,981,490	0	0	2,981,490	0	22.0
NPI: Unemployment insurance initiatives	2,872,000	0	0	2,872,000	0	0.0
NPI: Behavioral health data system	480,000	0	0	480,000	0	0.0
NPI: Adult Protective Services system	250,000	0	0	250,000	0	0.0
NPI: Child care licensing system	131,620	0	0	131,620	0	0.0
Indirect cost assessment	17,177	0	0	17,177	0	0.0
Annualize prior year legislation	<u>(20,611,469)</u>	<u>0</u>	<u>0</u>	<u>(20,611,469)</u>	<u>0</u>	<u>1.3</u>
TOTAL	\$141,469,634	\$345,335	\$1,550,928	\$139,452,371	\$121,000	917.0

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Office of Information Technology						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$5,129,752	\$345,335	\$300,000	\$4,484,417	\$0	19.5
Percentage Change	3.8%	0.0%	24.0%	3.3%	0.0%	2.2%
FY 2013-14 Executive Request:	\$141,642,302	\$2,988,071	\$1,550,928	\$136,982,303	\$121,000	917.0
Request Above/(Below) Recommendation	\$172,668	\$2,642,736	\$0	(\$2,470,068)	\$0	0.0

Issue Descriptions:

R-7: OIT operating transfer: The recommendation includes an increase of \$345,335 General Fund for FY 2013-14 for basic operating costs for FTE transferred to OIT.

➔ Request R-7: OIT staff operating transfer

Request: The Office requests an increase of \$518,003 General Fund for FY 2013-14 for basic operating costs for FTE transferred from executive branch agencies to OIT.

***Recommendation:* Staff recommends an increase of \$345,335 General Fund for FY 2013-14 for basic operating costs for FTE.**

Analysis: Executive branch agencies transferred nearly 700 FTE to OIT between FY 2008-09 and FY 2010-11 as part of the consolidation of information technology resources in the Governor’s Office. Along with the FTE, agencies transferred moneys for personal services expenses (salary and benefits) to OIT. Moneys for basic operating expenses (office supplies, travel, and training), however, were not transferred to OIT. This had not caused any issues in the beginning of the consolidation as the majority of transferred FTE continued to support their “home” agency and billed their operating expenses accordingly.

As OIT evolves into a shared services provider as originally envisioned, FTE are using their skill sets to support multiple agencies requiring similar functions. FTE supporting multiple agencies is efficient from a service delivery perspective for the State as a whole, but inefficient from an administration perspective for OIT. Minor operating expenses incurred by FTE supporting multiple agencies require a time-consuming, case-by-case review by OIT and each agency receiving services from the FTE. In many cases, OIT diverts funding from equipment purchases and infrastructure maintenance to cover the operating expenses of FTE due to the confusion on expenses.

To solve this issue, the Office requests \$518,003 General Fund for FY 2013-14 to cover \$500 of basic operating expenses and \$250 of travel and training expenses per FTE. The appropriation will be used to cover these costs while the Office develops a strategy for FY 2014-15 that

involves billing agencies for operating expenses at the most granular level of service delivery to ensure accuracy.

Staff has had numerous conversations with OIT from the onset of the information technology resource consolidation regarding the model for capturing the operating expenses of FTE assigned to the Office, so this proposal does not come as a surprise. The ideal solution, however, is not what has been proposed by the Office. The ideal solution is to increase OIT appropriations by the needed amount for operating expenses using reappropriated funds transferred from agencies, directly appropriate funds in this amount to the information technology common policy line items for each agency, and decrease agency operating expenses line items by a the same amount.

Staff understands the difficulties associated with implementing the ideal solution for FY 2013-14. Confusion abounds in the absence of clearly defined responsibilities for covering operating expenses for information technology resources. Time is needed to develop an administrative billing strategy that is accurate on an agency by agency basis. Therefore, as a one year stopgap measure, **staff recommends an increase of \$345,335 General Fund for FY 2013-14 with the understanding that the FY 2014-15 budget request will include a proposal that decreases agencies' funding for basic operating expenses by the amount needed by OIT to support the FTE.** Staff's recommendation provides the Legislative Council Fiscal Note-approved amount of \$500 for basic operating expenses per transferred FTE to OIT, but does not provide additional funding for travel and training.

R-8: OIT enterprise management: The recommendation includes \$437,600 reappropriated funds for FY 2013-14 for the implementation of an information technology asset tracking system.

➔ Request R-8: OIT enterprise management

Request: The request seeks an increase of \$437,600 reappropriated funds transferred from State agencies to OIT to implement a system to track the information technology assets currently in stock, including the condition, usage, and future refresh requirements. The requested funds would be used to license asset tracking software, maintain the software license, and host and maintain the system environment.

Recommendation: **Staff recommends an appropriation of \$437,600 reappropriated funds to implement the information technology asset tracking system.**

Analysis: OIT states that executive branch agencies spend an average of \$46.5 million each year on information technology hardware, software, and associated maintenance costs. Executive branch agencies, however, do not have a comprehensive and consistent management program for tracking information technology assets (e.g. personal computers, software, network equipment, etc.). As a result, the State runs the risk of duplicating asset purchases, procuring assets that are not used in a timely manner, underusing existing assets, not properly planning for asset refresh cycles, and exposing assets to security breaches. All of the risks due to the lack of a comprehensive and consistent management program for tracking information technology assets

have the potential to cost the State money. The Office of the State Auditor reinforced the existing risks in its March 2012 performance audit of OIT, and determined that:

“Without IT asset information, OIT cannot determine future IT inventory needs and cannot leverage existing infrastructure to negotiate better pricing. The lack of an IT asset management function can also have a significant adverse impact on generating potential cost savings. Specifically, incomplete and inaccurate IT asset information prevents OIT from making effective business decisions that may result in better cost and risk management and operational efficiency.”

OIT proposes the implementation of an enterprise asset management tool to mitigate the issues associated with the lack of asset information. Specifically, OIT seeks to identify all information technology assets in use, identify the current condition of all information technology assets, identify the age of all information technology assets, and identify the use of existing information technology assets. The goal of the identification process is to make better decisions related to purchasing, establish common standards for hardware and software replacement, comply with software licensing agreements, and provide effective refresh cycles for all assets.

Staff recommends that the Committee provide \$437,600 for OIT to license an enterprise asset management system that will allow the agency to track assets from acquisition to retirement. The costs associated with the management system include:

FY 2013-14 OIT Enterprise Asset Management Staff Recommendation		
System Component	Reappropriated Funds	Notes
User Licenses (based on number of assets)	\$338,000	One-time cost in FY 2013-14
Software Maintenance	67,600	Ongoing expense
Hosting and Maintenance	32,000	Ongoing expense
Total	\$437,600	

Staff recommends that the costs be billed out to agencies based on the number of FTE in each agency. The following table allocates the costs of the asset management system by agency.

FY 2013-14 OIT Enterprise Asset Management Allocation	
Agency	Allocation
Agriculture	\$5,553
Corrections	110,367
Governor	18,031
Health Care Policy and Financing	6,260
Higher Education	8,987
Human Services	85,737
Labor and Employment	19,462

FY 2013-14 OIT Enterprise Asset Management Allocation	
Agency	Allocation
Local Affairs	3,099
Military and Veterans Affairs	2,345
Natural Resources	36,524
Personnel	6,301
Public Health and Environment	22,432
Public Safety	24,184
Regulatory Agencies	9,801
Revenue	24,365
Transportation	54,152
Total	\$437,600

R-9: Microwave upgrade assessment: The recommendation includes an increase of \$300,000 cash funds from the reserve of the Public Safety Trust Fund to conduct a microwave upgrade assessment.

➔ Request R-9: Microwave upgrade assessment

Request: The request includes an increase of \$300,000 cash funds from the reserve of the Public Safety Trust Fund to assess the scope and strategy for necessary upgrades to the microwave backbone that serves the statewide public safety communications system (Digital Trunked Radio System).

***Recommendation:* Staff recommends that the Committee appropriate \$300,000 cash funds from the Public Safety Trust Fund to support the microwave upgrade assessment.**

Analysis: In the 1990s, State, local, and federal government entities across the state were using multiple communications systems. The systems were not interoperable in all instances, meaning communication during an emergency incident was hampered by the technical inability for one response team (a county sheriff's office, for example) to speak to a second response team (State Patrol, for example). Officials from local, State, federal, and tribal government agencies partnered together and crafted a phased project plan to develop a communications system that would be available to all public safety, public service, and governmental agencies to use as either their primary radio system or for interoperable communications only. The communications system was named the Colorado Statewide Digital Trunked Radio System (DTRS).

The private sector firm CDX Wireless, Inc. was contracted by OIT to draft the first annual report for the Consolidated Communications Systems Authority (CCSA). The company surveyed over 75 different government agencies and vendors on ten key DTRS areas: coverage, capacity, reliability, capabilities, interoperability, security, maintenance, monitoring/reporting, training, and exercises. The results gathered from system owners, system users, system partners, and

vendors indicate that the DTRS' reliability, security, and maintenance are key areas of budgetary focus in both the short-term and long-term. Germane to this request, the report indicates that the microwave infrastructure that supports DTRS is nearing (or is past) the end of its useful life. This condition results in increased maintenance costs and reliability concerns.

In response to the findings of the CCSA report, OIT proposes to work with a contractor to perform the following tasks related to the microwave infrastructure of DTRS:

- Assess existing microwave network equipment and ancillary hardware;
- Assess microwave and fiber-based technologies for replacement of the current microwave network;
- Recommend upgrade and/or replacement of the existing microwave network;
- Assemble data into a presentation for the General Assembly that highlights system inadequacies and associated costs with mitigating the inadequacies;
- Develop an RFP for the design and build of the network solutions; and
- Develop a project management plan for the upgrades and/or replacements.

Staff recommends an increase of \$300,000 cash funds from the reserve of the Public Safety Trust Fund to contract with a vendor in FY 2013-14 to conduct an assessment of the scope and strategy for necessary upgrades to the microwave backbone. It should be noted that the results of the study will forecast an anticipated need for additional funding to upgrade the key components of the microwave infrastructure that support DTRS. It is assumed that the funding request for the upgrades will be considered by the Capital Development Committee in future fiscal years.

BA CBMS modernization continuation: The recommendation includes a pending increase of \$15,721,587 reappropriated funds transferred from the Department of Human Services and the Department of Health Care Policy and Financing for FY 2013-14 to continue the Colorado Benefits Management System (CBMS) modernization project.

➔ Budget Amendment Request: CBMS modernization continuation

The request seeks a base funding level of \$15,721,587 reappropriated funds for the CBMS modernization project. **This request will be considered during Committee Staff's figure setting presentation by Kevin Neimond for the Department of Human Services scheduled for Monday, March 11, 2013. Staff requests permission to adjust this line item based on the March 11th Committee action.** Note, the decision to delay action on this request until March 11th is due to OIT's scheduled quarterly update with the Committee at 1:30 p.m. Monday, March 4th at 1:30 p.m. The March 4th presentation provides the Committee and staff with an additional opportunity to gain insight into the current status of the project and the role this request plays in the project plans.

BA CSN funding modification: The recommendation includes an increase of \$1,394,368 reappropriated funds for FY 2013-14 to meet the financial obligations of operating the State's

Multiuse Network concurrently with the new Colorado State Network while migration to the new network for all State agencies is completed.

➔ Budget Amendment Request: CSN funding modification

Request: The Office seeks an appropriation of \$1,394,368 General Fund for FY 2013-14 to operate the existing Multiuse Network concurrently with the new Colorado State Network during the migration phase from the existing network to the new network.

Recommendation: **Staff recommends an appropriation of \$1,394,368 total funds for FY 2013-14. However, staff rejects the Office’s request to fund the line item with General Fund.** Instead staff recommends an appropriation of \$1,394,368 reappropriated funds from fees charged to State agencies for network services provided by OIT.

Analysis: The Multiuse Network (MNT) is a service providing secure, high-speed broadband access to State agencies, schools, colleges, libraries, hospitals, and local governments. The network is essentially the State's wide area network, providing network connectivity to every State agency and county in the state. MNT was provided under contract through a public-private partnership with Qwest. In June 2011, OIT entered into a new partnership with CenturyLink to upgrade the network to what is known as the Colorado State Network (CSN).

The specifications for the network technologies to be delivered by OIT and CenturyLink to State agencies were compiled in 2010. OIT’s transition plan assumed that CSN would be ready for users in State agencies in time for the expiration of MNT costs. OIT, however, indicates it is unable to transition from MNT to CSN in the timeframe planned at the execution of the contract with CenturyLink due to slower than expected migration operations. Specifically, since the initial network capabilities were laid out in 2010, State agencies are now asking for greater bandwidth than originally planned to support new applications, off-hours migration rather than migration during business hours, and other delay-inducing requests. In short, network requirements have changed and OIT is required to concurrently pay for MNT and CSN to avoid service interruptions for State agencies while honoring the implementation of 2013 network requirements.

Staff recommends an appropriation of \$1,394,368 reappropriated funds for FY 2013-14 for OIT to meet its concurrent financial obligations to MNT and CSN. The alternative to funding this request is that current contracts with CenturyLink will not be honored and/or agencies will not receive network capabilities that support their existing needs. Neither of these scenarios is optimal for the State. The billing allocation by agency and fund source for staff’s recommendation is found in the following table.

FY 2013-14 Colorado State Network Funding Adjustment Allocation					
Department	Total	GF	CF	RF	FF
Agriculture	\$9,858	\$3,853	\$6,005	\$0	\$0
Corrections	251,247	243,664	7,583	0	0

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FY 2013-14 Colorado State Network Funding Adjustment Allocation					
Department	Total	GF	CF	RF	FF
Education	17,775	17,775	0	0	0
Governor	25,077	4,658	0	20,419	0
Health Care Policy and Financing	8,697	4,348	0	0	4,349
Higher Education	0	0	0	0	0
Human Services	245,566	161,511	2,124	21,486	60,446
Judicial	104,251	104,251	0	0	0
Labor and Employment	27,867	0	13,204	0	14,663
Law	10,406	0	0	10,406	0
Legislature	0	0	0	0	0
Local Affairs	8,918	3,517	468	2,593	2,340
Military and Veterans Affairs	5,404	5,404	0	0	0
Natural Resources	138,026	18,716	108,981	9,252	1,076
Personnel	17,921	4,747	1,634	11,540	0
Public Health and Environment	40,167	0	0	40,167	0
Public Safety	80,030	58,304	7,438	14,288	0
Regulatory Agencies	13,613	531	13,082	0	0
Revenue	237,248	33,754	203,494	0	0
State	6,607	0	6,607	0	0
Transportation	144,985	0	144,985	0	0
Treasury	705	705	0	0	0
Total	\$1,394,368	\$665,738	\$515,605	\$130,151	\$82,874

BA Enterprise security services: The recommendation includes \$1,075,700 reappropriated funds for FY 2013-14 to address the State’s most pressing cyber security needs.

➔ Budget Amendment Request: Enterprise security services

Request: The Office requests an appropriation of \$1,075,700 General Fund for FY 2013-14.

Recommendation: **Staff recommends an appropriation of \$1,075,700 total funds for FY 2013-14. However, staff rejects the Office’s request to fund the line item with General Fund.** Instead staff recommends an appropriation of \$1,075,700 reappropriated funds from fees charged to State agencies for security services provided by OIT. **Staff also recommends that all impacted State agencies add a new line item called “Information Security Expenses”** for the purpose of receiving direct appropriations of funds for the agency’s share of OIT’s security services.

*JBC Staff Figure Setting – FY 2013-14
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Analysis: The Colorado Office of Information Security (OIS) within OIT is the State’s source for cyber security awareness, monitoring, and defense. OIS is responsible for protecting all executive branch agencies, the judicial branch, and the office of State elected officials. There are close to 800 applications, 20 data centers, 26,000 users, and millions of State customers under the purview of OIT and OIS.

Prior to FY 2007-08, OIS had a revenue stream of federal moneys from Flexible Funds and a Department of Homeland Security grant. Once these moneys were expended prior to the beginning of FY 2007-08, the agency did not have a dedicated revenue source and all services provided by the Office were absorbed within existing moneys collected from agencies by OIT. With limited financial resources, OIS implemented various policies and partnerships to keep pace with cyber security threats. The limited resources dedicated to OIS were shown to be ineffective in dealing with the scope of today’s cyber security issues, however.

The Office of the State Auditor commissioned a comprehensive penetration test of State systems in 2010 and found that Colorado State government agencies are at a high risk of a system compromise and/or data breach by individuals both internal and external to the State. Specifically, the testers were able to compromise thousands of citizen records housed in State databases. The intrusion detection system used by OIS to monitor network gateways for unauthorized traffic and attacks simply could not keep up with the volume of State transactions it was required to track. The State’s role as a service provider and repository of sensitive citizen information requires improvements to be made in the area of cyber security to prevent a real-life, costly attack on the State’s sensitive data.

OIT proposes the implementation of a multi-phased initiative known as Secure Colorado to begin to mitigate current information security risks. The three year plan focuses on implementing security controls that have been proven to prevent the majority of cyber security threats by industry experts and the federal government. Additionally, a key component of Secure Colorado is the formation of the Colorado Information Security Advisory Board (CISAB) to bring together experts in the cyber security field from all sectors to provide guidance to OIS as it progresses through its three year plan. To implement the three year plan, OIS requests an appropriation of \$1,075,700 General Fund to begin the following projects:

FY 2013-14 OIT Enterprise Security Services Request		
Service	Reapprop. Funds	Goal
Intrusion Detection	\$467,500	Quickly identify and contain cyber attacks
Threat and Vulnerability Management	228,000	Identify and remediate vulnerabilities in State systems
Network Segmentation Equipment	187,500	Segment and protect networks containing most sensitive data
Centralized Firewall Management	137,000	Centrally manage the hundreds of State firewalls
Sensitive Network Authentication	55,700	Implement more than user authentication to access sensitive data and applications
Total	\$1,075,700	

Staff recommends that the Committee appropriate \$1,075,700 for OIT to implement strategies to address the State’s most pressing cyber security needs. The proposal represents a vehicle to begin to catch up to the ever evolving and complex world of cyber attacks that have the potential to expose the State’s personally identifiable information to individuals with malicious intent. However, rather than paying for the FY 2013-14 operating expenses of the OIS with General Fund moneys, **staff recommends that the costs are billed out to agencies based on the number of FTE.** The following table allocates the costs of the security services. If the recommendation is approved, it is requested that Committee staff have the flexibility to work with agency staff to fund split the total allocation.

FY 2013-14 OIT Enterprise Security Services	
Agency	Allocation
Agriculture	\$12,602
Corrections	311,073
Education	22,780
Governor	38,534
Health Care Policy and Financing	12,759
Higher Education	15,606
Human Services	187,556
Labor and Employment	41,062
Law	15,807
Local Affairs	6,528
Military & Veterans Affairs	5,652
Natural Resources	72,817
Personnel and Administration	14,551
Public Health and Environment	48,511
Public Safety	53,363
Regulatory Agencies	20,900
Revenue	54,258
State	4,537
Transportation	135,841
Treasury	963
Total	\$1,075,700

OIT staff transfer: The recommendation includes a decrease of \$265,656 reappropriated funds and 3.8 FTE for FY 2013-14 to make technical changes related to staffing levels and assignment of FTE and associated funding.

➔ Budget Amendment Request: OIT staff transfer

Request: The Office requests a reduction of \$265,656 reappropriated funds and 3.8 FTE to eliminate IT support positions billed to the Department of Corrections for support to the CSP II facility and to correct a transfer of funds between the Departments of Agriculture, Corrections, Human Services and Natural Resources and OIT.

***Recommendation:* Staff recommends a reduction of \$265,656 reappropriated funds and 3.8 FTE for FY 2013-14 to make technical changes related to OIT and agency staffing.**

Analysis: The request and recommendation represent minor technical changes related to staffing levels and proper assignment of FTE and associated funding between agencies and OIT.

NPI: Revenue infrastructure: The recommendation includes a pending appropriation of \$2,981,490 reappropriated funds and 22.0 FTE for services provided to the Department of Revenue.

➔ Non-Prioritized Request: Revenue infrastructure

The request seeks an increase of \$2,981,490 reappropriated funds and 22.0 FTE for the personal services and operating expenses associated with the Department of Revenue's FY 2013-14 request item to increase the level of operational support services, including service desk staff, desk side support, network support, server support, security support, and project management functions provided by OIT. **This request will be considered during Committee Staff's figure setting presentation by David Meng for the Department of Revenue scheduled for Thursday, March 7, 2013. Staff requests permission to adjust this line item based on the March 7th Committee action.**

NPI: Unemployment insurance initiatives: The recommendation includes an increase of \$2,872,000 reappropriated funds transferred from the Department of Labor and Employment to OIT for services related to the multi-State WyCAN project to manage unemployment taxes and benefits.

➔ Non-Prioritized Request: Unemployment insurance initiatives

The request seeks an increase of \$2,872,000 reappropriated funds transferred from the Department of Labor and Employment to the Office of Information Technology for FY 2013-14 to provide programming services for Colorado's component of the multi-state WyCAN project. The WyCAN project, conducted by a consortium of states, will result in the creation of a cloud-based system to manage unemployment taxes and benefits. **Consistent with prior Committee action during the figure setting presentation for the Department of Labor and Employment by Joy Huse, staff recommends an increase of \$2,872,000 reappropriated funds for FY 2013-14.** For more information on this budget amendment, see page nine in the Department of Labor and Employment's FY 2013-14 figure setting document.

NPI: Behavioral health data system: The recommendation includes a pending recommendation of \$480,000 reappropriated funds transferred from the Department of Human Services to OIT for the provision of a behavioral health data system.

➔ Non-Prioritized Request: Behavioral health data system

The request seeks an increase of \$480,000 reappropriated funds transferred from the Department of Human Services to the Office of Information Technology for FY 2013-14 to implement the Integrated Behavioral Health Services Data Collection System (IBHS). **This request will be considered during Committee Staff’s figure setting presentation by Kevin Neimond for the Department of Human Services scheduled for Monday, March 11, 2013. Staff requests permission to adjust this line item based on the March 11th Committee action.**

NPI: Adult protective services system: The recommendation includes a pending recommendation of \$250,000 reappropriated funds transferred from the Department of Human Services to OIT for the provision of a data system to track services provided to at-risk adults.

➔ Non-Prioritized Request: Adult Protective Services system

The request seeks an increase of \$250,000 reappropriated funds in this sub-sub division for personal services and operating expenses associated with the Department of Human Service’s FY 2013-14 request item to purchase, implement, and maintain a new data system to manage protection and advocacy services for at-risk adults. **This request will be considered during Committee Staff’s figure setting presentation by Byron DeLuke for the Department of Human Services scheduled for Thursday, February 28, 2013. Staff requests permission to adjust this line item based on the February 28th Committee action.**

NPI: Child care licensing system: The recommendation includes a pending recommendation of \$131,620 reappropriated funds transferred from the Department of Human Services to OIT to add a reporting module to the Colorado Child Care Licensing System.

➔ Non-Prioritized Request: Child care licensing system

The request seeks an increase of \$131,620 reappropriated funds in this sub-sub division for personal services and operating expenses associated with the Department of Human Service’s FY 2013-14 request item to add an incident reporting module to the Colorado Child Care Licensing System (CCCLS). **This request will be considered during Committee Staff’s figure setting presentation by Byron DeLuke for the Department of Human Services scheduled for Friday, March 8, 2013. Staff requests permission to adjust this line item based on the March 8th Committee action.**

Indirect cost assessment: The recommendation includes an increase of \$17,177 reappropriated funds in the Office for FY 2013-14 for Statewide indirect cost collections. Staff’s recommendation is consistent with prior Committee action.

Annualize prior year legislation: The recommendation includes the annualization of numerous bills which appropriated moneys to OIT for FY 2012-13 for the provision of services. Of the total amount of annualizations, a decrease of \$20,322,440 reappropriated funds is due to one-time funding for the CBMS modernization project in FY 2012-13. Note, the Office submitted a budget amendment seeking \$15,721,587 reappropriated funds for FY 2013-14 for the continuation of the project. This request will be considered during Committee Staff's figure setting presentation by Kevin Neimond for the Department of Human Services scheduled for Monday, March 11, 2013.

LINE ITEM DETAIL – (5) OFFICE OF INFORMATION TECHNOLOGY

(A) MANAGEMENT AND ADMINISTRATION OF OIT

The Management and Administration of OIT sub-division provides the agency with the policy and management functions of an executive director's office. In the original appropriation for FY 2008-09, this sub-division was funded primarily with General Fund. The Committee approved a FY 2008-09 supplemental request to refinance the sub-division using reappropriated funds, with the expenses allocated to various departments in proportion to the level of services purchased from OIT.

Personal Services

This line item, and the associated appropriations of FTE and personal services funding, support the OIT Administration staff and management functions.

Request: The Office requests a continuation level of funding of \$1,127,581 reappropriated funds and 13.0 FTE for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$1,127,581 reappropriated funds from fees charged to State agencies for services provided by OIT and 13.0 FTE for FY 2013-14.

Operating Expenses

The line item supports the programmatic operating expenses associated with OIT Administration.

Request: The Office requests a continuation level of funding of \$558,817 reappropriated funds for FY 2013-14. The request includes \$408,549 for the ongoing expenses associated with hardware, software, maintenance, and hosting costs associated with the development of a system to electronically validate the identity and attributes of individuals responding to emergency incidents (COFRAC) that the Committee approved for FY 2012-13.

Recommendation: Staff recommends the request for a continuation appropriation of \$558,817 reappropriated funds from fees charged to State agencies for information technology

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services provided by OIT and fees collected from State and local governments for COFRAC expenses for FY 2013-14.

Statewide IT Management

As a result of the information technology consolidation implemented pursuant to S.B. 08–155, OIT required an adequate support staff to facilitate effective implementation of the legislation and central management of the enterprise including oversight, control and management associated with procurement, accounting, budgeting, project management, human resources and other necessary oversight and back-office functions. This Statewide IT management function directly supports the State CIO and State agencies, and is supported through allocated billings to State agencies. The appropriation for this line item includes both personal services and operating expenses.

Request: The Office of the Governor requests an appropriation of \$5,348,494 reappropriated funds and 68.9 FTE for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$5,319,745 total funds (including \$57,499 General Fund) and 68.9 FTE for FY 2013-14. The staff recommendation for this line item is summarized in the following table.

Office of Information Technology, Management and Administration of OIT, Statewide IT Management				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2012-13 Appropriation:				
HB 13-1335 (Long Bill)	\$5,183,306	\$0	\$5,183,306	68.9
Other Legislation	<u>78,940</u>	<u>0</u>	<u>78,940</u>	<u>0.0</u>
TOTAL	\$5,262,246	\$0	\$5,262,246	68.9
FY 2013-14 Recommended Appropriation:				
FY 2012-13 Appropriation	\$5,262,246	0	\$5,262,246	68.9
R-7: OIT operating transfer	<u>57,499</u>	<u>57,499</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,319,745	\$57,499	\$5,262,246	68.9
Increase/(Decrease)	\$57,499	\$57,499	\$0	0.0
Percentage Change	1.1%	0.0%	0.0%	0.0%
FY 2013-14 Executive Request:				
Request Above/(Below) Recommendation	\$28,749	\$28,749	\$0	0.0

Office of Information Security Operating Expenses (NEW LINE ITEM)

This new line item is requested to contain appropriations for the operating expenses associated with the budget amendment “Enterprise security services.”

Request: The Office requests an appropriation of \$1,075,700 General Fund for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$1,075,700 reappropriated funds for FY 2013-14.

Legal Services

Legal representation for OIT is provided by the Department of Law. This line item pays for those services. The appropriation is based on the blended hourly rate, as set by the Committee every year, and the number of hours a department requires.

Request: The Office a continuation level of funding of \$37,775 reappropriated funds to purchase 489 hours of legal services from the Department of Law for FY 2013-14.

Recommendation: Staff recommends the purchase of 489 hours of legal services from the Department of Law for FY 2013-14. Staff requests permission to adjust the line item after the Committee has determined the hourly rate for legal services.

Indirect Cost Assessment

The appropriation provides funds for the unit’s portion of Statewide indirect cost collections.

Request: The Office of the Governor requests an appropriation of \$72,650 reappropriated funds for FY 2013-14.

Recommendation: Consistent with prior Committee action, staff recommends an appropriation of \$72,650 reappropriated funds. The recommendation consists of moneys from fees charged to State agencies for information technology services provided by OIT.

H.B. 10-1119 Feasibility Study

The bill included an appropriation of \$65,000 federal funds for OIT in FY 2010-11 to fund the provisions of the bill requiring the agency to conduct a feasibility study to determine the cost to build an electronic budgeting system. The funding was one-time in nature, thus no appropriation request was made after FY 2010-11.

(B) COMPUTER CENTER SERVICES

(1) Computer Services

Personal Services

The line item, and the associated appropriations of FTE and personal services funding, support staff and management functions.

Request: The Office of the Governor requests an appropriation \$48,931,773 reappropriated funds and 582.5 FTE for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$48,931,773 reappropriated funds and 582.5 FTE for FY 2013-14. The recommendation consists of moneys from fees charged to State agencies for information technology services provided by OIT. The staff recommendation for this line item is summarized in the following table.

Office of Information Technology, Computer Center Services, Computer Services, Personal Services			
	Total Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:			
HB 13-1335 (Long Bill)	\$43,678,431	\$43,678,431	564.3
Other Legislation	370,254	370,254	0.0
SB 13-088 (Supplemental)	<u>(73,677)</u>	<u>(73,677)</u>	<u>(1.3)</u>
TOTAL	\$43,975,008	\$43,975,008	563.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$43,975,008	\$43,975,008	563.0
BA: OIT staff transfer	(265,656)	(265,656)	(3.8)
NPI BA: Unemployment insurance initiatives*	2,872,000	2,872,000	0.0
NPI: Revenue infrastructure**	2,055,830	2,055,830	22.0
NPI: Behavioral health data system***	480,000	480,000	0.0
NPI: Child care licensing system****	83,620	83,620	0.0
NPI: Adult Protective Services system*****	20,000	20,000	0.0
Annualize prior year legislation	<u>(289,029)</u>	<u>(289,029)</u>	<u>1.3</u>
TOTAL	\$48,931,773	\$48,931,773	582.5
Increase/(Decrease)	\$4,956,765	\$4,956,765	19.5
Percentage Change	11.3%	11.3%	3.5%

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Office of Information Technology, Computer Center Services, Computer Services, Personal Services			
	Total Funds	Reappropriated Funds	FTE
FY 2013-14 Executive Request:	\$48,931,773	\$48,931,773	582.5
Request Above/(Below) Recommendation	\$0	\$0	0.0

* This request was approved during Committee Staff’s figure setting presentation for the Department of Labor and Employment on February 7, 2013.

**This request will be considered during Committee Staff’s figure setting presentation for the Department of Revenue scheduled for Thursday, March 7, 2013.

***This request will be considered during Committee Staff’s figure setting presentation for the Department of Human Services scheduled for Monday, March 11, 2013.

**** This request will be considered during Committee Staff’s figure setting presentation for the Department of Human Services scheduled for Friday, March 8, 2013.

**** This request will be considered during Committee Staff’s figure setting presentation for the Department of Human Services scheduled for Thursday, February 28, 2013.

Operating Expenses

The appropriation supports the operating expenses associated with the Computer Services unit.

Request: The Office requests an appropriation of \$8,241,638 total funds (including \$345,507 General Fund) for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$8,126,468 total funds for FY 2013-14. Staff’s recommendation consists of \$230,337 General Fund, \$2,328 cash funds, and \$7,893,803 reappropriated funds. The staff recommendation for this line item is summarized in the following table.

Office of Information Technology, Computer Center Services, Operating Expenses					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:					
HB 13-1335 (Long Bill)	<u>\$6,254,871</u>	<u>\$0</u>	<u>\$2,328</u>	<u>\$6,252,543</u>	<u>0.0</u>
TOTAL	\$6,254,871	0	\$2,328	\$6,252,543	0.0
FY 2013-14 Recommended Appropriation:					
FY 2012-13 Appropriation	6,254,871	0	\$2,328	\$6,252,543	0.0
R-7: OIT operating transfer	230,337	230,337	0	0	0.0
R-8: OIT enterprise management	437,600	0	0	437,600	0.0
NPI: Revenue infrastructure*	925,660	0	0	925,660	0.0
NPI: Adult Protective Services system**	230,000	0	0	230,000	0.0
NPI: Child care licensing system***	<u>48,000</u>	<u>0</u>	<u>0</u>	<u>48,000</u>	<u>0.0</u>
TOTAL	\$8,126,468	\$230,337	\$2,328	\$7,893,803	0.0

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Office of Information Technology, Computer Center Services, Operating Expenses					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
Increase/(Decrease)	\$1,871,597	\$230,337	\$0	\$1,641,260	0.0
Percentage Change	29.9%	0.0%	0.0%	26.2%	0.0%
FY 2013-14 Executive Request:	\$8,241,638	\$345,507	\$2,328	\$7,893,803	0.0
Request Above/(Below) Recommendation	\$115,170	\$115,170	\$0	\$0	0.0

*This request will be considered during Committee Staff's figure setting presentation for the Department of Revenue scheduled for Thursday, March 7, 2013.

**This request will be considered during Committee Staff's figure setting presentation for the Department of Human Services scheduled for Thursday, February 28, 2013.

***This request will be considered during Committee Staff's figure setting presentation for the Department of Human Services scheduled for Friday, March 8, 2013.

Rental, Lease, or Lease/Purchase of Central Processing Unit

This line item funds the mainframe computer located at 690 Kipling Street in Lakewood.

Request: The Office requests a continuation level of funding of \$336,034 reappropriated funds for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$336,034 reappropriated funds for FY 2013-14. The recommendation consists of moneys from fees charged to State agencies for information technology services provided by OIT.

Indirect Cost Assessment

The appropriation provides funds for the unit's portion of Statewide indirect cost collections.

Request: The Office requests a continuation level of funding of \$151,894 reappropriated funds for FY 2013-14.

Recommendation: Consistent with prior Committee action, staff recommends an appropriation of \$151,894 reappropriated funds for FY 2013-14. The recommendation consists of moneys from fees charged to State agencies for information technology services provided by OIT.

(2) Statewide Information Technology Services Administration

This program coordinates the administrative functions associated with supporting the delivery of services to State agencies, including business analysis, rate setting, and operational strategy.

Personal Services

This line item, and the associated appropriations of FTE and personal services funding, support staff and management functions for this sub-sub division.

Request: The Office requests a continuation level of funding of \$444,303 reappropriated funds and 5.0 FTE for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$444,303 reappropriated funds and 5.0 FTE for FY 2013-14. The recommendation consists of moneys from fees charged to State agencies for information technology services provided by OIT.

Operating Expenses

This line item supports the operating expenses associated with this sub-sub division.

Request: The Office requests a continuation level of funding of \$6,450 reappropriated funds for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$6,450 reappropriated funds for FY 2013-14. The recommendation consists of moneys from fees charged to State agencies for information technology services provided by OIT.

(3) Customer Service

This section functions as an advocate for OIT’s network and computing services customers, and its purpose is to ensure the smooth delivery of information services to the customer in a timely manner. A service center function allows this unit to interface directly with the customer to resolve issues with the State’s network, mainframe operations, application servers at the data center, and other services offered by OIT.

Personal Services

This line item, and the associated appropriations of FTE and personal services funding, support staff and management functions for this sub-sub division.

Request: The Office requests a continuation level of funding of \$840,574 reappropriated funds and 11.0 FTE for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$840,574 reappropriated funds and 11.0 FTE for FY 2013-14. The recommendation consists of moneys from fees charged to State agencies for information technology services provided by OIT.

Operating Expenses

This line item supports the operating expenses associated with this sub-sub division.

Request: The Office requests a continuation level of funding of \$14,625 reappropriated funds for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$14,625 reappropriated funds for FY 2013-14. The recommendation consists of moneys from fees charged to State agencies for information technology services provided by OIT.

(4) Technology Management Unit

The mission of the Technology Management Unit (TMU) is to provide application development and ongoing software support for the State's cross-departmental administrative systems. These applications include the Colorado Financial Reporting System (COFRS), the statewide Financial Data Warehouse (FDW), the statewide timekeeping system (Kronos), and human resource systems including the Applicant Data System (ADS), and the Colorado Payroll and Personnel System (CPPS).

Personal Services

This line item, and the associated appropriations of FTE and personal services funding, support staff and management functions for this sub-sub division.

Request: The Office requests a continuation level of funding of \$2,859,102 reappropriated funds and 32.5 FTE for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of **\$2,859,102 reappropriated funds and 32.5 FTE for FY 2013-14.** The recommendation consists of moneys from fees charged to State agencies for information technology services provided by OIT.

Operating Expenses

This line item supports the operating expenses associated with this sub-sub division.

Request: The Office requests a continuation level of funding of \$364,371 reappropriated funds for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of **\$364,371 reappropriated funds for FY 2013-14.** The recommendation consists of moneys from fees charged to State agencies for information technology services provided by OIT.

(C) NETWORK SERVICES

(1) Network Services

Network Services plans, coordinates, integrates and provides cost effective and efficient telecommunication capabilities to meet the business needs of its customers. Network Services provides a voice and data communication infrastructure, including the Multi-use Network (MNT), frame relay and ATM services. In addition, this work unit provides much of the voice communication needs for State agencies and a long distance contract that is utilized by all departments. The program is funded by user fees from State agencies and non-State agencies associated with billings for MNT and other telecommunications services.

Personal Services

This line item, and the associated appropriations of FTE and personal services funding, support staff and management functions for this sub-sub division.

Request: The Office requests a continuation level of funding of \$7,518,106 reappropriated funds and 32.5 FTE for FY 2013-14.

Request: Staff recommends a continuation level of funding of \$7,518,106 reappropriated funds and 32.5 FTE for FY 2013-14. The recommendation consists of moneys from fees charged to State agencies for information technology services provided by OIT.

Operating Expenses

The appropriation supports the operating expenses associated with the provision of network and telecommunications services, including the Colorado State Network.

Request: The Office requests an appropriation of \$17,647,237 total funds (including \$1,480,616 General Fund) for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$17,618,488 total funds for FY 2013-14. The recommendation consists of \$57,499 General Fund, \$1,200,000 cash funds from non-State agency users of the Colorado State Network and \$16,360,989 reappropriated funds from fees charged to State agencies for information technology services provided by OIT. The staff recommendation for this line item is summarized in the following table.

Office of Information Technology, Network Services, Operating Expenses					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:					
HB 13-1335 (Long Bill)	<u>\$16,166,621</u>	<u>\$0</u>	<u>\$1,200,000</u>	<u>\$14,966,621</u>	<u>0.0</u>
TOTAL	\$16,166,621	\$0	\$1,200,000	\$14,966,621	0.0
FY 2013-14 Recommended Appropriation:					

JBC Staff Figure Setting – FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

Office of Information Technology, Network Services, Operating Expenses					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation	\$16,166,621	0	\$1,200,000	\$14,966,621	0.0
R-7: OIT operating transfer	57,499	57,499	0	0	0.0
BA: CSN funding modification	<u>1,394,368</u>	<u>0</u>	<u>0</u>	<u>1,394,368</u>	<u>0.0</u>
TOTAL	\$17,618,488	\$57,499	\$1,200,000	\$16,360,989	0.0
Increase/(Decrease)	\$1,451,867	\$57,499	\$0	\$1,394,368	0.0
Percentage Change	9.0%	0.0%	0.0%	9.3%	0.0%
FY 2013-14 Executive Request:	\$17,647,237	\$1,480,616	\$1,200,000	\$14,966,621	0.0
Request Above/(Below) Recommendation	\$28,749	\$1,423,117	\$0	(\$1,394,368)	0.0

Toll-free Telephone Access to Members of the General Assembly

This line item funds toll-free access by citizens outside of the Denver metropolitan area to the General Assembly. The line is funded by General Fund dollars transferred from the legislative branch.

Request: The Office requests a continuation level of funding of \$25,000 reappropriated funds for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$25,000 reappropriated funds for FY 2013-14.

Indirect Cost Assessment

The appropriation provides funds for the unit’s portion of Statewide indirect cost collections.

Request: The Office requests a continuation level of funding of \$39,295 reappropriated funds for FY 2013-14.

Recommendation: Consistent with prior Committee action, staff recommends an appropriation of \$39,295 reappropriated funds for FY 2013-14. The recommendation consists of moneys from fees charged to State agencies for information technology services provided by OIT.

(2) Order Billing

Order Billing staff process requests for voice, video, and data services for State and local government entities including, but not limited to providing business functions for service requests ranging from the purchase of State cell phones to the purchase of circuits and routers for State operations and are responsible for the collection of user charges for telecommunication services provided by OIT. In addition, staff provides the accounts payable and receivable

functions for all activities associated with the management of the Telecommunications Revolving Fund.

Personal Services

This line item, and the associated appropriations of FTE and personal services funding, support staff and management functions for this sub-sub division.

Request: The Office requests a continuation level of funding of \$620,946 reappropriated funds and 9.0 FTE for FY 2013-14.

Request: Staff recommends a continuation level of funding of \$620,946 reappropriated funds and 9.0 FTE for FY 2013-14. The recommendation consists of moneys from fees charged to State agencies for information technology services provided by OIT.

Operating Expenses

This line item supports the operating expenses associated with this sub-sub division.

Request: The Office requests a continuation level of funding of \$10,750 reappropriated funds for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$10,750 reappropriated funds for FY 2013-14. The recommendation consists of moneys from fees charged to State agencies for information technology services provided by OIT.

(D) COMMUNICATION SERVICES

Communications Services plans, coordinates, integrates and provides effective and efficient Statewide Public Safety networks for the Departments of Public Safety, Transportation, Corrections, Natural Resources and many other State and local government agencies. The unit also provides engineering and design services to State and local governments using land based, mobile and microwave technologies.

Personal Services

This line item, and the associated appropriations of FTE and personal services funding, support staff and management functions for the state's Digital Trunked Radio System (DTRS).

Request: The Office requests an appropriation of \$3,904,176 total funds and 46.0 FTE for FY 2013-14.

Recommendation: Staff recommends an appropriation of \$3,904,176 total funds and 46.0 FTE for FY 2013-14. The recommendation consists of \$300,000 cash funds from the reserve of the Public Safety Trust Fund and \$3,604,176 reappropriated funds from fees charged to State agencies for information technology services provided by OIT.

Operating Expenses

This line item supports the operating expenses associated with this sub-sub division.

Request: The Office requests a continuation level of funding of \$183,231 total funds for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$183,231 total funds for FY 2013-14. The recommendation consists of \$48,600 cash funds from non-State agency users of the DTRS and \$134,631 reappropriated funds from fees charged to State agencies for use of the DTRS.

Training

The appropriation is for the on-going training of telecommunications staff and to comply with federal safety and occupational hazard regulations.

Request: The Office requests a continuation level of funding of \$22,000 reappropriated funds for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$22,000 reappropriated funds for FY 2013-14.

Utilities

The appropriation supports utilities costs associated with the provision of communications services to state agencies.

Request: The Office requests a continuation level of funding of \$183,768 reappropriated funds for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$183,768 reappropriated funds for FY 2013-14.

Local Systems Development

The appropriation supports preventative maintenance needs for local governments, state agencies, and the federal government associated with legacy radio systems, digital trunked radio, and microwave communication towers. The appropriation has been at a continuation level of \$121,000 (all federal funds) in recent fiscal years with the federal funds received from the National Oceanic and Atmospheric Administration (NOAA).

Request: The Office requests a continuation level of funding of \$121,000 federal funds for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$121,000 federal funds for FY 2013-14.

Indirect Cost Assessment

The appropriation provides funds for the unit's portion of Statewide indirect cost collections.

Request: The Office requests a continuation level of funding of \$67,827 reappropriated funds for FY 2013-14.

Recommendation: Consistent with prior Committee action, staff recommends an appropriation of \$67,827 reappropriated funds for FY 2013-14. The recommendation consists of moneys from fees charged to State agencies for information technology services provided by OIT.

(E) COLORADO BENEFITS MANAGEMENT SYSTEM

The Colorado Benefits Management System (CBMS) line item was added to OIT in FY 2010-11 to provide funding for the personal services, operating, and contract expenses associated with the technical operation of CBMS that is transferred from the Department of Health Care Policy and Financing and the Department of Human Services to OIT as part of the consolidation of Statewide information technology personnel in OIT.

CBMS is a collaborative effort between the Department of Health Care Policy and Financing, Department of Human Services, and OIT to provide a tool to users to perform eligibility determination and benefits calculation across multiple public assistance and welfare programs. CBMS provides services to the following publically funded initiatives:

- Aid To The Blind (AB);
- Aid To The Needy Disabled (AND);
- Adult Protective Services (APS);
- Colorado Works (CO Works);
- Food Assistance (SNAP);
- Old Age Pension (OAP);
- Child Health Plan Plus (CHP+);
- Colorado Indigent Care Program (CICP); and
- Medicaid.

Personal Services

The line item and associated appropriations of funding and FTE support staff and management functions for CBMS. Prior to FY 2011-12, the appropriation for personal services for CBMS was combined into one line item with CBMS operating expenses and contract costs. Beginning in FY 2011-12, the line item was separated from the CBMS operating expenses and contract costs to provide the legislature with greater oversight of the cost components of CBMS.

Request: The Office requests a continuation level of funding of \$4,981,589 reappropriated funds and 58.5 FTE for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$4,981,589 reappropriated funds and 58.5 FTE for FY 2013-14. The recommendation consists of moneys transferred to OIT from the Department of Human Services and the Department of Health Care Policy and Financing.

Operating Expenses – Contract Costs

The line item provides funding for the operating expenses and contract costs associated with the operation of CBMS. Prior to FY 2011-12, the appropriation for operating expenses and contract costs for CBMS was combined into one line item with CBMS personal services costs. Beginning in FY 2011-12, the line item was separated from the CBMS personal services costs to provide the legislature with greater oversight of the cost components of CBMS.

Request: The Office requests a continuation level of funding of \$20,184,009 reappropriated funds for FY 2013-14.

Recommendation: Staff recommends a continuation level of funding of \$20,184,009 reappropriated funds for FY 2013-14. The recommendation consists of moneys transferred to OIT from the Department of Human Services and the Department of Health Care Policy and Financing.

H.B. 12-1339 CBMS Modernization Project

House Bill 12-1339 (Becker/Lambert) appropriated funds for FY 2011-12 and FY 2012-13 to begin a project to modernize CBMS, and implemented a system of oversight for the project. Under statute, OIT is required to monitor the CBMS modernization project and report quarterly to the Committee.

Request: The Office requests an appropriation of \$15,721,587 reappropriated funds for FY 2013-14 for the CBMS modernization project.

Recommendation: Staff recommends a pending appropriation of \$15,721,587 reappropriated funds for FY 2013-14. The recommendation consists of moneys transferred to OIT from the Department of Human Services and the Department of Health Care Policy and Financing. The staff pending recommendation for this line item is summarized in the following table.

H.B. 12-1339 CBMS Modernization Project			
	Total Funds	Reappropriated Funds	FTE
FY 2012-13 Appropriation:			
Other Legislation	\$12,279,762	\$12,279,762	0.0
SB 13-088 (Supplemental)	<u>8,042,678</u>	<u>8,042,678</u>	<u>0.0</u>
TOTAL	\$20,322,440	\$20,322,440	0.0
FY 2013-14 Recommended Appropriation:			
FY 2012-13 Appropriation	\$20,322,440	\$20,322,440	0.0
BA: CBMS modernization continuation	15,721,587	15,721,587	0.0
Annualize prior year legislation	<u>(20,322,440)</u>	<u>(20,322,440)</u>	<u>0.0</u>
TOTAL	\$15,721,587	\$15,721,587	0.0
Increase/(Decrease)	(\$4,600,853)	(\$4,600,853)	0.0
Percentage Change	(22.6%)	(22.6%)	0.0%
FY 2013-14 Executive Request:	\$15,721,587	\$15,721,587	0.0

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H.B. 12-1339 CBMS Modernization Project			
	Total Funds	Reappropriated Funds	FTE
Request Above/(Below) Recommendation	\$0	\$0	0.0

Long Bill Footnotes and Requests for Information

LONG BILL FOOTNOTES

Staff does not recommend the inclusion of any footnotes in the FY 2013-14 Long Bill.

REQUESTS FOR INFORMATION

Staff recommends the inclusion of the following requests for information:

Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Governor, Colorado Energy Office -- The Colorado Energy Office is requested to submit a quarterly report to the Joint Budget Committee on September 3, 2013, December 2, 2013, March 3, 2014, and June 2, 2014. At a minimum, the report shall specify the following information with regard to the programs administered by the Office in FY 2013-14: (1) the amount of moneys expended (or encumbered) in FY 2013-14 from the Clean and Renewable Energy Fund, Innovative Energy Fund, Colorado Low-income Energy Assistance Fund, and Public School Energy Efficiency Fund; (2) the goals and objectives that the moneys in section (1) were intended to achieve; (3) the performance measures used by the Office to monitor the status of moneys outlined in section (1) against said measures; and (4) the status of the performance measures outlined in section (3). Additionally, the Office shall make itself available for quarterly meetings with the Joint Budget Committee on an as needed basis (as determined by the Joint Budget Committee) to respond to inquiries related to the quarterly reports.

Governor - Lieutenant Governor - State Planning and Budgeting, Office of the State Planning and Budgeting -- The Office of State Planning and Budgeting is requested to submit a report to the Joint Budget Committee on October 15, 2013. At a minimum, the report shall specify the following information with regard to the implementation of Lean methodologies in executive branch agencies funded with General Fund moneys in FY 2012-13 and FY 2013-14 in FY 2013-14: (1) the amount of General Fund moneys expended or encumbered by project; (2) the goals and objectives that the moneys in section were intended to achieve; (3) the outcome or current status of the projects in achieving the goals; (4) the level of cost savings and cost avoidances achieved; and (5) anticipated budgetary reductions associated with achieved cost savings.

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Number Pages

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING

John Hickenlooper, Governor

(1) OFFICE OF THE GOVERNOR

As the chief executive of the State of Colorado, the Governor is responsible for the overall operation of the executive branch. This office provides for coordination, direction, and planning of agency operations, as well as maintaining a liaison with local governments and the federal government.

(A) Governor's Office

Administration of Governor's Office and Residence	<u>2,147,420</u>	<u>2,126,636</u>	<u>2,138,027</u>	<u>2,136,132</u>	<u>2,136,132</u>
FTE	32.4	32.4	31.4	31.4	31.4
General Fund	1,589,599	2,108,931	2,118,898	2,117,003	2,117,003
Cash Funds	544,368	0	0	0	0
Reappropriated Funds	13,453	17,705	19,129	19,129	19,129
Discretionary Fund	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>
General Fund	19,500	19,500	19,500	19,500	19,500
Mansion Activity Fund	<u>179,786</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Cash Funds	179,786	200,000	200,000	200,000	200,000
SUBTOTAL - (A) Governor's Office	2,346,706	2,346,136	2,357,527	2,355,632	2,355,632
FTE	32.4	32.4	31.4	31.4	31.4
General Fund	1,609,099	2,128,431	2,138,398	2,136,503	2,136,503
Cash Funds	724,154	200,000	200,000	200,000	200,000
Reappropriated Funds	13,453	17,705	19,129	19,129	19,129

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
(B) Special Purpose					
Health, Life, and Dental	<u>5,114,698</u>	<u>5,568,139</u>	<u>7,104,343</u>	<u>7,753,339</u>	<u>7,787,102</u> *P
General Fund	730,835	376,769	503,387	422,033	417,135
Cash Funds	0	0	199,518	318,016	312,056
Reappropriated Funds	4,383,863	5,191,370	6,078,274	6,617,082	6,666,891
Federal Funds	0	0	323,164	396,208	391,020
Short-term Disability	<u>104,889</u>	<u>109,643</u>	<u>118,457</u>	<u>144,147</u>	<u>144,968</u> *P
General Fund	5,473	7,816	9,988	7,679	7,694
Cash Funds	0	0	3,491	6,091	6,121
Reappropriated Funds	99,416	101,827	99,896	123,752	124,496
Federal Funds	0	0	5,082	6,625	6,657
S.B. 04-257 Amortization Equalization					
Disbursement	<u>1,618,186</u>	<u>1,041,894</u>	<u>2,382,327</u>	<u>2,759,298</u>	<u>2,771,161</u> *P
General Fund	83,561	123,638	250,590	146,642	145,583
Cash Funds	0	0	80,673	116,156	116,720
Reappropriated Funds	1,534,625	918,256	1,959,187	2,370,130	2,381,875
Federal Funds	0	0	91,877	126,370	126,983
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>1,182,942</u>	<u>1,421,752</u>	<u>2,046,460</u>	<u>2,491,033</u>	<u>2,501,279</u> *P
General Fund	60,317	99,352	397,745	132,385	130,964
Cash Funds	0	0	69,331	104,863	105,372
Reappropriated Funds	1,122,625	1,322,400	1,500,427	2,139,701	2,150,305
Federal Funds	0	0	78,957	114,084	114,638

*This line item contains a decision item.

P = This line item is pending future Committee action.

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Shift Differential	<u>75,022</u>	<u>107,879</u>	<u>75,981</u>	<u>72,915</u>	<u>81,671</u>
Reappropriated Funds	75,022	107,879	75,981	72,915	81,671
Salary Survey	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,283,586</u>	<u>1,680,659</u>
General Fund	0	0	0	66,127	80,822
Cash Funds	0	0	0	52,454	69,937
Reappropriated Funds	0	0	0	1,107,941	1,453,818
Federal Funds	0	0	0	57,064	76,082
Merit Pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,241,443</u>	<u>1,235,501</u>
General Fund	0	0	0	71,319	65,376
Cash Funds	0	0	0	51,593	51,594
Reappropriated Funds	0	0	0	1,061,720	1,061,720
Federal Funds	0	0	0	56,811	56,811
Workers' Compensation	<u>142,719</u>	<u>238,235</u>	<u>372,433</u>	<u>441,923</u>	<u>441,923</u> P
General Fund	17,380	29,065	163,263	53,915	53,915
Reappropriated Funds	125,339	209,170	209,170	388,008	388,008
Legal Services	<u>958,783</u>	<u>611,852</u>	<u>390,190</u>	<u>390,190</u>	<u>390,190</u> P
General Fund	921,703	573,589	390,190	390,190	390,190
Reappropriated Funds	37,080	38,263	0	0	0
Lobato Litigation Expenses	<u>417,573</u>	<u>242,037</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
General Fund	417,573	242,037	50,000	50,000	50,000
Purchase of Services from Computer Center	<u>234,346</u>	<u>0</u>	<u>2,070,805</u>	<u>940,327</u>	<u>940,327</u> P
General Fund	234,346	0	2,070,805	205,612	205,612
Reappropriated Funds	0	0	0	734,715	734,715

P = This line item is pending future Committee action.

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Multiuse Network Payments	<u>51,951</u>	<u>44,999</u>	<u>162,880</u>	<u>285,107</u>	<u>285,107</u> P
General Fund	24,665	35,099	162,880	52,957	52,957
Reappropriated Funds	27,286	9,900	0	232,150	232,150
Management and Administration of OIT	<u>83,470</u>	<u>84,524</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	70,400	71,195	0	0	0
Cash Funds	3,617	3,704	0	0	0
Reappropriated Funds	4,258	4,306	0	0	0
Federal Funds	5,195	5,319	0	0	0
COFRS Modernization	<u>0</u>	<u>0</u>	<u>69,883</u>	<u>69,883</u>	<u>69,883</u> P
General Fund	0	0	22,407	22,407	22,407
Cash Funds	0	0	23,019	23,019	23,019
Federal Funds	0	0	24,457	24,457	24,457
Payment to Risk Management and Property Funds	<u>85,800</u>	<u>116,359</u>	<u>189,825</u>	<u>215,241</u>	<u>215,241</u> P
General Fund	25,433	34,908	91,498	64,573	64,573
Reappropriated Funds	60,367	81,451	98,327	150,668	150,668
Vehicle Lease Payments	<u>104,363</u>	<u>98,494</u>	<u>91,010</u>	<u>88,313</u>	<u>88,313</u> P
General Fund	0	0	0	0	0
Reappropriated Funds	104,363	98,494	91,010	88,313	88,313
Leased Space	<u>923,660</u>	<u>1,290,813</u>	<u>2,371,521</u>	<u>3,148,018</u>	<u>3,148,018</u>
Reappropriated Funds	923,660	1,290,813	2,371,521	3,148,018	3,148,018
Capitol Complex Leased Space	<u>461,386</u>	<u>462,762</u>	<u>457,377</u>	<u>583,519</u>	<u>583,519</u> P
General Fund	262,014	266,406	258,997	345,163	345,163
Reappropriated Funds	199,372	196,356	198,380	238,356	238,356

P = This line item is pending future Committee action.

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
SUBTOTAL - (B) Special Purpose	11,559,788	11,439,382	17,953,492	21,958,282	22,414,862
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	2,853,700	1,859,874	4,371,750	2,031,002	2,032,391
Cash Funds	3,617	3,704	376,032	672,192	684,819
Reappropriated Funds	8,697,276	9,570,485	12,682,173	18,473,469	18,901,004
Federal Funds	5,195	5,319	523,537	781,619	796,648

(C) Governor's Energy Office

Program Administration	<u>84,524</u>	<u>1,206,811</u>	<u>4,730,336</u>	<u>6,346,624</u>	<u>6,346,624</u>
FTE	26.0	31.0	32.3	32.3	32.3
General Fund	0	0	0	0	0
Cash Funds	0	1,206,811	2,105,336	2,846,624	2,846,624
Federal Funds	84,524	0	2,625,000	3,500,000	3,500,000
Low-Income Energy Assistance	<u>0</u>	<u>0</u>	<u>5,325,000</u>	<u>7,100,000</u>	<u>7,100,000</u>
Cash Funds	0	0	5,325,000	7,100,000	7,100,000
Clean Energy	<u>3,215,323</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	5.0	0.0	0.0	0.0	0.0
Cash Funds	3,215,323	0	0	0	0
School Energy Efficiency	<u>268,870</u>	<u>42,623</u>	<u>155,981</u>	<u>207,975</u>	<u>207,975</u>
FTE	2.0	2.0	1.4	1.4	1.4
Cash Funds	268,870	42,623	155,981	207,975	207,975
Legal Services	<u>0</u>	<u>0</u>	<u>63,732</u>	<u>84,976</u>	<u>84,976</u> P
Cash Funds	0	0	50,406	67,208	67,208
Federal Funds	0	0	13,326	17,768	17,768

P = This line item is pending future Committee action.

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>5,613</u>	<u>155,618</u>	<u>29,890</u>
Cash Funds	0	0	5,613	155,618	29,890
SUBTOTAL - (C) Governor's Energy Office	3,568,717	1,249,434	10,280,662	13,895,193	13,769,465
<i>FTE</i>	<u>33.0</u>	<u>33.0</u>	<u>33.7</u>	<u>33.7</u>	<u>33.7</u>
General Fund	0	0	0	0	0
Cash Funds	3,484,193	1,249,434	7,642,336	10,377,425	10,251,697
Federal Funds	84,524	0	2,638,326	3,517,768	3,517,768
(D) Other Programs and Grants					
Program Administration	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	1,000	1,000	1,000
SUBTOTAL - (D) Other Programs and Grants	0	0	1,000	1,000	1,000
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	0	0	1,000	1,000	1,000
TOTAL - (1) Office of the Governor	17,475,211	15,034,952	30,592,681	38,210,107	38,540,959
<i>FTE</i>	<u>65.4</u>	<u>65.4</u>	<u>65.1</u>	<u>65.1</u>	<u>65.1</u>
General Fund	4,462,799	3,988,305	6,510,148	4,167,505	4,168,894
Cash Funds	4,211,964	1,453,138	8,219,368	11,250,617	11,137,516
Reappropriated Funds	8,710,729	9,588,190	12,701,302	18,492,598	18,920,133
Federal Funds	89,719	5,319	3,161,863	4,299,387	4,314,416

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(2) OFFICE OF THE LIEUTENANT GOVERNOR

Colorado's Constitution provides for the Lieutenant Governor to become Governor in the case of the death, impeachment, felony conviction, incapacitation, or resignation of the Governor. The Lieutenant Governor serves as chairperson of the Colorado Commission of Indian Affairs, and handles additional responsibilities assigned by the Governor.

Administration	<u>262,025</u>	<u>215,119</u>	<u>221,233</u>	<u>221,233</u>	<u>221,233</u>
FTE	3.7	2.7	2.7	2.7	2.7
General Fund	217,458	215,119	221,233	221,233	221,233
Reappropriated Funds	0	0	0	0	0
Federal Funds	44,567	0	0	0	0
Discretionary Fund	<u>2,875</u>	<u>2,875</u>	<u>2,875</u>	<u>2,875</u>	<u>2,875</u>
General Fund	2,875	2,875	2,875	2,875	2,875
Commission of Indian Affairs	<u>73,383</u>	<u>74,855</u>	<u>78,086</u>	<u>78,086</u>	<u>78,086</u>
FTE	2.3	2.3	2.3	2.3	2.3
General Fund	73,383	74,855	76,902	76,902	76,902
Cash Funds	0	0	1,184	1,184	1,184

TOTAL - (2) Office of the Lieutenant Governor	338,283	292,849	302,194	302,194	302,194
FTE	<u>6.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
General Fund	293,716	292,849	301,010	301,010	301,010
Cash Funds	0	0	1,184	1,184	1,184
Reappropriated Funds	0	0	0	0	0
Federal Funds	44,567	0	0	0	0

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(3) OFFICE OF STATE PLANNING AND BUDGETING

The Office of State Planning and Budgeting is responsible for the development of executive budget requests, the review and analysis of departmental expenditures, and preparation of revenue and economic forecasts for the state.

Personal Services	<u>1,339,732</u>	<u>1,366,313</u>	<u>1,942,895</u>	<u>2,679,843</u>	<u>2,369,625</u> *
FTE	19.5	13.2	19.5	19.5	19.5
General Fund	0	0	538,920	1,275,868	965,650
Cash Funds	88,615	0	0	0	0
Reappropriated Funds	1,251,117	1,366,313	1,403,975	1,403,975	1,403,975
Operating Expenses	<u>75,570</u>	<u>35,184</u>	<u>50,944</u>	<u>50,944</u>	<u>50,944</u>
General Fund	25,000	0	0	0	0
Reappropriated Funds	50,570	35,184	50,944	50,944	50,944
Economic Forecasting Subscriptions	<u>6,153</u>	<u>9,233</u>	<u>16,362</u>	<u>16,362</u>	<u>16,362</u>
Reappropriated Funds	6,153	9,233	16,362	16,362	16,362

TOTAL - (3) Office of State Planning and Budgeting	1,421,455	1,410,730	2,010,201	2,747,149	2,436,931
FTE	<u>19.5</u>	<u>13.2</u>	<u>19.5</u>	<u>19.5</u>	<u>19.5</u>
General Fund	25,000	0	538,920	1,275,868	965,650
Cash Funds	88,615	0	0	0	0
Reappropriated Funds	1,307,840	1,410,730	1,471,281	1,471,281	1,471,281

*This line item contains a decision item.

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(4) ECONOMIC DEVELOPMENT PROGRAMS

The Office of Economic Development is the central coordination office for the state's business assistance, retention, expansion, and recruitment programs. The Division includes the Economic Development Commission, the Global Business Development Office, Small Business Development Centers, Colorado Welcome Centers, Colorado Tourism Office, Creative Industries Council, and the Colorado Office of Film, Television, and Media. The Division also coordinates programs related to Bioscience Discovery Evaluation.

Administration	<u>591,920</u>	<u>570,267</u>	<u>597,994</u>	<u>597,994</u>	<u>597,994</u>
FTE	5.5	5.0	6.0	6.0	6.0
General Fund	546,091	537,742	585,925	585,925	585,925
Cash Funds	0	0	2,435	2,435	2,435
Reappropriated Funds	45,829	32,525	7,484	7,484	7,484
Federal Funds	0	0	2,150	2,150	2,150
Vehicle Lease Payments	<u>15,161</u>	<u>14,286</u>	<u>15,161</u>	<u>15,161</u>	<u>15,161</u> "R
General Fund	15,161	14,286	15,161	15,161	15,161
Leased Space	<u>231,540</u>	<u>231,540</u>	<u>231,540</u>	<u>360,862</u>	<u>360,862</u> *
General Fund	231,540	231,540	231,540	360,862	360,862
Global Business Development	<u>1,484,521</u>	<u>1,526,203</u>	<u>2,065,853</u>	<u>2,669,085</u>	<u>2,199,353</u> *
FTE	15.7	14.7	17.6	21.2	17.6
General Fund	1,465,071	1,443,848	1,467,716	2,070,948	1,601,216
Cash Funds	19,450	41,023	240,000	240,000	240,000
Federal Funds	0	41,332	358,137	358,137	358,137
Leading Edge Program Grants	<u>50,976</u>	<u>50,976</u>	<u>126,407</u>	<u>126,407</u>	<u>126,407</u>
General Fund	50,976	50,976	50,976	50,976	50,976
Cash Funds	0	0	75,431	75,431	75,431

*This line item contains a decision item.

P = This line item is pending future Committee action.

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Small Business Development Centers	<u>1,807,215</u>	<u>1,807,266</u>	<u>1,295,168</u>	<u>1,295,168</u>	<u>1,295,168</u>
FTE	3.5	3.5	4.0	4.0	4.0
General Fund	84,248	83,494	84,522	84,522	84,522
Federal Funds	1,722,967	1,723,772	1,210,646	1,210,646	1,210,646
Colorado Office of Film, Television, and Media	<u>401,615</u>	<u>521,261</u>	<u>3,220,988</u>	<u>1,300,000</u>	<u>1,300,000</u> *
FTE	2.7	2.7	4.5	4.5	4.5
General Fund	0	0	0	1,000,000	800,000
Cash Funds	401,615	521,261	3,220,988	300,000	500,000
Colorado Promotion - Colorado Welcome Centers	<u>488,925</u>	<u>500,292</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
FTE	3.3	3.3	3.3	3.3	3.3
Cash Funds	488,925	500,292	500,000	500,000	500,000
Colorado Promotion - Other Program Costs	<u>14,897,080</u>	<u>12,345,269</u>	<u>14,249,424</u>	<u>18,400,000</u>	<u>16,000,000</u> *
FTE	4.0	4.0	4.0	4.0	4.0
General Fund	0	0	3,700,000	5,700,000	1,500,000
Cash Funds	14,897,080	12,345,269	10,549,424	12,700,000	14,500,000
Economic Development Commission - General					
Economic Incentives and Marketing	<u>1,269,408</u>	<u>1,010,994</u>	<u>6,092,280</u>	<u>5,078,516</u>	<u>5,007,795</u> *
FTE	2.6	0.0	4.0	4.9	4.0
General Fund	850,726	967,876	2,013,764	5,000,000	4,929,279
Cash Funds	418,682	43,118	4,078,516	78,516	78,516
Colorado First Customized Job Training	<u>2,725,022</u>	<u>2,725,022</u>	<u>2,725,022</u>	<u>2,725,022</u>	<u>2,725,022</u>
General Fund	2,725,022	2,725,022	2,725,022	2,725,022	2,725,022

*This line item contains a decision item.

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
CAPCO Administration	<u>98,867</u>	<u>72,358</u>	<u>80,281</u>	<u>80,281</u>	<u>80,281</u>
FTE	1.6	1.6	2.0	2.0	2.0
Reappropriated Funds	98,867	72,358	80,281	80,281	80,281
Council on Creative Industries	<u>1,910,360</u>	<u>745,100</u>	<u>1,948,350</u>	<u>2,164,397</u>	<u>2,764,397</u>
FTE	3.0	1.6	3.0	3.0	3.0
General Fund	0	0	300,000	300,000	0
Cash Funds	1,910,360	0	883,953	1,100,000	2,000,000
Federal Funds	0	745,100	764,397	764,397	764,397
New Jobs Incentives	<u>1,440,724</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	1,440,724	0	0	0	0
Bioscience Discovery Evaluation	<u>5,770,944</u>	<u>4,406,476</u>	<u>3,977,793</u>	<u>9,900,000</u>	<u>7,963,016</u>
FTE	0.0	0.6	0.6	1.1	1.1
Cash Funds	5,770,944	4,406,476	3,977,793	9,900,000	7,963,016
Indirect Cost Assessment	<u>22,030</u>	<u>38,322</u>	<u>7,484</u>	<u>30,852</u>	<u>30,713</u>
Cash Funds	22,030	38,322	7,484	30,852	29,900
Reappropriated Funds	0	0	0	0	813
TOTAL - (4) Economic Development Programs	33,206,308	26,565,632	37,133,745	45,243,745	40,966,169
FTE	<u>41.9</u>	<u>37.0</u>	<u>49.0</u>	<u>54.0</u>	<u>49.5</u>
General Fund	5,968,835	6,054,784	11,174,626	17,893,416	12,652,963
Cash Funds	25,369,810	17,895,761	23,536,024	24,927,234	25,889,298
Reappropriated Funds	144,696	104,883	87,765	87,765	88,578
Federal Funds	1,722,967	2,510,204	2,335,330	2,335,330	2,335,330

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
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(5) OFFICE OF INFORMATION TECHNOLOGY

The Governor's Office of Information Technology (OIT) oversees executive agency technology initiatives and recommends strategies to maximize service delivery efficiency in a cost-effective manner through the application of enterprise technology solutions.

(A) Management and Administration of OIT

Personal Services	<u>1,085,071</u>	<u>980,748</u>	<u>1,127,581</u>	<u>1,127,581</u>	<u>1,127,581</u>
FTE	10.1	11.5	13.0	13.0	13.0
Reappropriated Funds	1,085,071	980,748	1,127,581	1,127,581	1,127,581
Operating Expenses	<u>148,093</u>	<u>150,268</u>	<u>558,817</u>	<u>558,817</u>	<u>558,817</u>
Reappropriated Funds	148,093	150,268	558,817	558,817	558,817
Statewide IT Management	<u>4,932,822</u>	<u>4,798,710</u>	<u>5,262,246</u>	<u>5,348,494</u>	<u>5,319,745</u>
FTE	56.8	68.5	68.9	68.9	68.9
General Fund	0	0	0	86,248	57,499
Reappropriated Funds	4,932,822	4,798,710	5,262,246	5,262,246	5,262,246
Office of Information Security Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,075,700</u>	<u>1,075,700</u>
General Fund	0	0	0	1,075,700	0
Reappropriated Funds	0	0	0	0	1,075,700
Legal Services	<u>1,908</u>	<u>1,968</u>	<u>37,775</u>	<u>37,775</u>	<u>37,775</u> ^{"R}
Reappropriated Funds	1,908	1,968	37,775	37,775	37,775
Indirect Cost Assessment	<u>34,041</u>	<u>9,383</u>	<u>80,935</u>	<u>72,650</u>	<u>72,650</u>
Reappropriated Funds	34,041	9,383	80,935	72,650	72,650
H.B. 10-1119 Feasibility Study	<u>48,563</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Federal Funds	48,563	0	0	0	0

P = This line item is pending future Committee action.

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
SUBTOTAL - (A) Management and Administration of OIT	6,250,498	5,941,077	7,067,354	8,221,017	8,192,268
<i>FTE</i>	<u>66.9</u>	<u>80.0</u>	<u>81.9</u>	<u>81.9</u>	<u>81.9</u>
General Fund	0	0	0	1,161,948	57,499
Reappropriated Funds	6,201,935	5,941,077	7,067,354	7,059,069	8,134,769
Federal Funds	48,563	0	0	0	0

(B) Computer Center Services

(I) Computer Services

Personal Services	<u>41,977,905</u>	<u>42,252,462</u>	<u>43,975,008</u>	<u>48,931,773</u>	<u>48,931,773</u> *
FTE	543.7	515.1	563.0	582.5	582.5
Reappropriated Funds	41,977,905	42,252,462	43,975,008	48,931,773	48,931,773
Operating Expenses	<u>5,456,156</u>	<u>6,044,629</u>	<u>6,254,871</u>	<u>8,241,638</u>	<u>8,126,468</u> *R
General Fund	0	0	0	345,507	230,337
Cash Funds	2,328	2,328	2,328	2,328	2,328
Reappropriated Funds	5,453,828	6,042,301	6,252,543	7,893,803	7,893,803
Rental, Lease, or Lease/Purchase of Central Processing Unit	<u>336,035</u>	<u>336,034</u>	<u>336,034</u>	<u>336,034</u>	<u>336,034</u>
Reappropriated Funds	336,035	336,034	336,034	336,034	336,034
Indirect Cost Assessment	<u>986,044</u>	<u>831,698</u>	<u>165,321</u>	<u>151,894</u>	<u>151,894</u>
Reappropriated Funds	986,044	831,698	165,321	151,894	151,894

*This line item contains a decision item.

P = This line item is pending future Committee action.

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
SUBTOTAL - (I) Computer Services	48,756,140	49,464,823	50,731,234	57,661,339	57,546,169
<i>FTE</i>	<u>543.7</u>	<u>515.1</u>	<u>563.0</u>	<u>582.5</u>	<u>582.5</u>
General Fund	0	0	0	345,507	230,337
Cash Funds	2,328	2,328	2,328	2,328	2,328
Reappropriated Funds	48,753,812	49,462,495	50,728,906	57,313,504	57,313,504
(II) Statewide Information Technology Services Administration					
Personal Services	<u>430,963</u>	<u>434,227</u>	<u>444,303</u>	<u>444,303</u>	<u>444,303</u>
<i>FTE</i>	6.7	6.9	5.0	5.0	5.0
Reappropriated Funds	430,963	434,227	444,303	444,303	444,303
Operating Expenses	<u>3,491</u>	<u>1,762</u>	<u>6,450</u>	<u>6,450</u>	<u>6,450</u>
Reappropriated Funds	3,491	1,762	6,450	6,450	6,450
SUBTOTAL - (II) Statewide Information Technology Services Administration	434,454	435,989	450,753	450,753	450,753
<i>FTE</i>	<u>6.7</u>	<u>6.9</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Reappropriated Funds	434,454	435,989	450,753	450,753	450,753
(III) Customer Service					
Personal Services	<u>808,442</u>	<u>809,610</u>	<u>840,574</u>	<u>840,574</u>	<u>840,574</u>
<i>FTE</i>	12.6	12.8	11.0	11.0	11.0
Reappropriated Funds	808,442	809,610	840,574	840,574	840,574
Operating Expenses	<u>13,398</u>	<u>6,831</u>	<u>14,625</u>	<u>14,625</u>	<u>14,625</u>
Reappropriated Funds	13,398	6,831	14,625	14,625	14,625
SUBTOTAL - (III) Customer Service	821,840	816,441	855,199	855,199	855,199
<i>FTE</i>	<u>12.6</u>	<u>12.8</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>
Reappropriated Funds	821,840	816,441	855,199	855,199	855,199

JBC Staff Staff Figure Setting - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
(IV) Technology Management Unit					
Personal Services	<u>2,738,332</u>	<u>2,695,098</u>	<u>2,859,102</u>	<u>2,859,102</u>	<u>2,859,102</u>
FTE	30.3	32.7	32.5	32.5	32.5
Reappropriated Funds	2,738,332	2,695,098	2,859,102	2,859,102	2,859,102
Operating Expenses	<u>364,373</u>	<u>362,716</u>	<u>364,371</u>	<u>364,371</u>	<u>364,371</u>
Reappropriated Funds	364,373	362,716	364,371	364,371	364,371
SUBTOTAL - (IV) Technology Management Unit					
	3,102,705	3,057,814	3,223,473	3,223,473	3,223,473
FTE	<u>30.3</u>	<u>32.7</u>	<u>32.5</u>	<u>32.5</u>	<u>32.5</u>
Reappropriated Funds	3,102,705	3,057,814	3,223,473	3,223,473	3,223,473
SUBTOTAL - (B) Computer Center Services					
	53,115,139	53,775,067	55,260,659	62,190,764	62,075,594
FTE	<u>593.3</u>	<u>567.5</u>	<u>611.5</u>	<u>631.0</u>	<u>631.0</u>
General Fund	0	0	0	345,507	230,337
Cash Funds	2,328	2,328	2,328	2,328	2,328
Reappropriated Funds	53,112,811	53,772,739	55,258,331	61,842,929	61,842,929
(C) Network Services					
(I) Network Services					
Personal Services	<u>7,238,081</u>	<u>7,218,569</u>	<u>7,518,106</u>	<u>7,518,106</u>	<u>7,518,106</u>
FTE	92.6	77.6	90.6	90.6	90.6
Reappropriated Funds	7,238,081	7,218,569	7,518,106	7,518,106	7,518,106

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
Operating Expenses	<u>17,014,513</u>	<u>17,450,504</u>	<u>16,166,621</u>	<u>17,647,237</u>	<u>17,618,488</u> *
General Fund	0	0	0	1,480,616	57,499
Cash Funds	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Reappropriated Funds	15,814,513	16,250,504	14,966,621	14,966,621	16,360,989
Toll-free Telephone Access to Members of the General Assembly	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Reappropriated Funds	25,000	25,000	25,000	25,000	25,000
Indirect Cost Assessment	<u>166,355</u>	<u>202,655</u>	<u>15,637</u>	<u>39,295</u>	<u>39,295</u>
Reappropriated Funds	166,355	202,655	15,637	39,295	39,295
SUBTOTAL - (I) Network Services	24,443,949	24,896,728	23,725,364	25,229,638	25,200,889
<i>FTE</i>	<u>92.6</u>	<u>77.6</u>	<u>90.6</u>	<u>90.6</u>	<u>90.6</u>
General Fund	0	0	0	1,480,616	57,499
Cash Funds	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Reappropriated Funds	23,243,949	23,696,728	22,525,364	22,549,022	23,943,390
(II) Order Billing					
Personal Services	<u>606,157</u>	<u>594,044</u>	<u>620,946</u>	<u>620,946</u>	<u>620,946</u>
FTE	8.4	7.9	9.0	9.0	9.0
Reappropriated Funds	606,157	594,044	620,946	620,946	620,946
Operating Expenses	<u>3,871</u>	<u>10,713</u>	<u>10,750</u>	<u>10,750</u>	<u>10,750</u>
Reappropriated Funds	3,871	10,713	10,750	10,750	10,750
SUBTOTAL - (II) Order Billing	610,028	604,757	631,696	631,696	631,696
<i>FTE</i>	<u>8.4</u>	<u>7.9</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>
Reappropriated Funds	610,028	604,757	631,696	631,696	631,696

*This line item contains a decision item.

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
SUBTOTAL - (C) Network Services	25,053,977	25,501,485	24,357,060	25,861,334	25,832,585
<i>FTE</i>	<u>101.0</u>	<u>85.5</u>	<u>99.6</u>	<u>99.6</u>	<u>99.6</u>
General Fund	0	0	0	1,480,616	57,499
Cash Funds	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Reappropriated Funds	23,853,977	24,301,485	23,157,060	23,180,718	24,575,086

(D) Communication Services

Personal Services	<u>3,589,565</u>	<u>3,608,382</u>	<u>3,604,176</u>	<u>3,904,176</u>	<u>3,904,176</u> *
FTE	41.4	40.5	46.0	46.0	46.0
Cash Funds	721,134	0	0	300,000	300,000
Reappropriated Funds	2,868,431	3,608,382	3,604,176	3,604,176	3,604,176
Operating Expenses	<u>134,631</u>	<u>182,569</u>	<u>183,231</u>	<u>183,231</u>	<u>183,231</u>
Cash Funds	0	48,600	48,600	48,600	48,600
Reappropriated Funds	134,631	133,969	134,631	134,631	134,631
Training	<u>17,910</u>	<u>21,853</u>	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>
Reappropriated Funds	17,910	21,853	22,000	22,000	22,000
Utilities	<u>165,003</u>	<u>164,934</u>	<u>183,768</u>	<u>183,768</u>	<u>183,768</u>
Reappropriated Funds	165,003	164,934	183,768	183,768	183,768
Local Systems Development	<u>206,643</u>	<u>212,840</u>	<u>121,000</u>	<u>121,000</u>	<u>121,000</u>
Federal Funds	206,643	212,840	121,000	121,000	121,000
Indirect Cost Assessment	<u>369,791</u>	<u>542,208</u>	<u>52,596</u>	<u>67,827</u>	<u>67,827</u>
Reappropriated Funds	369,791	542,208	52,596	67,827	67,827

*This line item contains a decision item.

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
SUBTOTAL - (D) Communication Services	4,483,543	4,732,786	4,166,771	4,482,002	4,482,002
<i>FTE</i>	<u>41.4</u>	<u>40.5</u>	<u>46.0</u>	<u>46.0</u>	<u>46.0</u>
Cash Funds	721,134	48,600	48,600	348,600	348,600
Reappropriated Funds	3,555,766	4,471,346	3,997,171	4,012,402	4,012,402
Federal Funds	206,643	212,840	121,000	121,000	121,000

(E) Colorado Benefits Management System

Colorado Benefits Management System	<u>25,482,457</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	53.2	0.0	0.0	0.0	0.0
Reappropriated Funds	25,482,457	0	0	0	0
Personal Services	<u>0</u>	<u>4,073,701</u>	<u>4,981,589</u>	<u>4,981,589</u>	<u>4,981,589</u>
FTE	0.0	47.7	58.5	58.5	58.5
Reappropriated Funds	0	4,073,701	4,981,589	4,981,589	4,981,589
Operating Expenses - Contract Costs	<u>0</u>	<u>20,473,684</u>	<u>20,184,009</u>	<u>20,184,009</u>	<u>20,184,009</u>
Reappropriated Funds	0	20,473,684	20,184,009	20,184,009	20,184,009
H.B. 12-1339 CBMS Modernization Project	<u>0</u>	<u>733,392</u>	<u>20,322,440</u>	<u>15,721,587</u>	<u>15,721,587</u> *
Reappropriated Funds	0	733,392	20,322,440	15,721,587	15,721,587

SUBTOTAL - (E) Colorado Benefits Management System	25,482,457	25,280,777	45,488,038	40,887,185	40,887,185
<i>FTE</i>	<u>53.2</u>	<u>47.7</u>	<u>58.5</u>	<u>58.5</u>	<u>58.5</u>
Reappropriated Funds	25,482,457	25,280,777	45,488,038	40,887,185	40,887,185

*This line item contains a decision item.

JBC Staff Staff Figure Setting - FY 2013-14
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	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Recommendation
TOTAL - Office of Information Technology	114,662,179	115,231,192	136,339,882	141,642,302	141,469,634
<i>FTE</i>	<u>858.2</u>	<u>821.2</u>	<u>897.5</u>	<u>917.0</u>	<u>917.0</u>
General Fund	0	0	0	2,988,071	345,335
Cash Funds	1,923,462	1,250,928	1,250,928	1,550,928	1,550,928
Reappropriated Funds	112,483,511	113,767,424	134,967,954	136,982,303	139,452,371
Federal Funds	255,206	212,840	121,000	121,000	121,000
TOTAL - Governor - Lieutenant Governor - State Planning and Budgeting	167,103,436	158,535,355	206,378,703	228,145,497	223,715,887
<i>FTE</i>	<u>991.0</u>	<u>941.8</u>	<u>1,036.1</u>	<u>1,060.6</u>	<u>1,056.1</u>
General Fund	10,750,350	10,335,938	18,524,704	26,625,870	18,433,852
Cash Funds	31,593,851	20,599,827	33,007,504	37,729,963	38,578,926
Reappropriated Funds	122,646,776	124,871,227	149,228,302	157,033,947	159,932,363
Federal Funds	2,112,459	2,728,363	5,618,193	6,755,717	6,770,746