

**Schedule 13
Change Request for FY 08-09 Budget Request Cycle**

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09

Request Title: Cyber Security Implementation

Department: Office of the Chief Information Security Officer

Dept. Approval by:

Date: 10/29/2007

Priority Number: 1

OSPB Approval:

Date:

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	2,967,988	2,449,560	0	2,449,560	2,449,560	349,343	2,798,903	0	2,798,903	350,000
	FTE	2.0	2.0	0.0	2.0	2.0	0.0	2.0	0.0	2.0	0.0
	GF	0	0	0	0	0	349,343	349,343	0	349,343	350,000
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	2,449,560	0	2,449,560	2,449,560	0	2,449,560	0	2,449,560	0
	FF	2,967,988	0	0	0	0	0	0	0	0	0
Office of the Chief Information Security Officer											
Program Cost	Total	2,967,988	2,449,560	0	2,449,560	2,449,560	349,343	2,798,903	0	2,798,903	350,000
	FTE	2.0	2.0	0.0	2.0	2.0	0.0	2.0	0.0	2.0	0.0
	GF	0	0	0	0	0	349,343	349,343	0	349,343	350,000
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	2,449,560	0	2,449,560	2,449,560	0	2,449,560	0	2,449,560	0
	FF	2,967,988	0	0	0	0	0	0	0	0	0

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: Yes No

Request Affects Other Departments: Yes No

If Yes, List Other Departments Here:

All state agencies excluding Higher Education.

CHANGE REQUEST for FY 2008-09 BUDGET REQUEST CYCLE

Department:	Governor's Office of the Chief Information Security Officer (CISO)
Priority Number:	1
Change Request Title:	Cyber Security Implementation

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Office of the Chief Information Security Officer (CISO) is charged with establishing and maintaining the Colorado Cyber Security Program (CCSP). This program provides guidance at an organizational level for the State Agency IT organizations, requires reviewing Agency Cyber Security planning, incident response, and reviewing and/or revising an Agency's Plan of Action and Milestones for mitigating risk.

This request is for \$349,343 General Funds in FY 2008-09 to acquire and deploy mission critical network perimeter cyber security components, appliances, and software identified through the Plan of Action and Milestones (POAM) developed by agencies as a part of their 2007 cyber security planning. This request annualizes to \$350,000 General Funds in FY 2009-10 for expansion of existing services. The most critical perimeter security risks identified will be mitigated by the CISO deploying centrally managed firewalls, Intrusion Detection Systems (IDS) and gateway antivirus protection from the Information Security Operations Center (ISOC).

These new perimeter security platforms represent the initial deployment of enterprise security controls specially targeted at enhancing selected agency cyber security programs through the deployment of centrally managed services. It is the intent that the investment in these new platforms will establish a common platform to serve other agencies in the future from a shared Information Security Operations Center.

Background and Appropriation History:

The Colorado Information Security Act (CISA) was signed in May 2006. The CISA requires each agency to develop an Agency Cyber Security Plan (ACSP) to protect critical information resources and citizen privacy. Section 404 of that legislation requires each agency to submit that ACSP to the Chief Information Security Officer (CISO) on an annual basis and establish security controls that comply with State Cyber Security policies and mitigates known information security risks. Initial Agency Cyber Security Plans (ACSP) were submitted to the CISO on July 15, 2007. The legislation anticipated the need to provide funding for the cyber security program to implement new controls and security processes.

In accordance with Section 24-37.5-403 C.R.S 2007, the CISO shall:

- Develop and update information security policies, standards and guidelines for public agencies;
- Promulgate rules pursuant to Article 4 of C.R.S. 24-37.5 containing information security policies, standards and guidelines for such agencies on or before December 31, 2006;
- Ensure the incorporation of and compliance with information security policies, standards and guidelines in the development of information security plans developed by public agencies pursuant to 24-37.5-404;
- Direct information security audits and assessments in the public agencies in order to ensure program compliance and adjustments;
- Establish and direct a risk management process to identify information security risks in public agencies and deploy risk mitigation strategies, processes and procedures;

- Approve or disapprove and review annually the information security plans of public agencies;
- Coordinate information security awareness and training programs;
- In coordination and consultation with the office of state planning and budgeting and the State Chief Information Officer, review public agency budget requests related to information security systems and approve such budget requests for state agencies other than the legislative department; and
- Coordinate with the Colorado Commission on Higher Education for the purposes of reviewing and commenting on information security plans adopted by institutions of higher education that are submitted pursuant to Section 24-37.5-404.5(3) C.R.S. 2007.

This budget request optimizes the impact of controls across all enterprise Information Technology (IT) operations within the state. The CISO will work with agencies to design integrated perimeter security platforms for firewall, IDS and antivirus protection. This coordinated and standardized set of processes, standards and platforms will be managed from a single Information Security Operations Center (ISOC). Accordingly, the funding for this request will incrementally serve both the operational needs identified by the agencies in their 2007 security planning as well as optimize efficiencies through enterprise management of IT security operations.

General Description of Request:

The State of Colorado established a Chief Information Security Officer (CISO) for statewide cyber security oversight as part of the Colorado Information Security Act (CISA) of 2006. This request provides the initial resources to the CISO to directly support agencies in the design, selection, deployment and management of cyber security controls required by Cyber Security Rules and Policies published to implement the provisions of the CISA.

The CISO will acquire and deploy perimeter security platforms identified by the agencies as essential protection for sensitive citizen data as well as operation of mission critical systems. The funds requested in this decision item will enable the procurement and deployment of the following perimeter security systems:

- A centrally managed firewall platform that will be deployed at the agency level to protect critical systems.
- A centrally managed Intrusion Detection System (IDS) that extends the current monitoring of the “core” Multi-use Network (MNT) to include monitoring of agency segments hosting sensitive citizen data.
- A centrally managed gateway antivirus and malware protection platform that will dramatically limit the types of malicious programs currently allowed to enter State networks.

Consequences if Not Funded:

The Colorado Information Security Act (CISA) requires that baseline controls be defined by the CISO and deployed by the agencies to protect critical information resources within the state. If resources funded by this request are not approved, mission critical state systems will continue to operate in an insecure manner which could result in exposure of sensitive state and citizen information.

The recently completed Risk Based Gap Analysis (RBGA) identified critical systems which are currently operated with significant cyber security control deficiencies. These known control deficiencies place both the continued operations of systems as well as the protection of citizen data at risk. Some agencies have not developed comprehensive controls that would meet the State Cyber Security Policies or mitigate known risks. The aggregate status of cyber security within the State is not in compliance with the Cyber Security Policies and the state will likely continue to experience attacks on state information resources and result in potential loss of sensitive data and disruption of mission critical services.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$349,343	\$349,343	\$0	\$0	\$0	0.0
Central Firewall Platform	\$116,775	\$116,775	\$0	\$0	\$0	0.0
Central IDS Platform	\$157,734	\$157,734	\$0	\$0	\$0	0.0
Central Antivirus Platform	\$74,834	\$74,834	\$0	\$0	\$0	0.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$350,000	\$350,000	\$0	\$0	\$0	0.0
Expanded Firewall Platform and Maintenance	\$82,150	\$82,150	\$0	\$0	\$0	0.0
Expanded IDS Platform and Maintenance	\$89,775	\$89,775	\$0	\$0	\$0	0.0
Expanded Antivirus Platform and Maintenance	\$42,850	\$42,850	\$0	\$0	\$0	0.0
Expanded Managed Service Platform for Vulnerability Mgmt and Expanded Log Mgmt	\$135,225	\$135,225	\$0	\$0	\$0	0.0

Assumptions for Calculations:

For this funding, it is assumed that agencies will utilize shared perimeter security platforms to accomplish specific control activities required by State Cyber Security Policies. Since these services have not yet been deployed in each agency and the state does not have adequate funding to provide dedicated platforms for each agency to accomplish similar roles, this initial investment in centrally managed platforms will be used to deploy protection for the most critical systems in the State.

FY 2008-09 Request Item Description	Qty	Unit Price	Total Price
Augment the current Enterprise Intrusion Detection System (IDS)			
Acquire and deploy an agency focused central IDS console deployed in the ISOC	1	\$24,750	\$24,750
Acquire and deploy agency level IDS agents to collect events	10	\$3,050	\$30,500
Acquire and deploy a central console to aggregate and analyze bot detection data	1	\$17,775	\$17,775
Acquire and deploy agency level bot detection modules	10	\$1,800	\$18,000
Acquire maintenance contracts to support IDS appliances and obtain signature updates	10	\$1,575	\$15,750
Acquire "off hours" monitoring for agency IDS agents	1	\$10,000	\$10,000
Total			\$116,775
Establish an Enterprise Firewall Management System in the ISOC			
Acquire a central firewall console for the ISOC	1	\$54,775	\$54,775
Acquire and deploy firewall appliances at the agency distribution layer	11	\$6,999	\$76,989
Acquire a maintenance contract for console and appliances	10	\$1,597	\$15,970
Acquire "off hours" monitoring and management	1	\$10,000	\$10,000
Total			\$157,734
Establish Enterprise Antivirus and Malware Protection in the ISOC			
Acquire a central AV - Spyware console for management in the ISOC	1	\$29,834	\$29,834
Acquire and deploy AV - Spyware licenses at the agency level	1500	\$24	\$36,000
Acquire maintenance agreement for 12 months	500	\$18	\$9,000
Total			\$74,834
Request Total			\$349,343

During the FY 09-10 budget period, the CISO will expand and maintain the existing centrally managed enterprise firewall, IDS, and antivirus platforms. The CISO will also expand centrally managed service platforms to include vulnerability management and additional log analysis

Impact on Other Government Agencies:

During the 2007 cyber security planning process, each agency requested either FTE, contract consulting or new security platforms that have not previously been deployed in their agencies. Over \$5 million in network and perimeter security platform acquisitions or upgrades were identified to address the following control gaps:

- Inadequate firewall protection to prohibit unauthorized access to state networks
- Inadequate intrusion monitoring to either identify attacks in progress or perform post-event root cause analysis
- Inadequate antivirus and spyware protection for both users and mission critical systems
- Inadequate network access controls to limit access to sensitive network and security devices
- Inadequate logging of security event or protection of event logs to ensure integrity of the data for subsequent analysis
- Inadequate configuration management and patch management for network devices
- Inadequate vulnerability management to reduce known system risks
- Inadequate data transmission encryption
- Inadequate remote access controls to limit non-console access to critical devices

The CISO will address the highest priority needs stated above with centrally managed services hosted on platforms acquired through this decision item. Significant security platform investments will be required for the other gaps identified in the 2007 security planning but the gaps that are considered most critical will be addressed with these platforms.

Cost Benefit Analysis:

The goal of central delivery of the above services is to optimize skills and processes as well as utilize a shared platform to meet agency requirements more efficiently. As a result, the CISO expects the most critical elements of \$5 million of perimeter security platforms requested by agencies as part of their Plan of Action and Milestones to be initially delivered by the perimeter security platforms requested in this decision item. A phased approach will be leveraged to address other systems with expanded firewall and IDS capabilities in subsequent years. This initial investment in a centrally managed perimeter security platform is planned for expansion to add systems that support centrally delivered services for remote access, network access management, data encryption, vulnerability management and patch management.

Implementation Schedule:

Task	Month/Year
Internal Research/Planning Period	July 2008
Written Agreement w/ Other State Agencies	July 2008
Systems Acquired	July to September 2008
Central Services Deployed	August to October 2008

Statutory and Federal Authority:

Section 24-37.5-403 (2) C.R.S. (2007) - The chief information security officer shall:

- (a) Develop and update information security policies, standards, and guidelines for public agencies;
- (b) Promulgate rules pursuant to article 4 of this title containing information security policies, standards, and guidelines for such agencies on or before December 31, 2006;
- (c) Ensure the incorporation of and compliance with information security policies, standards, and guidelines in the information security plans developed by public agencies pursuant to section 24-37.5-404 C.R.S. 2007;
- (d) Direct information security audits and assessments in public agencies in order to ensure program compliance and adjustments;
- (e) Establish and direct a risk management process to identify information security risks in public agencies and deploy risk mitigation strategies, processes, and procedures;
- (f) Approve or disapprove and review annually the information security plans of public agencies;
- (g) Conduct information security awareness and training programs;
- (h) *In coordination and consultation with the office of state planning and budgeting and the chief technology officer, review public agency budget requests related to information security systems and approve such budget requests for state agencies other than the legislative department.*

Performance Measures:

1. Improve perimeter security controls for state agencies compliance with Colorado Revised Statute (section 24-37.5 part 4 C.R.S. 2007). This includes approved Agency

Cyber Security Plans, completed agency risk assessments, and completed Disaster Recovery (DR) testing.

2. 100% incident response reporting compliance by agencies including follow-up after-action training reports.
3. Decreased vulnerabilities within each agency and state systems as a result of Threat and Vulnerability Assessment testing.
4. Expand agency level participation in Managed Security Services operational monitoring and management through offerings by the Information Security Operations Center (ISOC)

**Schedule 13
Change Request for FY 08-09 Budget Request Cycle**

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09

Request Title: Implement Governor's Office Cyber-Security Recommendations

Department: Governor's Office

Dept. Approval by:

Date: 10/17/07

Priority Number: 2

OSPB Approval:

Date:

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	2,708,661	2,564,671	0	2,564,671	2,564,671	149,880	2,714,551	0	2,714,551	20,730
	FTE	35.0	36.4	0.0	36.4	36.4	0.0	36.4	0.0	36.4	0.0
	GF	2,590,653	2,393,880	0	2,393,880	2,393,880	149,880	2,543,760	0	2,543,760	20,730
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	78,549	151,371	0	151,371	151,371	0	151,371	0	151,371	0
	CFE	39,459	19,420	0	19,420	19,420	0	19,420	0	19,420	0
	FF	0	0	0	0	0	0	0	0	0	0
(1) Office of the Governor (A) Governor's Office, Administration of Governor's Office and Residence	Total	2,708,661	2,564,671	0	2,564,671	2,564,671	149,880	2,714,551	0	2,714,551	20,730
	FTE	35.0	36.4	0.0	36.4	36.4	0.0	36.4	0.0	36.4	0.0
	GF	2,590,653	2,393,880	0	2,393,880	2,393,880	149,880	2,543,760	0	2,543,760	20,730
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	78,549	151,371	0	151,371	151,371	0	151,371	0	151,371	0
	CFE	39,459	19,420	0	19,420	19,420	0	19,420	0	19,420	0
	FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: Yes No

Request Affects Other Departments: Yes No

If Yes, List Other Departments Here:

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Governor's Office
Priority Number:	2
Change Request Title:	Implement Governor's Office Cyber-Security Recommendations

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Office of the Governor requests \$149,880 General Fund for FY 2008-09 to implement the cyber security recommendations derived from the risk based security gap assessment conducted through the Office of the Chief Information Security Officer. This request annualizes to \$20,730 General Fund in FY 2009-10.

Background and Appropriation History:

The Colorado Information Security Act (CISA) was signed in May 2006. The CISA requires each agency to perform an assessment to determine deficiencies in critical systems and develop an Agency Cyber Security Plan (ACSP). The assessment reviewed current system operations and compared to the State Cyber Security policies and procedures, perimeter security, security design and documentation, network security operations, and systems security.

The ACSP documents the security controls currently deployed and identifies appropriate remediation measures in a Plan of Action and Milestones (POAM). The POAM documents this need and determines the resources required to close security gaps in the Governor's Office network.

The Governor's Office I.T. network regularly undergoes cyber probes and attacks. While hackers are unable to access State financial or personnel databases through the Governor's Office, the Governor's Office provides a tempting high profile target for these cyber hackers. In addition, the physical location of the Governor's Office network servers is vulnerable to accidental or intentional compromise. If either a successful electronic or physical attack on the Governor's Office I.T. network was to occur, or the network or the network servers were compromised and rendered unusable, the ability of the Governor's Office to operate effectively could be severely hampered.

General Description of Request:

The Governor's Office has never had a full-time network administrator. The computer network has developed over the years using a staff person from another office that assists as the need arises and as time permits. The Governor's Office computer system was not designed for optimal performance or with significant cyber security issues in mind. This situation is no longer acceptable.

The Governor's Cyber-Security Plan recommends that the State Department of Personnel Administration (DPA) administer the Governor's Office information network. Doing so would allow the Governor's Office to take advantage of the resources already in place at DPA. It is also in agreement with the philosophy of consolidating I.T. administration. Discussions with the Chief Information Security Officer have convinced the Governor's Office that the network administration should be handled by DPA with no loss of security or control of the network by the Governor's staff.

This request seeks appropriate funding for software licenses, professional services to assist with the conversion, and on-going funding to cover DPA charges for services. The funding request is based on the cyber security requirements and on appropriate levels of services.

Consequences if Not Funded:

If this request is not approved, the Governor's Office will continue to operate without full-time network support and with less than adequate network physical and cyber security measures. It is possible that the computer network will be successfully compromised or suffer a physical breakdown that seriously hampers the ability of this

office to function effectively. The real consequences of such an incident are hard to quantify. If the computer network were to be unusable for any period of time the Governor's staffs would lose some ability to communicate and to access information quickly. At best, this would cause inconvenience; at worst, for example if such an occurrence happened during an emergency and critical information was inaccessible, the failure of the computer network could have very serious consequences.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$149,880	\$149,880	\$0	\$0	\$0	0.0
Antivirus software purchase	\$2,880	\$2,880	\$0	\$0	\$0	0.0
Landesk	\$15,000	\$15,000	\$0	\$0	\$0	0.0
Microsoft Office 2003 Standard	\$36,000	\$36,000	\$0	\$0	\$0	0.0
Microsoft Office 2003 Pro	\$9,000	\$9,000	\$0	\$0	\$0	0.0
Citrix Licenses	\$27,000	\$27,000	\$0	\$0	\$0	0.0
Professional Services	\$50,000	\$50,000	\$0	\$0	\$0	0.0
Access Zone Server	\$10,000	\$10,000	\$0	\$0	\$0	0.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$20,730	\$20,730	\$0	\$0	\$0	0.0
Antivirus Software Licensing	\$2,880	\$2,880	\$0	\$0	\$0	0.0
Landesk	\$4,000	\$4,000	\$0	\$0	\$0	0.0
Citrix Licenses	\$5,400	\$5,400	\$0	\$0	\$0	0.0
Tokens	\$950	\$950	\$0	\$0	\$0	0.0
Email Hosting	\$1,500	\$1,500	\$0	\$0	\$0	0.0
Server Hosting	\$6,000	\$6,000	\$0	\$0	\$0	0.0

Assumptions for Calculations:

Initial figures were supplied from the Cyber-Security Plan recommendations. The current cost breakdowns and amounts have been vetted with DPA and revised downward considerably. The Microsoft 2003 Standard and Pro version do not include software assurances. Professional services will be utilized to ensure timely exchange and firewall migration. Email and server hosting expenses will be billed to the Governor's Office through GGCC Common Policies.

Impact on Other Government Agencies:

Migrating the Governor's Office I.T. network to DPA will have an impact on DPA although the majority of the costs of the transfer will be covered by this change request.

Cost Benefit Analysis:

If the Governor's Office remains as a stand-alone entity it is estimated that two full-time I.T. employees will be needed to staff the Office network. At a conservative \$60,000/year plus benefits, it will cost over \$150,000/year in ongoing personnel plus expenses to retrofit the current server location plus ongoing software costs. The first year cost will exceed \$200,000 with ongoing expenses over \$150,000 yearly. The estimate the Governor's Office received from DPA to take over management of its network is approximately \$149,880 in the first year and ongoing costs estimated at \$20,730.

Security Administration Options	FY 2008-09	FY 2009-10
Governor's Office	\$200,000	\$200,000
DPA	\$149,880	\$20,730
Difference	\$50,120	\$129,270

Implementation Schedule:

Task	Month/Year
Internal Research/Planning Period	Completed
Start-Up Date	July 2008

Statutory and Federal Authority:

24-37.5-404. C.R.S. (2007) Public agencies - information security plans.

(1) On or before July 1, 2007, each public agency shall develop an information security plan utilizing the information security policies, standards, and guidelines developed by the chief information security officer. The information security plan shall provide information security for the communication and information resources that support the operations and assets of the public agency.

(2) The information security plan shall include:

(a) Periodic assessments of the risk and magnitude of the harm that could result from a security incident;

(b) A process for providing adequate information security for the communication and information resources of the public agency;

(c) Regularized security awareness training to inform the employees and users of the public agency's communication and information resources about information security risks and the responsibility of employees and users to comply with agency policies, standards, and procedures designed to reduce those risks;

(d) Periodic testing and evaluation of the effectiveness of information security for the public agency, which shall be performed not less than annually;

(e) A process for detecting, reporting, and responding to security incidents consistent with the information security standards, policies, and guidelines issued by the chief information security officer; and

(f) Plans and procedures to ensure the continuity of operations for information resources that support the operations and assets of the public agency in the event of a security incident.

(3) On or before July 15, 2007, each public agency shall submit the information security plan developed pursuant to this section to the chief information security officer for approval.

Performance Measures:

This request will allow the Office to comply with the requirements of the Colorado Information Security Act.

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09

Request Title: Colorado Solar Incentive Program

Department: Governor's Energy Office

Priority Number: 3

Dept. Approval by:

OSPB Approval:

Date: 10/29/2007

Date:

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	10,925,501	11,067,114	0	11,067,114	11,067,114	2,013,750	13,080,864	0	13,080,864	2,013,750
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	2,013,750	2,013,750	0	2,013,750	2,013,750
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	10,925,501	11,067,114	0	11,067,114	11,067,114	0	11,067,114	0	11,067,114	0
(1) Office of the Governor, (C) Other Programs and Grants											
Program Administration	Total	10,925,501	11,067,114	0	11,067,114	11,067,114	2,013,750	13,080,864	0	13,080,864	2,013,750
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	2,013,750	2,013,750	0	2,013,750	2,013,750
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	10,925,501	11,067,114	0	11,067,114	11,067,114	0	11,067,114	0	11,067,114	0

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: Yes No

Request Affects Other Departments: Yes No

If Yes, List Other Departments Here:

CHANGE REQUEST for FY 2008-09 BUDGET REQUEST CYCLE

Department:	Governor's Energy Office
Priority Number:	3
Change Request Title:	Colorado Solar Incentive Program

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Governor's Energy Office (GEO) is requesting a \$2,013,750 General Fund in FY 2008-09 and subsequent years to create the Colorado Solar Incentive Program. This program will leverage local dollars - governmental, non-profit or utility - to create a total fund of \$4,027,500 to incentivize the installation of photovoltaics (solar electricity), and/or solar thermal (a technology that uses the sun to heat water for domestic use and home heating).

The program would operate only where incentives don't currently exist, or where the incentives that do exist have proven too low to create a viable market for these technologies.

Background and Appropriation History:

In 2004, voters passed Amendment 37 which set goals for a percentage of power provided by the state's two Investor Owned Utilities (IOUs), Xcel Energy and Aquila, to be generated from renewable energy resources. A part of the construct of Amendment 37 was a "solar carve out" - 4% of the total renewable energy provided must come from solar electric systems. Half of the 4% was to come from distributed or "roof-top"

generated systems. To this end, Amendment 37 included a requirement that the IOUs provide a \$2/watt rebate for the purchase of solar systems by their customers.

As a result of the solar carve-out provisions, the Public Utilities Commission (PUC), which regulates the IOUs, developed a system of additional production rebates. For a supplementary \$2.50/watt, the IOUs would purchase the Renewable Energy Credits (RECs) of the solar production, allowing the IOUs the ability to count the solar production toward their Amendment 37 goal. As a result, customers of the IOUs in Colorado currently benefit from a solar rebate system of \$4.50/watt which is approximately 50% of the cost of a solar installation.

While the IOU customers benefit from the rebate, statewide there is a separation of the solar benefit. If you purchase your power from an IOU you get a rebate, if you are a customer of a rural cooperative or a municipal utility, you don't receive a rebate. Because the CO-OPs and municipal utilities don't fall under the solar carve out provisions of Amendment 37, there is no benefit to the utility to purchase the REC; there is no compliance they are trying to meet. This leaves some of our citizens as the beneficiaries of a subsidized price on solar while others have little incentive to purchase a solar system. In 2004, 55% of residential electricity sales were through IOUs; 45% of our citizens are left with no incentive to invest in solar energy.

General Description of Request:

The Governor's Energy Office (GEO) proposes to create a Colorado Solar Incentive Program. GEO will provide a production rebate to be matched by a partnering utility or local government entity.

GEO believes that by offering this incentive, it can involve the 45% of Colorado residents who are currently excluded from incentives in the residential solar market. Aside from the energy savings benefits this will help develop local businesses to meet the needs of these rebates in the form of solar installation companies.

The rebate would be paid for two types of solar systems. The Solar PV Incentive Program will address electrical demand, while the Solar Thermal Incentive Program will

address heating demand (usually natural gas or propane, but to a smaller extent electrical). Both the solar photovoltaic (PV) and solar thermal rebate systems will spur the installation of residential based solar renewable energy systems.

In both programs, state monies will be leveraged 100% with partner match dollars.

Incentivizing these technologies will increase economic development opportunities, provide peak power at low cost, reduce carbon emissions, and balance the availability of these opportunities to citizens throughout the state.

Technology	Per Customer Rebate	Number of Rebates Offered	State Rebates	Matching Rebates	Energy Reduced Annually
Solar PV	\$6,000	170	\$1,020,000	\$1,020,000	.5 MW
Solar Thermal	\$1,325	750	\$993,750	\$993,750	1 MW (thermal equivalent)
Total:			\$2,013,750	\$2,013,750	1.5 MW

GEO would contract with a local partner (utility, non-profit, governmental agency, etc) to provide the Solar Photovoltaic (PV) rebate. System capacity caps for the rebate would be set at 3kw (\$6,000 state rebate at \$2/watt) with a maximum total rebate per customer of \$12,000. With this budget, GEO could incentivize the installation of .5 megawatts of solar production per year for an annual state budget of \$1,020,000 and program budget of \$2,040,000.

The Colorado Solar Electric Association concurs that a \$4/watt rebate is the necessary rebate to move the market toward solar deployment. This incentive will come down over time with developments in technology and efficiency, so the per-system payout will be decreased while the number of customers and the total capacity of electric deployment will continue to increase.

The deployment of solar thermal systems can have a dramatic impact on overall energy consumption per household. The two largest consumptive uses of energy in a home are space heating and water heating. These can both be addressed through the implementation of solar thermal systems, using a direct solar hot water heater in combination with a hydronic radiant heating system. Solar thermal systems are relatively low cost in contrast to solar electric systems. However, the lack of a rebate system has hampered the widespread deployment of solar hot water systems throughout Colorado.

Many other states have implemented solar thermal system rebates or tax credits to great success. In 2005, the state of Oregon funded more solar thermal systems than solar electric systems even though both benefit from a large rebate and tax incentive.

The Governor's Energy Office proposes to implement a solar thermal rebate program to incentivize the widespread deployment of solar thermal systems. A proposed rebate system based on a \$993,750 per year state budget with a partnering agency would generate one megawatt of thermal equivalent reduction in energy demand. The rebate system would require a partnering agency (utility, non-profit, governmental agency, etc) to match the rebate amount at \$0.50/peak watt with a 1 watt = 3.412 BTU/hr equivalent. The total maximum per system rebate would be \$2,650 per system.

Consequences if Not Funded:

The net impact of not funding this request is that 170 PV systems with a capacity of ½ a megawatt and 750 solar thermal systems with a capacity of 1 megawatt of clean solar power will not be installed. The state will not leverage \$2,013,750 and 920 households will not be served.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$2,013,750	\$2,013,750	\$0	\$0	\$0	0.0
Solar Photovoltaic System Rebates	\$1,020,000	\$1,020,000	\$0	\$0	\$0	0.0
Solar Thermal System Rebates	\$993,750	\$993,750	\$0	\$0	\$0	0.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$2,013,750	\$2,013,750	\$0	\$0	\$0	0.0
Solar Photovoltaic System Rebates	\$1,020,000	\$1,020,000	\$0	\$0	\$0	0.0
Solar Thermal System Rebates	\$993,750	\$993,750	\$0	\$0	\$0	0.0

Assumptions for Calculations:

This request is based on a General Fund investment of \$2,013,750. All assumptions are based on the findings of a working group brought together during the June and July 2007.

Residential PV System – Standard grid-ties 3kW system w/o battery backup	
System Watt capacity	3,000
Retail cost per watt	\$9
Total system retail cost	\$27,000
Total GEO/partner rebate per watt	\$4.00
GEO system rebate (22.2% of retail cost)	\$6,000
Partner system rebate (22.2% of retail cost)	\$6,000
Maximum per system rebate (44.4% of retail cost)	\$12,000
Total Systems Installed	170
GEO Program Budget	\$1,020,000
Matching Budget	\$1,020,000
Total Program Budget	\$2,040,000

Residential Solar Thermal System <i>Standard 2 panel, 64 sq. ft. flat plate collector w/80 gal storage system</i>	
Initial cost retail	\$8,000
GEO system rebate (16.6% of retail cost)	\$1,325
Partner match rebate (16.6% of retail cost)	\$1,325
Maximum per system rebate (33.1% of retail cost)	\$2,650
Total systems installed	750
GEO Program Budget	\$993,750
Matching Budget	\$993,750
Total Program Budget	\$1,987,500

Impact on Other Government Agencies:

If the Governor's Energy Office partners with local governments to administer this project, the impacts are significant and positive. This represents a service that local governments can offer their constituents.

Cost Benefit Analysis:

Residential PV System	
<i>Standard grid-tied 3kW system w/o battery backup</i>	
System capacity	3,000 watts
Retail cost/watt	\$9
Total retail cost	\$27,000
Annual energy saved	4,500kWh
Residential rate	\$0.085
Savings per year	\$383
Total savings yearly for all systems installed	\$63,961
Over 20 year life span using current energy costs	\$1,279,220

Residential Solar Thermal System	Units?
<i>Standard 2 panel, 64 sq. ft. plate collector w/80 gal storage system</i>	
System capacity	2,650
System capacity same as above?	9
Initial retail cost	\$8,000
Annual energy produced/used?	3,894
Annual energy same as above?	13,286
Residential rate (electric)	\$0.085
Residential rate (natural gas)	\$1.25
Residential rate (propane)	\$2.00
Electric water heater efficiency rate	94%
Gas water heater efficiency rate	65%
Savings per year per system (electric- mid priced fuel)	\$352
Total savings yearly for all systems installed	\$132,704
Over 20 year life span using current energy costs	\$2,654,080

Implementation Schedule:

Task	Month/Year
Research and planning with Rural cooperatives and municipal utilities	July 2008
Rebates will be offered	July 2008

Statutory and Federal Authority:

Section 40-2-124 (1)(c)(II) C.R.S. (2007) - Renewable energy standard.
 Of the amounts in subparagraph (I) of paragraph (c) of this subsection (1), at least four percent shall be derived from solar electric generation technologies. At least one-half of this four percent shall be derived from solar electric technologies located on-site at customers' facilities.

Performance Measures:

Numbers are estimates and to be confirmed by experts. Since much of this information is new, baseline data has not been fully determined and data continues to be gathered.

Performance Measure	Outcome	FY 2005-06	FY2006-07	FY 2007-08	FY2008-09
Number of Customers utilizing renewable energy	Benchmark	NA	NA	TBD	TBD
	Actual	NA	3,489		
Mwh Demand Reduced	Benchmark	NA	NA	TBD	TBD
	Actual	NA	1535		
BTU Demand Reduced	Actual	NA	NA	TBD	TBD
	Benchmark	NA	43,612		
Number of Solar Energy System Installations	Benchmark	NA	NA	TBD	TBD
	Actual	NA	NA		

**Schedule 13
Change Request for FY 08-09 Budget Request Cycle**

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09

Request Title: Lt. Governor's Operating Expenses

Department: Lt. Governor's Office

Dept. Approval by:

Date: 10/29/2007

Priority Number: 4

OSPB Approval:

Date:

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	230,920	206,655	0	206,655	206,655	25,000	231,655	0	231,655	25,000
	FTE	5.0	5.0	0.0	2.7	2.7	0.0	2.7	0.0	2.7	0.0
	GF	230,920	206,655	0	206,655	206,655	25,000	231,655	0	231,655	25,000
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(2) Office of the Lieutenant Governor Administration	Total	230,920	206,655	0	206,655	206,655	25,000	231,655	0	231,655	25,000
	FTE	2.7	2.7	0.0	2.7	2.7	0.0	2.7	0.0	2.7	0.0
	GF	230,920	206,655	0	206,655	206,655	25,000	231,655	0	231,655	25,000
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: Yes No

Request Affects Other Departments: Yes No

If Yes, List Other Departments Here:

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Office of the Governor – Lt. Governor
Priority Number:	4
Change Request Title:	Lt. Governor’s Office Expenses

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Lt. Governor’s Office is requesting \$25,000 General Fund in FY 2007-08 and subsequent years. This request will augment funding for operating expenses based on the responsibilities of the Office.

Background and Appropriation History:

The Lt. Governor’s Office is operating on a very small operating budget of \$25,754 in FY 2007-08. The Lt. Governor’s Office is requesting \$25,000 in additional general operating dollars to be applied towards operations in the administration budget. The Lt. Governor also has an additional \$5,000 in discretionary funding to be used for state travel, meeting expenses, mailings, and office supplies, which is proving insufficient to cover costs.

General Description of Request:

The Lt. Governor’s Office requests \$25,000 in additional general operating dollars for FY08/09 for operations in the administration budget. Currently the Lt. Governor has \$5,000 in discretionary funding for state travel, meeting expenses, mailings, and office supplies. As part of the Lt. Governor’s work it is important that she travel throughout Colorado to promote state initiatives and serve as a representative of state government. This includes conducting community forums on the efforts of the P-20 Council, health

care, early childhood education, aerospace and other issues that impact economic development. The requested funds would allow the Lt. Governor to incur additional travel expenses for trips around Colorado furthering state business.

The table below presents details on the total request. The largest portion of this request is for an increase of \$18,000 over the FY 2007-08 budget of \$7,000 for in-state and out-of-state travel.

	FY 2008-09	FY 2009-10
Travel	\$18,000	\$18,000
Computers and Office Supplies	\$3,000	\$3,000
Meeting Expenses	\$1,500	\$1,500
Printing/Copying	\$1,500	\$1,500
Postage/Mailing	\$1,000	\$1,000
Total Request	\$25,000	\$25,000

For comparative purposes the travel expenses for other Lieutenant Governor's are shown in the table below. As indicated, the travel expenses for Colorado Lt. Governor are significantly less than other comparably sized states. A similar table for operating was not included as travel comprises the majority of this request. Also, other Lt. Governor budgets included varying levels of other operating expenses as the duties vary from state to state, and therefore were not easily comparable to Colorado for the purpose of this request.

State	Total Travel	Population
Arkansas	\$6,146	2,779,154
Colorado	\$7,000	4,665,177
Louisiana	\$12,997	4,523,628
Montana	\$14,053	935,670
Nevada – in-state travel	\$18,185	2,414,807
Nevada – out-of-state travel	\$39,000	2,414,807
Oklahoma	\$36,000	3,547,884

Based on population the table indicates that travel expenses in Colorado are less than most other comparable western states.

Consequences if Not Funded:

If this request is not approved, the Lt. Governor’s Office will continue to operate within its funded budget and continue to seek outside funding for programming. If funding is not granted and no outside funds are secured, the Lt. Governor will be limited in her ability to travel the entire state and in her ability to address the issues noted above.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$25,000	\$25,000	\$0	\$0	\$0	0.0
Office Administration	\$25,000	\$25,000	\$0	\$0	\$0	0.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$25,000	\$25,000	\$0	\$0	\$0	0.0
Office Administration	\$25,000	\$25,000	\$0	\$0	\$0	0.0

Assumptions for Calculations:

It cost \$1,200 per trip for the State Patrol plane (fuel, pilot, State Patrol overhead etc...). The plane seats 8 and would include the Lt. Governor, a staff person, appropriate Department heads and relevant stakeholders at a cost of \$12,000 for 10 trips. In addition, another \$6,000 is budgeted to cover other in-state travel and several out-of-state meetings such as attendance at the National Lt. Governor’s Association held in different parts of the country, the state fair, and other events the Governor is not able to attend and that the Lt. Governor is asked to represent the administration. The request assumes \$1,000 per out of state trip (three total) and approximately \$500 per trip for in-state travel which includes mileage reimbursement for staffing, hotels, and meals.

The meetings line item will cover meals for some of the forums, printed materials and other meeting expenses (e.g. room rental, P.A. system, etc...).

As the Lt. Governor and Staff travel around the state, a lap top is needed to ensure work is accomplished while on the road. The current hardware used is reliable for emails but as reports need to be written, longer letters of correspondence completed and documents reviewed, a lap top is required. The estimated cost for this piece of equipment is \$1,200. Office supplies are another issue in the Lt. Governor's office and we are requesting an additional \$1,800 for office supplies.

The Lt. Governor's Office will produce occasional briefs and reports on progress in the areas of early childhood development, Indian Affairs, aerospace and the other issue areas of concern to the Lt. Governor's Office. Currently there is no budget for printed materials (including stationary) for the Lt. Governor and Chief of Staff. Some of the printed materials the office would like to have on hand include thank you note cards and Lt. Governor State-logo stationary.

As publications are produced and events take place there are mailing and reproduction expenses associated with the activities. An example is the event at the Governors Mansion in early May 2007. Approximately 300 invitations were printed and mailed out across the state. These expenses currently come out of the Lt. Governor's Office limited operating budget.

Impact on Other Government Agencies:

This funding request should have no impact on other government agencies.

Cost Benefit Analysis:

The Lt. Governor is the second ranking elected official in the state and acts in the capacity of Governor when the Governor is absent or unavailable.

Implementation Schedule:

Task	Month/Year
Internal Research/Planning Period	July 2008
Funds are used for purposes intended	July 2008

Statutory and Federal Authority:

Article IV of the Colorado Constitution

Section 24-20-105 C.R.S. (2007) Lieutenant governor - governor - succession to office.
Succession to the office of the lieutenant governor and to the office of the governor shall be as provided for in section 13 of article IV of the state constitution.

Performance Measures:

Performance Measures would be based on the additional meetings attended and function performed.

**Schedule 13
Change Request for FY 08-09 Budget Request Cycle**

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09

Request Title: Small Business Development Center FTE

Department: Governor's Office of Economic Development

Dept. Approval by:

Date: 10/29/2007

Priority Number: 5

OSPB Approval:

Date:

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	51,396	126,407	0	126,407	126,407	16,184	142,591	0	142,591	17,475
	FTE	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.0	0.5	0.5
	GF	51,396	50,976	0	50,976	50,976	16,184	67,160	0	67,160	17,475
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	75,431	0	75,431	75,431	0	75,431	0	75,431	0
	FF	0	0	0	0	0	0	0	0	0	0
(4) Economic Development Programs Leading Edge Program Grants	Total	51,396	126,407	0	126,407	126,407	16,184	142,591	0	142,591	17,475
	FTE	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.0	0.5	0.5
	GF	51,396	50,976	0	50,976	50,976	16,184	67,160	0	67,160	17,475
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	75,431	0	75,431	75,431	0	75,431	0	75,431	0
	FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: Yes No

Request Affects Other Departments: Yes No If Yes, List Other Departments Here:

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Office of Economic Development and International Trade (OEDIT)
Priority Number:	5
Change Request Title:	Small Business Development Center FTE

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Colorado Small Business Development Center (SBDC) a division of the Colorado Office of Economic Development and International Trade is requesting \$16,184 General Fund and 0.5 FTE for FY 2008-09 for an Administrative Assistant III to assist with federal and state reporting guidelines. This request annualizes to \$17,475 General Fund and 0.5 FTE in FY 2009-10.

Background and Appropriation History:

The SBDC program is a statewide small business technical assistance program, funded by the State of Colorado and federal funds, that assists existing and start-up companies. Colorado instituted its SBDC program in 1988 and received a matching grant from the U.S. Small Business Administration (SBA) which went to the Colorado Community Colleges and Occupational Education System (CCCOES). In 1990, the Office of Business Development (OBD) in the Governor's Office assumed responsibility for administering the program and continues to be the host for the Colorado SBDC program. There were two major reasons why the Governor requested that the program be transferred. The first was the concern that Colorado had two separate business management assistance programs operating at the same time. One was sponsored by the

University of Colorado's Business Advancement Center and the other, the Community College's SBDC program. This dual system was viewed as not being the best structure for the efficient expenditure of public investment funds and delivery of services. Plus, it was very confusing to the small business customer both entities were trying to serve. The transfer of the SBDC program to OBD was deemed as a necessary and logical step in assisting the State to address the following issues:

- Consolidation and better coordination of State provided business development services;
- Elimination of possible duplication in the delivery of services;
- Increasing public awareness of services offered by state programs;
- More efficient expenditure of federal and state funds; and
- Improved access for small businesses seeking assistance.

Simultaneously, the Colorado Legislature recognized the importance of small businesses and appropriated \$200,000 in General Funds to create a Small Business Office within OBD. Because of the support given to the Small Business Office by the state's General Assembly and the leadership of the small business community (specifically the Small Business Council), the Governor requested and received approval from SBA to move the SBDC program to the Office of Business Development from the community college system that same year. At the time the program was transferred, SBA contributed \$596,564 towards the program. The program increased the number of subcenters from 15 to 17 sites, the reason for which was the integration of four centers previously operated by the University of Colorado's Business Advancement Center. Presently, the Colorado SBDC program consists of 13 subcenters with two satellite offices. The Office of Business Development's name was subsequently changed to the Office of Economic Development and International Trade (OEDIT).

SBA requires tracking of the impact the SBDC program has on small businesses in Colorado. The OEDIT SBDC Lead Center has 3 full-time staff that administer and oversee this program. Due to additional requirements placed on the Lead Center, a request for authorization and related-funding for a part-time staff person is being made to

assist with tracking requirements and further website development/maintenance to ensure accurate data is collected for the program.

The Colorado SBDC program currently receives \$50,976 through a direct line item for the Leading Edge program. Federal funds received for this program, in the amount of \$1,119,957, require a one-to-one match (50% cash, 50% in-kind). It is anticipated that the remaining cash match can potentially be raised through subcontracts with the program's subcenters.

General Description of Request:

The SBDC is a 1.2 million dollar program funded through the SBA. The 2007 program announcement institutes new reporting requirements which have resulted in an increase in OEDIT's SBDC Lead Center's duties related to tracking additional program impacts (jobs created, jobs retained, capital formation, and long-term clients).

The reporting requirements are: SBDC quarterly counseling reports, report of federal cash transactions, semiannual performance report, and all annual performance report. The requirements also include: a training report, a capital formation report, and an economic impact data report. The training report acknowledges that the records entered have been verified, are deemed reliable, and are accurate. The capital formation adds the Community Express program reporting, a commercial loan specifically designed to increase working capital, help business owners meet daily operating expenses and accelerate growth. The economic impact report details the most recent (not to exceed 24 months) economic impact generated from the assistance given to clients.

The economic impact report also details customer satisfaction, number of new business created, number of start-up firms remaining in business after one year, number of jobs created and retained, sales growth, tax revenue, number and amount of SBA and non-SBA loans, and amount of equity capital.

OEDIT anticipates that 4,500-5,500 clients will have to be contacted. Although the SBDC Program subscribes to Chrisman to obtain some economic data, it is at least one year old and the clients have to be contacted to obtain updated information. This is a

permanent funding request. The increased amount and FTE authorization could be combined with the Leading Edge program line item. The request will also provide additional state funds that will be used to meet the federal matching funds requirement.

Consequences if Not Funded:

If the requested funding and staff is not provided, the SBDC will not be able to collect data pertinent to the program and ensure that the program increases the potential for entrepreneurial successes statewide. SBA is moving toward making the SBDC a nationwide competitive program for federal funds. If appropriate levels of funding and staff support are not provided, the potential could be to lose federal dollars.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$16,184	\$16,184	\$0	\$0	\$0	0.5
Personal Services	\$11,954	\$11,954	\$0	\$0	\$0	0.5
Operating Expenses	\$4,230	\$4,230	\$0	\$0	\$0	0.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$17,475	\$17,475	\$0	\$0	\$0	0.5
Personal Services	\$16,525	\$16,525	\$0	\$0	\$0	0.5
Operating Expenses	\$950	\$950	\$0	\$0	\$0	0.0

Assumptions for Calculations:

Based on the position responsibilities related to decision making, complexity, purpose and staff authority, this request is for an Administrative Assistance III

Fiscal Year(s) of Request		FY 08-09	FY 09-10
PERSONAL SERVICES		SBDC Admin Asst	
Number of PERSONS / class title	Title:	1.00	1.00
Calculated FTE per classification		0.5	0.5
Annual base salary		\$22,857	\$29,065
Number months <u>working</u> in FY 08-09 and FY 09-10		5.5	6.0
Salary		\$10,514	\$14,533
PERA	10.15%	\$1,067	\$1,475
AED	1.60%	\$168	\$233
SAED	0.50%	\$53	\$73
Medicare	1.45%	\$152	\$211
Subtotal Personal Services		\$11,954	\$16,525
OPERATING			
Supplies @ \$500/\$500	\$500	\$500	\$500
Computer @ \$959/\$0	\$959	\$959	\$0
Office Suite Software @ \$300/\$0	\$300	\$300	\$0
Office Equipment @ \$2,021/\$0	\$2,021	\$2,021	\$0
Telephone Base @ \$450/\$450	\$450	\$450	\$450
Subtotal Operating		\$4,230	\$950
GRAND TOTAL ALL COSTS		\$16,184	\$17,475

Impact on Other Government Agencies:

Colorado's Higher Education entities, Economic Developers and Chambers of Commerce partner in the program with the OEDIT.

Cost Benefit Analysis:

The position is responsible for collecting and reporting data which constitutes a minimum of \$35 million in economic impact detail for the state of Colorado. This equates to a ROI of over \$2,187.50 per \$1 of state investment for this FTE (based on a cost of 16,000 for a

.5 FTE). Failure to comply and report data accurately and provide certification of data in a timely manner may result in withholding funds or jeopardize future funding.

Implementation Schedule:

Task	Month/Year
Develop Position Description and begin search and hire FTE	July 2008
Start-Up Date	August 2008
Begin tracking additional reporting requirements	August 2008

Statutory and Federal Authority:

Section 24-48.5-102 (1) C.R.S. (2007) “...the Colorado office of economic development shall include the small business assistance center, which shall provide comprehensive information on the federal, state, and local requirements necessary to begin a business and shall make this information available to the public.

Performance Measures:

The OEDIT objectives include: increasing the quality job creation by expanding and attracting businesses, maintain Colorado’s diverse economic base by retaining existing jobs through responsive programs and a supportive business climate, position Colorado as a national leader in emerging industries, including renewable energy and biomedicine, support entrepreneurs and small businesses, and strengthen regional economies, with specific emphasis on rural and lagging communities.

Small Business Development Centers Division- Performance Measures	Outcome	FY05-06 Actual	FY06-07 Actual	FY07-08 Approp.	FY08-09 Request
Capital Formation	Bench-mark	\$47.5 M	\$47.5 M	\$50.0 M	\$55.0 M
	Actual	Pending	Pending		
Jobs Created/Retained	Bench-mark	1,840	1,840	1,900	2,000
	Actual	Pending	Pending		

**Schedule 13
Change Request for FY 08-09 Budget Request Cycle**

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09

Request Title: Arts Education Program Manager

Department: Governor's Office of Economic Development

Dept. Approval by:

Date: 10/29/2007

Priority Number: 6

OSPB Approval:

Date:

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	1,948,651	2,281,336	0	2,281,336	2,281,336	60,103	2,341,439	0	2,341,439	70,000
	FTE	2.0	2.0	0.0	2.0	2.0	0.9	2.9	0.0	2.9	1.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	1,352,551	1,581,336	0	1,581,336	1,581,336	0	1,581,336	0	1,581,336	0
	FF	596,100	700,000	0	700,000	700,000	60,103	760,103	0	760,103	70,000
(4) Economic Development Programs Council on the Arts	Total	1,948,651	2,281,336	0	2,281,336	2,281,336	60,103	2,341,439	0	2,341,439	70,000
	FTE	2.0	2.0	0.0	2.0	2.0	0.9	2.9	0.0	2.9	1.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	1,352,551	1,581,336	0	1,581,336	1,581,336	0	1,581,336	0	1,581,336	0
	FF	596,100	700,000	0	700,000	700,000	60,103	760,103	0	760,103	70,000

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name: National Endowment of the Arts - Regional Partnership Grant

IT Request: Yes No

Request Affects Other Departments: Yes No **If Yes, List Other Departments Here:**

CHANGE REQUEST for FY 2008-09 BUDGET REQUEST CYCLE

Department:	Office of Economic Development and International Trade
Priority Number:	6
Change Request Title:	Arts Education Program Manager

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Colorado Council on the Arts (CCA) requests \$60,103 Federal Funds and 0.9 FTE for an Arts Education Program Manager to manage the agency's Arts Learning for Children and Youth programs. This request annualizes to \$70,000 Federal Funds and 1.0 FTE in FY 2009-10. This program helps schools and districts make progress towards ensuring that every P-20 student receives a quality education in the arts. The position will be funded entirely by federal funds from the National Endowment for the Arts.

Background and Appropriation History:

In 1967, the State established a Council on the Arts to "stimulate and encourage throughout the state the study and development of the arts, as well as public interest and participation therein" (CRS 24-48.8-101). The Council's mission, as stated in the 2005-2008 Strategic Plan, is "to promote the cultural, educational and economic growth of Colorado through development of its arts and cultural heritage."

National studies confirm that schools integrating the arts into the curriculum as part of a comprehensive education reform strategy are documenting improved student behavior and increased academic performance ("Critical Evidence: How the Arts Benefit Student

Achievement”, National Assembly of State Arts Agencies, 2006). And recently the National Governor’s Association highlighted arts education as a money- and time-saving option for states looking to foster workforce development (“The Impact of Arts Education on Workforce Preparation”, NGA Center for Best Practices, 2002). But schools that want to pursue an arts-rich approach to P-20 education need assistance ensuring that education reform legislation includes the arts, facilitating interaction among policy advisors, and particularly in leveraging private investments in innovative arts-based education programs. Historically, the state arts council has played this role of facilitator, advisor and investor. Because of this, 42 of 50 state arts agencies have a full-time equivalent arts education manager.

The Colorado Council on the Arts first established a program to bring artists into schools in the early 1970’s. For nearly three decades, the agency has provided grants and technical assistance to schools through the services of one staff member whose primary responsibilities included arts learning program management. Unfortunately, this position was eliminated when the agency’s appropriated FTE were reduced to 1.0 in FY 2003-04.

The state funding appropriation fell from \$1.9 million in FY2001-02 to \$200,000 in FY 2003-04, and now is just over \$1.5 million for FY 2007-08. The Council’s FTE appropriation fell from 8.0 in FY 2001-02 to 1.0 in FY 2003-04, and now is only 2.0 in FY 2007-08. While the restored state funding has allowed the Council to re-establish grant programs and technical assistance services for artists, community groups and schools, our staff capacity hasn’t been restored and is stretched by the increased work load.

General Description of Request:

Now that the budget has been significantly restored, a top goal in CCA’s 2005-2008 Strategic Plan is to expand access to quality arts education for young people. In order to accomplish this goal in a cost effective manner, the CCA is requesting a General Professional V position to serve as the Arts Education Program Manager. The request for an additional FTE demonstrates a full-time commitment to administering grants and technical assistance to schools and districts across the entire state.

The agency currently has a contract with an arts education specialist to perform this work. However, federal regulations regarding independent contractors limit the agency's ability to direct a contractor's use of time and resources. Contracting has been a good short term solution for re-establishing activities that advance our arts education goal. But over the long term it will be critical that CCA maintain sufficient staff oversight to ensure that grant administration is in accordance with government ethical guidelines and accountability.

The CCA is currently developing a partnership with the Colorado Department of Education with a goal of promoting access to arts education grants and technical assistance services to all K-12 schools in the state next year. This will require that a CCA representative be available on a consistent basis during all working hours to answer phone calls and emails, develop and administer grant programs, and travel to conduct site visits and attend local, state and national meetings. With the level of promotion envisioned for next year, the CCA estimates that at least 100 schools will seek our services. This year, with the current contract, we are able to serve approximately 50 schools. Therefore, having a full-time arts education manager on staff could allow CCA to provide grants and services to at least double the number of schools next year.

Consequences if Not Funded:

If this position is not appropriated, we will continue to use a contractor to manage our re-established arts education programming. However, the duties of the position require an almost-full-time commitment by the contractor and significant oversight by the agency's Executive Director. Over time, this could be in conflict with the federal laws regarding independent contractors.

Alternatively, the Council could discontinue providing grants and services to schools and districts, limiting our ability to work in partnership to improve student achievement and advance workforce development. Instead we would revert to exclusively providing grants to artists and arts organizations, which do play an important role in student enrichment, but which do not have the potential for improving student achievement in the way that school-directed programs have.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$60,103	\$0	\$0	\$0	\$60,103	0.9
Cost component: Salary and benefits for Arts Education Program Manager	\$60,103	\$0	\$0	\$0	\$60,103	0.9

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$70,000	\$0	\$0	\$0	\$70,000	1.0
Cost component: Salary and benefits for Arts Education Program Manager	\$70,000	\$0	\$0	\$0	\$70,000	1.0

Assumptions for Calculations:

The starting salary for this position is based on an equivalent starting salary for the State of Colorado classification "General Professional V" which is for professional work that is "analytical and evaluative in nature, decisions require the creative and conceptual application of theory and principles of a professional occupational field."

Fiscal Year(s) of Request		FY 08-09	FY 09-10
PERSONAL SERVICES	Title:	CCA Program Manager	
Number of PERSONS / class title		1.00	1.00
Calculated FTE per classification		0.9	1.0
Annual base salary		\$53,448	\$60,729
Number months <u>working</u> in FY 08-09 and FY 09-10		11	12
Salary		\$49,172	\$60,729
PERA	10.15%	\$4,991	\$6,164
AED	1.60%	\$787	\$972
SAED	0.50%	\$246	\$304
Medicare	1.45%	\$713	\$881
Subtotal Personal Services		\$55,909	\$69,050
OPERATING			
Supplies @ \$500/\$500	\$500	\$500	\$500
Computer @ \$959/\$0	\$959	\$959	\$0
Office Suite Software @ \$300/\$0	\$300	\$300	\$0
Office Equipment @ \$2,021 /\$0	\$2,021	\$2,021	\$0
Telephone Base @ \$450/\$450	\$450	\$414	\$450
Subtotal Operating		\$4,194	\$950
GRAND TOTAL ALL COSTS		\$60,103	\$70,000

Impact on Other Government Agencies:

There is no financial impact on other government agencies, however this position will be available to consult with and advise the Department of Education on matters relating to K-12 arts education, and the Department of Higher Education on matters relating to higher education.

Cost Benefit Analysis:

The comparison between a future FTE and the Future Contractor Costs should be calculated based on a typical hourly professional fee of \$75 for the equivalent of 2,080 working hours per year, delivered under multiple contracts with multiple qualified individuals or firms. In addition, we must add the average cost for CCA and OEDIT staff to develop and administer the BID documents, contracts, invoices and payments for 12 months.

		FY 2008-09	FY 2009-10
Equivalent Contractor Costs	\$75 x 2080 hours	\$156,000	\$156,000
CCA contract administration	\$30 x 50 hours	\$1,500	\$1,500
Total Contractor Cost		\$157,500	\$157,500
Total Position Costs		\$60,103	\$70,000
<i>Net Difference</i>		\$97,397	\$87,500

The table above provides information related to the cost of utilizing a contractor versus hiring a permanent FTE. Based on this comparison, the table shows that the state would spend less on a full time position. The funds saved would be used to further the arts education provided.

Implementation Schedule:

Task	Month/Year
Internal Research/Planning Period	July 2008
Job Description Issued	July 2008
FTE Hired	July 2008
Start-Up Date	August 2008

Statutory and Federal Authority:

24-48.8-107 C.R.S. (2007) State Council on the Arts

(1) The duties of the council shall be:

(a) To stimulate and encourage throughout the state the study and development of the arts and humanities, as well as public interest and participation therein;

(b) To take such steps as may be necessary and appropriate to encourage public interest in the cultural heritage of our state and to expand the state's cultural resources;

(c) To encourage and assist freedom of artistic expression essential for the well-being of the arts and humanities;

(d) To assist the communities and organizations within the state in originating and creating their own cultural and artistic programs;

National Endowment of the Arts - Regional Partnership Grant

Performance Measures:

Number of youth benefiting

Number of schools and districts reached

Student engagement (school evaluations of attendance, behavior)

Student achievement (school assessments of academic success)

**Schedule 13
Change Request for FY 08-09 Budget Request Cycle**

Request Title: Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09
 School Energy Audits
Department: Governor's Energy Office **Dept. Approval by:** **Date:** 10/29/07
Priority Number: 7 **OSPB Approval:** **Date:**

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	10,925,501	11,067,114	0	11,067,114	11,067,114	0	11,067,114	0	11,067,114	0
	FTE	0.0	0.0	0.0	2.0	0.0	2.0	2.0	0.0	2.0	2.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	10,925,501	11,067,114	0	11,067,114	11,067,114	0	11,067,114	0	11,067,114	0
(1) Office of the Governor, (C) Other Programs and Grants											
Program Administration	Total	10,925,501	11,067,114	0	11,067,114	11,067,114	0	11,067,114	0	11,067,114	0
	FTE	0.0	0.0	0.0	0.0	0.0	2.0	2.0	0.0	2.0	2.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	10,925,501	11,067,114	0	11,067,114	11,067,114	0	11,067,114	0	11,067,114	0

Letternote revised text:
Cash Fund name/number, Federal Fund Grant name: Public School Energy Efficiency Fund 39-29-109.5
IT Request: Yes No
Request Affects Other Departments: Yes No **If Yes, List Other Departments Here:**

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Office of the Governor, Energy Office
Priority Number:	7
Change Request Title:	School Energy Audits

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Governor's Energy Office (GEO) is requesting 2.0 FTE to implement a program to increase energy efficiency in public schools authorized by HB 07-1309. To address efficiency issues and to offer superior service and additional benefits to our clients (K-12 schools), the permanent FTE will be in place of hiring contract employees. This request is budget neutral, but the use of FTE will allow more services to be provided.

Background and Appropriation History:

HB 07-1309 provides \$490,000 in annual funding to the GEO for the K-12 energy efficiency in schools initiative. The bill allocates funding to the following tasks:

1. Assist school districts in financing energy efficiency upgrades through performance contacts;
2. Assist in the design of the new public schools that are more energy efficient;
3. Assist school districts in increasing the effectiveness of their utility budget management; and
4. Provide training and supporting resources related to energy efficiency for school districts.

Historically this office has used outside contractors to perform tasks 1 and 2 for state buildings, and has not had the funding to adequately explore the other measures 3 and 4. This request is to hire 2.0 FTE to reduce costs associated with this work which will enable GEO to adequately address all measures identified in the legislation.

General Description of Request:

GEO is requesting authority to transfer \$153,578 of the appropriation provided for in HB 07-1309 to pay two full-time staff to take on the responsibilities that would otherwise be contracted out to a variety of engineering firms. Since this money is already allocated to the GEO this is an FTE authority request with no additional funds requested. By approving this authorization, the GEO will cut the costs of the school energy efficiency program by more than half and provide better service to our clients, the K-12 schools.

Experienced engineers in the building energy field are available at reasonable salary levels in Colorado. On the other hand, the billing rate for outside contractors has typically been over \$100 per hour. The current program is projected to require the equivalent of two full time people over 3 years. At the rate of \$100/hour for a 40 hour week for a 50 work week year, one outside contractor would cost \$200,000. A second contractor is available at a cost of \$110/hour or \$220,000 total.

The Energy Office believes a qualified employee can be hired and savings could be put towards investment in energy efficiency and renewable energy buy-downs, UBILS System (utility bill/energy use tracking) and education for building operators, teachers and students. The savings to be gained by hiring staff as opposed to continuing to contract for this service are considerable with the actual costs of two employees annually. The savings would go toward increased compliance with the legislation.

The request is for 2 Professional Engineer I's for FY 2008-09. A supplemental for consideration of these FTE for FY 2007-08 is being considered. Costs associated with these positions and funds available for grants are detailed below.

Fiscal Year(s) of Request		FY 08-09	FY 09-10
PERSONAL SERVICES	Title:	Professional Engineer I	
Number of PERSONS / class title		2	2
Calculated FTE per classification		2.0	2.0
Annual base salary		\$63,816	\$63,816
Number months working in FY 08-09 and FY 09-10		12	12
Salary		\$127,632	\$127,632
PERA	10.15%	\$12,955	\$12,955
AED	1.60%	\$2,042	\$2,042
SAED	0.50%	\$638	\$638
Medicare	1.45%	\$1,851	\$1,851
Subtotal Personal Services		\$145,118	\$145,118
Supplies @ \$500/\$500	\$500	\$1,000	\$1,000
Computer @ \$959/\$0	\$959	\$1,918	\$0
Office Suite Software @ \$300/\$0	\$300	\$600	\$0
Office Equipment @ \$2,021/\$0	\$2,021	\$4,042	\$0
Telephone Base @ \$450/\$450	\$450	\$900	\$900
Subtotal Operating		\$8,460	\$1,900
GRAND TOTAL ALL COSTS		\$153,578	\$147,018
Total Budget		\$490,000	\$490,000
Funds Available for Grants		\$336,422	\$342,982

The grants offered would be allocated between three types. Under this request additional schools will receive energy efficiency/renewable energy grants of \$5,000, UBILS system grants of \$5,000, and educational grants of \$2,000. The table below details the number and amounts of the grants available. The total numbers of grants are 78, with 62 of them funded by the cost savings generated by approving this request.

Grant Types	Allocation Percentage	FY 2008-09 Available Funds	Grant Amounts	Number of Grants
Utilizing Contract Positions				
EE/RE equipment buydowns	50%	\$35,000	\$5,000	7
UBILS System	40%	\$28,000	\$5,000	6
Teacher/Student Education	10%	\$7,000	\$2,000	3
Total		\$70,000		16
Utilizing Permanent FTE				
EE/RE equipment buydowns	50%	\$168,211	\$5,000	34
UBILS System	40%	\$134,569	\$5,000	27
Teacher/Student Education	10%	\$33,642	\$2,000	17
Total		\$336,422		78

Consequences if Not Funded:

If not funded the GEO would continue to use contractors to fulfill the functions of this program. The program will also offer 62 fewer grants to schools and school districts for efficiency and renewable energy projects, tracking of energy use and education.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$0	\$0	\$0	\$0	\$0	2.0
Personal Services	\$145,118	\$0	\$145,118	\$0	\$0	2.0
Operating Expenses	\$8,460	\$0	\$8,460	\$0	\$0	0.0
Professional Services	(\$153,578)	\$0	(\$153,578)	\$0	\$0	0.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	\$0	\$0	\$0	\$0	\$0	2.0
Personal Services	\$145,118	\$0	\$145,118	\$0	\$0	0.0
Operating Expenses	\$1,900	\$0	\$1,900	\$0	\$0	0.0
Professional Services	(\$147,018)	\$0	(\$147,018)	\$0	\$0	0.0

Assumptions for Calculations:

The request is based on hiring two Professional Engineer I positions at \$63,816 per year. Our initial inquiries tell us that our anticipated salary expenses are realistic. The job description for these employees requires a minimum of an under-graduate degree in an energy related engineering field. A minimum of 4 years of experience is required. Preference will be given to candidates with master's degrees in engineering and building science.

Funds not spent on personnel costs will be used as grant funds. These funds will be allocated 50% to energy efficiency and renewable energy equipment buy-downs, 40% to UBILS System, and 10% to Teacher and student education grants. The energy efficiency and renewable energy equipment buy-downs grants are \$5,000 each. The utility bill/energy use tracking grants are \$5,000 each. The teacher and student education grants are \$2,000 each.

Impact on Other Government Agencies: None.

Cost Benefit Analysis:

FY 2008-09	Contract Position	Full Time Positions
Annual Budget	\$490,000	\$490,000
Labor Costs	\$420,000	\$153,578
Grant funds available	\$70,000	\$336,422
Number of grants funded by type		
EE/RE equipment buy downs (\$5,000 each)	7.0	33.6
UBILS System (\$5,000 each)	5.6	26.9
Teacher/Student Education (\$2,000 each)	3.5	16.8
Total number of grants available	16.1	77.3

Implementation Schedule:

Task	Month/Year
FTE Hired	July 2008
Perform position functions and distribute grants	July 2008

Statutory and Federal Authority:

Section 39-29-109.5 (3) C.R.S. (2007) The governor's energy office, or an analogous successor office, shall use moneys appropriated from the fund to establish and manage a program to improve energy efficiency in public schools. In administering the program, the governor's energy office, or an analogous successor office, shall give consideration to whether a public school or school district is located in an area socially or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels subject to taxation under this article. The program shall include the following features:

- (a) Assisting school districts in financing energy efficiency upgrades for public schools through energy performance contracts, as defined in section 29-12.5-101 (3), C.R.S.;
- (b) Assisting in the design of new public school buildings that are more energy efficient;

(c) Assisting school districts in increasing the effectiveness of their utility budget management; and

(d) Providing training and supporting resources related to energy efficiency for school districts.

Performance Measures:

If approved, the state will save \$278,000 on this program each year and be able to use the savings to better comply with the scope of work identified in the legislation.

**Schedule 13
Change Request for FY 08-09 Budget Request Cycle**

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09

Request Title: Statewide Request for C-SEAP Program

Department: Governor's Office

Dept. Approval by:

Date: 10/29/2007

Priority Number: NPN

OSPB Approval:

Date:

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	4,515	8,703	0	8,703	8,703	130	8,833	0	8,833	130
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	4,515	8,703	0	8,703	8,703	130	8,833	0	8,833	130
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(1) Office of the Governor, (B) Special Purpose											
Workers' Compensation	Total	4,515	8,703	0	8,703	8,703	130	8,833	0	8,833	130
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	4,515	8,703	0	8,703	8,703	130	8,833	0	8,833	130
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: Yes No

Request Affects Other Departments: Yes No

If Yes, List Other Departments Here:

**Schedule 13
Change Request for FY 08-09 Budget Request Cycle**

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09

Request Title: Adjustment to Statewide Multiuse Network Payments

Department: Governor's Office

Dept. Approval by:

Date: 10/29/2007

Priority Number: NPN

OSPB Approval:

Date:

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	46,380	48,126	0	48,126	48,126	6,138	54,264	0	54,264	6,138
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	46,380	48,126	0	48,126	48,126	6,138	54,264	0	54,264	6,138
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(1) Office of the Governor, (B) Special Purpose Multiuse Network Payments	Total	46,380	48,126	0	48,126	48,126	6,138	54,264	0	54,264	6,138
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	46,380	48,126	0	48,126	48,126	6,138	54,264	0	54,264	6,138
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: Yes No

Request Affects Other Departments: Yes No

If Yes, List Other Departments Here:

Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 Base Reduction Item FY 08-09 Supplemental FY 07-08 Budget Request Amendment FY 08-09

Request Title: Vehicle Lease Payments
Department: Governor's Office
Priority Number: NPN

Dept. Approval by:
OSPB Approval:

Date: 10/30/2007
Date:

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	6,555	17,052	0	17,052	17,052	(3,107)	13,945	0	13,945	(3,107)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	6,555	17,052	0	17,052	17,052	(3,107)	13,945	0	13,945	(3,107)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(4) Economic Development Programs											
Vehicle Lease Payments	Total	6,555	17,052	0	17,052	17,052	(3,107)	13,945	0	13,945	(3,107)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	6,555	17,052	0	17,052	17,052	(3,107)	13,945	0	13,945	(3,107)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name:

IT Request: Yes No

Request Affects Other Departments: Yes No

If Yes, List Other Departments Here: