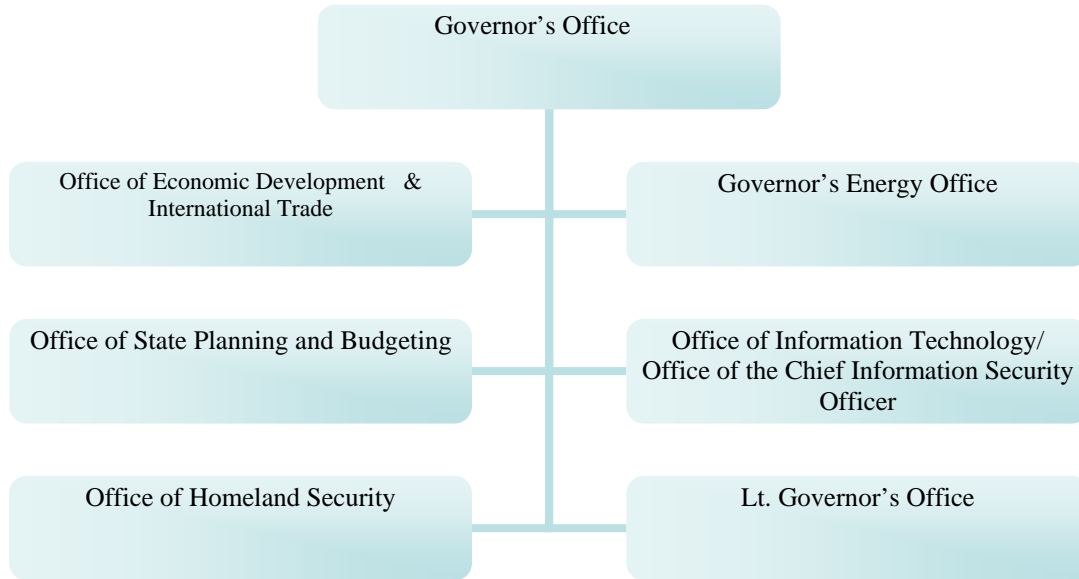


Governor's Office Strategic Plan



376.7 FTE

\$16,004,195 GF 38,296,185 CF \$49,364,090 CFE \$32,981,986 FF

The Governor's Offices are comprised of seven programs: the Office of the Governor, the Lieutenant Governor's Office, the Office of State Planning and Budgeting, the Office of Economic Development and International Trade, the Office of Information Technology (includes the Office of the Chief Information Security Officer), the Office of Homeland Security and the Governor's Energy Office.

The Office of the Governor

The Governor strives to deliver efficient services to Colorado citizens. The Office of the Governor works to increase coordination of agency operations and program management in the Executive Branch. The Office also acts as a liaison with local governments, with the legislative and judicial branches of state government, and with the federal government; and otherwise executes the Executive power of the State. The Office is responsible for ensuring the appointment of the highest quality candidates and the most inclusive participation on the State's boards and commissions. The Governor's Office assists citizens with concerns, grievances, and inquiries about state government. The Office must ensure that the Governor is able to promptly and thoroughly communicate with the people of Colorado. Lastly, the Office is responsible for assuring that all of its actions are in compliance with the law and of the highest ethical standards.

Mission Statement

The Governor ensures that the laws of the State of Colorado are faithfully executed. As Chief Executive, the Governor exercises supervision over and management of the departments of the Executive Branch.

Vision Statement

The Governor's Office endeavors to expand opportunities for all Coloradans through sound public policy to create a better Colorado.

Key Trends

The Governor's Office has undergone several significant changes in the past year. The Office of Homeland Security was created via Executive Order D003 08. The Long Bill, HB08-1375, created separate line item funding for the Office of Homeland Security, as well as the Governor's Energy Office, in FY2009.

Governor's Offices' Performance Measures

Performance measure summaries are listed below followed by detailed Performance Measures and Outcomes further below in the budget document.

Governor's Energy Office (GEO)

In conjunction with the development of the Climate Change Action Plan the goal is to reduce per capita energy demand, reduce overall demand, and incorporate renewable energy technologies, both at a distributed and centralized level, into our energy systems.

- Reduce Atmospheric CO2 Equivalent
- Reduce state fleet petroleum use 25% by 2012
- Reduce energy use within state buildings 20% by 2012

Governor's Office of Economic Development and International Trade (OEDIT)

The goals of the office are to increase jobs and job opportunities for all Coloradans.

- Increase the number of jobs created and retained by businesses receiving assistance from OEDIT
- Increase the dollar value of export transactions utilizing ITO assistance

The Governor's Office of Information Technology (OIT)

The office goal is to increase the effectiveness of government through the use of shared information and technology. Increase the percentage of laptops encrypted statewide

- Increase the percentage of certified projects on target for successful completion
- Decrease redundant IT expenditures

Governor's Office of Homeland Security (GOHS)

The goal of the Governor's Office of Homeland Security is to ensure a safe and secure environment in Colorado for all persons from intentional acts of terrorism, accidental harmful events, or natural disasters, through the implementation of innovative prevention methods, coordinated response procedures, and effective recovery plans.

- Revise the Homeland Security grant allocation process by establishing state priorities in: planning, interoperable communications, intelligence/information sharing, community preparedness and preparation, responder safety and health
- Identify an application format, and
- Develop grant application scoring criteria

The Office of Chief Information Security Officer (CISO)

The office goal is to establish a secure physical and technical environment that protects data and information technology (IT) resources essential to the operation of the State and state agencies that serve Colorado citizens.

- Establish 100% state agency compliance completion with Colorado Revised Statute (C.R.S. 24-37.5 part 4). This includes approved Agency Cyber Security Plans, completed agency risk assessments, and completed Disaster Recovery (DR) testing.
- Decrease the number of successful cyber attacks on state managed computers and computer networks

The Office of State Planning and Budgeting (OSPB)

The office seeks to provide the Governor with analyses of current and future State revenues and makes strategic recommendations regarding the fiscal needs and management of executive branch agencies.

- Ensure accuracy of its quarterly General Fund forecast within a specified percent of actual revenues
- Improve the efficiency of state functions by seeking operational improvements and budgetary savings wherever possible
- OSPB will measure its quality of service to state agencies through a survey administered to department budget offices. A survey will be completed each November to measure the quality of responsiveness and the clarity of budget guidance.
- OSPB will work toward ensuring accountability by requiring that departments submit bottom-line performance measures in their strategic plans in FY 2009-10.
- OSPB will increase the transparency of the state budget through posting the department budgets on the OSPB website and by posting of reader-friendly programmatic fact sheets and budget documents on the OSPB website

The Office of the Lieutenant Governor

The Office of the Lieutenant Governor fulfills its obligations to the citizens of Colorado as outlined by the constitution and by statute. The Office of the Lieutenant Governor also focuses on making government work better for Colorado citizens and businesses and on effectively handling responsibilities assigned by the Governor.

Introduction

The Energy Office, initially called the Office of Energy Conservation and later the Office of Energy Management and Conservation, was created to respond to the oil crisis of the late 1970's. The program was significantly scaled back in the 1980's when oil prices dropped and it became essentially a federal pass-through for low income weatherization services (LIHEAP). This function continues today as described below. Governor Ritter views current energy challenges as significant and transformational. The Governor has directed the Energy Office to provide Colorado citizens and businesses with resources to meet the demands of the new energy paradigm while developing the state as a model in efficient energy use and a leader in the new energy economy. The Energy Office is to become a clearinghouse for energy information and energy services for Colorado citizens and businesses. Utilities, communities, the state and the federal government have developed energy incentive programs around policy objectives. The Energy Office seeks to unite these efforts on local implementation of energy efficiency programs, on incentives for the deployment of renewable energy resources and on information to help citizens and businesses make wise energy choices.

Mission Statement

“Leading Colorado to a New Energy Economy through energy efficiency and the advancement of clean and renewable energy resources.”

The Governor's Energy Office addresses two primary needs to achieve this mission:

- Advancing the New Energy Economy through economic development in the renewable energy sector, and
- Expanding energy efficiency and renewable energy technologies within Colorado's commercial, residential and public sectors

The first need is being addressed in partnership with the Office of Economic Development and International Trade (OEDIT) by using resources from the new Clean Energy Fund (SB 07-246) as well as economic development resources through the Office of Economic Development and International Trade. Tasks include:

- Facilitation of technology transfer to develop commercial opportunities in Colorado associated with development of new technologies from Colorado research facilities
- Assistance in development of early and mid stage renewable energy industry companies in Colorado
- Attract, grow and retain existing renewable energy industries in Colorado

The second need is being addressed through the strategic vision described within the Governor's Energy Office (GEO). The goals of these two tasks is to reduce the emissions of pollutants tied to climate change, develop a sustainable energy regime for Colorado and attract economic investment in Colorado's New Energy Economy.

Vision Statement

The Governor's Energy Office seeks to implement programs and policies to make Colorado a national leader in clean energy, energy independence and a sustainable energy policy

Strategic Vision

The Governor's Energy Office is developing the economic development portion of its mission in conjunction with the Office of Economic Development and International Trade. Therefore, the Strategic Vision of this office focuses primarily on energy efficiency increases and renewable energy in the commercial, residential and public sectors. The office goal is to efficiently deliver these services while ensuring transparency through clear measurable objectives that support the Climate Action Plan.

Low Income Services

While many of the action items necessary within the low income community are consistent with the general residential community, a federal/state/ private partnership has been formed to address the implementation of these measures through the Low Income Home Energy Assistance Program.

The Low Income Home Energy Assistance Program (Federally called LIHEAP; LEAP at the State level) provides weatherization (energy efficiency upgrades like insulation in low income housing units) services for low income individuals. This is a federal program funded primarily through the US Department of Energy with a portion of funding from the Department of Human Services. The GEO runs a parallel process funded through HB 06-1200 which provides funds (\$5 million in 2007-08) toward weatherization services for LEAP eligible clients. Finally, Xcel Energy participates through the E\$P program contributing to gas demand side management efforts in low income homes in their territory. The goal is to permanently lower energy costs for low income individuals and families and increase their financial stability while lowering demand on the utility grid and reducing pollution. The state-financed portion of the program is funded through 2008-09 from severance tax funds. Qualifying families must meet the federal low income requirements defined as 185% of federal poverty level. This qualification is done through the LEAP office in the Department of Human Services. The GEO delivers services through contracts with eight regional weatherization service providers. In addition to training, oversight and funding of the program, the GEO runs a quality control division responsible for auditing the performance of these service entities and offering educational resources to improve the quality of the service delivery.

The goals of this program are in line with the overall purpose of GEO while having a parallel objective of helping low-income families achieve financial stability by reducing energy costs.

Residential Services

Residential building emissions account for over 20% of greenhouse gas emissions nationwide. Any efforts to address climate change must engage the public in order to minimize these emissions. GEO sees this happening primarily through changes in the construction of new residential buildings and through existing home retrofits with more effective insulation and heating systems combined with increases in appliance efficiency levels, lighting systems and incentives to increase distributed renewable generation systems such as solar thermal systems (space and water heating), solar photo voltaic (electricity generation) and other technologies. For new construction GEO runs a building codes program to help local governments implement

more energy effective codes (such as the 2006 IECC), training for building professionals, and partnerships to buy down costs of efficiency upgrades for low income housing options through CHFA and DOLA's Low Income Housing Program. For existing buildings GEO is developing programs to implement on the community level advanced through our regional representative model working with local utilities, cities, counties and community groups.

Commercial and Public Sector Services

GEO's commercial systems division uses a market-based model to advance energy efficiency and incorporates the savings to advance renewable energy. Since the size and scale of the savings are significant with commercial structures, GEO employs "performance contracting" to finance large scale investments in efficiency systems. Performance contracting earmarks a portion of future energy savings to finance the upfront costs of the capital investment. GEO has traditionally contracted with individuals to work with the entities involved as representatives to the energy service companies. This ensures that the commercial entity's interests (until now those have been state buildings) are being represented in the negotiations.

In 2007, HB 1309 dedicated significant resources over three years to conduct performance contracts on all public K-12 school buildings. These funds finance in-house performance contracting experts to evaluate school buildings energy use. Using this method of implementing the legislature's directive will save hundreds of thousands of dollars in contracting costs while increasing delivery of Kwh saved per dollar.

Finally, the Office is incorporating renewable energy systems into the performance contracting process, either on the front end through the initial performance contracts or on the back end if the savings exceed the contracted amount. Recently, this was the case with the solar photo voltaic system installed on the Governor's residence. The same no-cost process is planned for renewable energy systems on the Capitol and other state facilities.

Delivery of Community Based Programs

The Commercial and Residential Buildings Program Managers, as well as the Utility Programs Manager work with GEO specialists within different disciplines (wind/solar/geothermal/bio-fuels) to develop easily implemented programs. Regional Representatives work with city and county governments, non-profit organizations, community groups and local utilities to develop partners who assist in the implementation of the programs. Regional Representatives also monitor, measure and verify the results across the state and report these results enabling the GEO to become more responsive to communities and citizens' needs.

Performance Based Measures

The Governor's Energy Office will measure outcomes in five major areas.

1. Mwh Demand Reduced- this is a statewide measurement of electricity demand reduced
2. BTU Demand Reduced- this is a statewide measurement of natural gas or propane demand reduced
3. Atmospheric CO₂ Equivalent Reduced
4. # Customers
5. # Renewable Energy Installations

Obviously, if there is no benchmark to measure these accomplishments there is no clear way to measure effectiveness. The Office is currently operating on the basis of three objectives established by the Governor.

- Western Governors’ Association Goal of 20% reduction in electrical demand below current projections by 2020 (WGA Efficiency Goal)
- Executive Order Goal of 25% reduction in fleet petroleum use by 2012
- Executive Order Goal of 20% reduction in energy use within state buildings by 2012

In November, 2007, Governor Ritter issued a Climate Change Action Plan that set carbon emission reduction goals for the state. The primary methods of achieving these goals will be through increases in energy efficiency, conservation measures, incorporation of renewable and clean energy technologies as well as future technological developments that can be deployed to reduce the carbon emissions associated with our energy sector. This is the primary task of the Governor’s Energy Office.

By working with partners (local communities, businesses, utilities and non-profits) throughout the state, the GEO is implementing programs to reduce the barriers for investment in renewable energy and energy efficiency measures. Because economic development is so closely linked with the development of our renewable and efficiency infrastructure, GEO also works closely with the Office of Economic Development and International Trade to attract industries to Colorado, help Colorado businesses develop and nurture technology transfer and commercialization from the state’s research institutions into the marketplace.

GEO has developed programs that have measurable outcomes to achieve these objectives. By partnering with entities around the state, GEO leverages the programmatic funding within the clean energy fund at least 100% with local matching partners. GEO also offers a New Energy Economy Development Grant program to assist innovative efforts around the state. These grants are also issued with matching funding requirements.

Finally, GEO works with our state’s 57 utilities as well as the Public Utilities Commission to advance policies and regulations which will advance energy efficiency and renewable energy deployment throughout the state.

Climate Action Plan Goals:

	As Modeled	MMTCO₂
2005	48,353 GWh	44.53
2020 Business As Usual	69,008 GWh	63.56
20% Below 2005		35.63
Savings Needed by 2020		27.94
Savings through efficiency		13.97

Objectives

The objectives of the Governor’s Energy Office are to create a Colorado energy customer profile that minimizes carbon and other greenhouse emissions while providing high quality and affordable energy services to meet the needs of Colorado citizens.

Key Trends

Since 1990, carbon emissions in Colorado have increased by 35%. Scientists agree that this is not a sustainable course. Per capita energy use is increasing as Colorado's population continues to grow. While estimates vary, approximately 450 ppm is considered a sustainable level of atmospheric carbon. This would require a reduction in emissions of approximately 80% below today's levels by 2050. By 2050, demographers anticipate a doubling in the state's population. Current growth in energy demand is rising at approximately 2.9% per year on an annual historical population growth curve between 1.7% and 2%. Per capita electric demand increased 1.7% annually from 1990-2001. The first task of the Energy Office is to reduce per capita energy growth to zero. This must be done even as the State Demographer anticipates a continuing population growth of between 1.7 and 2% per annum. Therefore to reduce overall demand, or even to maintain current levels of demand, per capita use must be reduced to make up for population growth. However this also will not be sustainable in the long run – at a certain point, the state will have achieved an optimal level of efficiency in our systems and, combined with population growth, demand will begin to increase once again. The only way to additionally reduce emissions is to provide new power

through clean technologies and to replace existing power with clean technologies. GEO's mission is to reduce emissions to achieve a sustainable energy future for Colorado by reducing per capita energy demand, reduce overall demand, and incorporate renewable energy technologies, both at a distributed and centralized level, into our energy systems. Approximately 70% of Colorado's power generation comes from burning coal, 20% from natural gas and 10% from renewable energy (wind, solar, hydro). Without a cost effective method of sequestering the carbon generated from coal burning, renewable energy that does not produce carbon will be key toward achieving a sustainable energy infrastructure in Colorado. The need for a renewable energy infrastructure, transmission and distributed generation will be areas of increased focus for the GEO. Workload indicators will be primarily driven by population increases and per capita energy use trends. However, the ability to meet designated emissions objectives will be linked to power supply businesses and their emissions levels of climate change gases.

Legislation impacting the GEO in 2007

Executive Order D 0011 07 and D 0012 07 the Greening of State Government

These orders require all state departments to take action to reduce state government environmental impacts. These Executive Orders are to be implemented by the GEO.

SB 07-91 Renewable Resource Generation Development Areas

Establishes a 16 member task force to map out resource zones and load centers for the purposes of planning transmission capability to meet increasing demand and renewable energy supply from our rural areas. The GEO is charged with directing and staffing the work of this task force.

HB 07-1150 Colorado Clean Energy Development Authority

Establishes a state funding mechanism to leverage bond proceeds and provide government backed loan guarantees through a public authority for the purposes of building transmission capacity for renewable resources. The GEO chairs this authority and will be responsible for staffing the authority.

HB 07-1281 Renewable Portfolio Standards

Increased RPS from 10% by 2015 to 20% by 2020 for Investor Owned Utilities and 10% by 2020 for all other utilities

HB 07-1279 Tax Credits for Renewable Energy

Incentivized investment in renewable energy systems by extending the sales tax exemption for manufacturing equipment to renewable energy systems.

SB 07-246 Clean Energy Fund

Dedicated approx. \$7-10M/year to investment in the New Energy Economy and increasing energy efficiency and renewable energy throughout the state.

HB 07-1087 Wind for Schools

Creates a grant program to place wind turbines on schools

House Bill 1228: Concerning Renewable Energy

Requires biofuels to be used in state fleet vehicles

Senate Bill 100: Energy Resource Zones Transmission Development

Establishes energy resource zones to incentivize investment in transmission and allow for cost recovery by utilities for building transmission to rural resource areas.

House Bill 1037: Concerning Energy Efficiency

Directs the Colorado Public Utilities Commission to require jurisdictional electric utilities and gas local distribution companies to develop and substantially expand energy efficiency programs.

House Bill 1146: Concerning Energy Efficiency

Raises the baseline for local building codes to the 2003 International Energy Conservation Code. This will ensure buildings in our communities will be more energy efficient and help us reach our goal of 20% efficiency statewide by 2020.

Senate Bill 51: High Performance State Buildings

Requires that state buildings and those buildings constructed with state funds meet the Leadership in Energy and Environmental Design (LEED) Standards set by the United States Green Building Council.

House Bill 1309: School Energy Efficiency

The Governor’s Energy Office has been helping state public buildings become more energy efficient through a process called “performance contracting” – generally done in concert with energy service companies. This bill earmarks funds to be committed to achieving similar energy efficiency gains throughout our K-12 school system.

House Bill 1379: County Spending Authority for Environmental Spending Measures

Senate Bill 145: Local Incentives for Renewable Energy

Both of these legislative measures give statutory cities and counties the authority to provide incentives for renewable and energy efficient investments.

Additional Legislation:

Senate Bill 126: Funding for the Collaboratory

House Bill 1145: Renewable Resource Development on Public Lands

House Bill 1169: Net Metering for Cooperative Electric Associations

House Bill 1060: Bioscience Research Grants

House Bill 1203: Energy Management & Conservation Studies

The Office of State Planning and Budgeting - OSPB

Introduction

The Office of State Planning and Budgeting (OSPB) is statutorily charged with oversight of the short- and long-term resources needs of Colorado's executive branch agencies. OSPB evaluates the plans, policies, and programs of executive departments of Colorado State government. OSPB prepares quarterly revenue forecasts and special economic reports. OSPB translates the Governor's priorities into a balanced executive budget request and reviews associated strategic plans which OSPB submits to the General Assembly. Upon legislative approval of the budget, the OSPB assists the Governor in the administration of the budget.

Mission Statement

The mission of the Office of State Planning and Budgeting (OSPB) is to provide the Governor with projections of current and future State revenues and to make strategic recommendations regarding the fiscal needs and management of executive branch agencies.

Vision Statement

OSPB strives to fund critical state needs while investing in programs which improve services and create efficiencies over time. OSPB's work reflects its values of accuracy, efficiency, and fiscal accountability for taxpayer dollars spent and its commitment to creating a budget which is transparent to policy-makers and to the general public.

OFFICE OF STATE PLANNING AND BUDGETING CORE OBJECTIVES AND PERFORMANCE MEASURES

Objectives for OSPB

OSPB will *ensure accuracy* of its quarterly General Fund forecast within a specified percent of actual revenues.

OSPB will *improve the efficiency of state functions* by seeking operational improvements and budgetary savings wherever possible.

OSPB will *measure its quality of service* to state agencies through a survey administered to department budget offices. A survey will be completed each November to measure the quality of responsiveness and the clarity of budget guidance.

OSPB will *work toward ensuring accountability* by requiring that departments submit bottom-line performance measures in their strategic plans in FY 2009-10.

OSPB will *increase the transparency of the state budget* through posting the department budgets on the OSPB website and by posting of reader-friendly programmatic fact sheets and budget documents on the OSPB website.

Revenue Forecast Accuracy

Objective: OSPB will ensure accuracy of its quarterly General Fund forecast within a specified percent of actual revenues.

Performance Measure	QTR Forecast	FY 2006-07 Actual		FY 2007-08 Actual		FY 2008 -09 Approp.		FY 2009 -10 Request	
	Outcome	Sept	Dec	Sept	Dec	Sept	Dec	Sept	Dec

Prepare first & second quarter fiscal year General Fund revenue forecasts that are accurate within 4.0 % of actual revenues.	Benchmark	+/- 4.0%	+/- 4.0%	+/- 4.0%	+/- 4.0%	+/- 4.0%	+/- 4.0%	+/- 4.0%	+/- 4.0%
	Actual	-1.3%	-0.7%	0.6%	1.4%	N/A	N/A	N/A	N/A

Performance Measure	QTR Forecast	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request
	Outcome	March	March	March	March
Prepare third quarter fiscal year General Fund revenue forecasts that are accurate within 3.0 % of actual revenues.	Benchmark	+/-3.0%	+/-3.0%	+/-3.0%	+/-3.0%
	Actual	-2.0%	-0.2%	N/A	N/A
Performance Measure	QTR Forecast	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request
	Outcome	June	June	June	June
Prepare fourth quarter fiscal year General Fund revenue forecasts that are accurate within 2.0 % of actual revenues.	Benchmark	+/-2.0%	+/-2.0%	+/-2.0%	+/-2.0%
	Actual	-1.2%	0.7%	N/A	N/A

Strategy:

Based on national and Colorado specific data collected from numerous government and private institutions, the Governor’s Office of State Planning and Budgeting (OSPB) projects future revenues using multiple statistical modeling methods. OSPB continues to evaluate existing models and makes adjustments as necessary to better predict future revenues. Adjustments include altering the weights and number of independent variables in models, revising the accrual adjustment calculations to convert cash based figures to accrual, and creating new models for consideration. Value added adjustments will be determined based on how well new or modified models track with historical data.

Evaluation of Prior Year Performance:

FY 2007-08 General Fund revenue projections were within 1% of actual revenue collections in all but one of the quarterly forecasts for that fiscal year, and well below all established quarterly goal benchmarks.

Government Efficiency

Objective: OSPB will improve the efficiency of state functions by seeking operational improvements and budgetary savings wherever possible.

Performance Measure	Outcome	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008 -09 Approp.	FY 2009-10 Request
Value of proposals initiated by OSPB and approved by the General Assembly which reduce General Fund appropriations.	Request	N/A	\$8,967,170	\$9,613,491	\$5,722,654
	Appropriation	N/A	\$8,677,706	\$9,707,803	N/A

NOTE: Savings are annual non-cumulative proposals.

Strategy:

This objective measures efficiencies generated by OSPB outside of the Governor’s Efficiency Management (GEM) study. GEM provided a starting point for state agencies and OSPB to examine existing programs and budgets for improvements. The Office of State Planning and Budgeting works closely with state agencies to identify operational improvements and budgetary efficiencies and savings, and to implement programmatic changes that offset General Fund costs. In addition to savings and efficiencies, OSPB is focused on submitting value-based budget request, and requires that each change request include a quantitative cost benefit analysis to demonstrate its short and long-term value.

Evaluation of Prior Year Performance:

The components of the FY 2007-08 and FY 2008-09 requested General Fund savings amount were the Governor’s Crime Prevention and Recidivism Reduction Package and SB 07-241, which converted General Fund dollars within the Division of Motor Vehicles to cash fund dollars. These initiatives received legislative approval for an offset amount close to the requested amount. In FY 2008-09, OSPB submitted a Crime Prevention and Recidivism Reduction Package with a greater first year General Fund savings than the previous year’s package. In justifying the programs in the Governor’s FY 2008-09 Crime Prevention and Recidivism Reduction Package, OSPB emphasized the short and long term benefits to the State of each program. In line with this objective, OSPB aims to continue submitting proposals with immediate and future General Fund savings in an increasing amount each year. The FY 2009-10 figure represents the gross General Fund savings associated with the FY 2009-10 Governor’s Recidivism package diversion proposal.

Service Quality

Objective: OSPB will measure its quality of service to state agencies through a survey administered to department budget offices. A survey will be completed in November of each year to measure the quality of responsiveness and the clarity of budget guidance.

Performance Measure	Outcome	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request
Increase the percentage of agencies rating OSPB service satisfactory by 3.0 percent per year.	Benchmark	N/A	N/A	N/A	N/A
	Actual	N/A	N/A	N/A	N/A

Strategy

The Office of State Planning and Budgeting works closely with state agencies throughout each fiscal year to develop the Governor’s annual budget submission, identify emerging needs and request supplemental funding, and ensure proper budget execution. The OSPB strives to improve its partnership with and guidance to state agencies each year, and plans to solicit feedback from the agencies in the form of a survey order to do so.

Evaluation of Prior Year Performance

The Office of State Planning and Budgeting did not survey departments in November of 2007 as was indicated in its FY 08-09 Strategic Plan. The Office of State Planning and Budgeting expects to begin surveying departments during the FY 2009-10 request year. Therefore, OSPB has no prior year performance data for this objective.

Planning and Accountability

Objective: OSPB will work toward ensuring accountability by requiring that departments submit bottom-line objectives and performance measures in their strategic plans which began in FY 2008-09 and were finalized by FY 2009-10, and ensuring that programmatic change requests reflect these department bottom-line objectives and measures.

Performance Measure	Outcome	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Request
Increase the percentage of programmatic Change Requests submitted in each Nov. 1 budget request that support departmental bottom line objectives as identified in departmental strategic plans.	Benchmark	N/A	N/A	N/A	80%
	Actual	N/A	N/A	74.8%	70.3%

Strategy:

For FY 2008-09, OSPB worked with departments to redevelop existing strategic plans into uniform, user-friendly documents that emphasize core departmental activities and more closely align budget actions with primary department-based objectives. These new strategic plans were intended to provide budgetary and programmatic direction for the departments over the course of three fiscal years, and to serve as a mechanism for ensuring performance accountability from year to year. In moving toward greater budget and performance integration, OSPB now expects most change requests to support a bottom-line performance objective, as articulated in the department’s strategic plan (with the exception of caseload, technical, and emergency requests).

Evaluation of Prior Year Performance:

This objective was new in FY 2008-09, the first year of reporting and there was not a pre-established benchmark at that time.

Workload Indicators

Workload Indicator	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009- 10 Request
Number of departments posting their budget on their website.	1	1	17	17
Number of department budgets posted on the OSPB website.	0	0	17	17
Number of issue briefs written and posted on the OSPB website	N/A	N/A	21	20

Key Trends and Other Background Information

Revenue and Budget Trends:

- Under the provisions of Referendum C, the State of Colorado will retain a cumulative \$5.99 billion over five years, from FY 2005-06 through FY 2009-10, eliminating the TABOR refund which would have otherwise occurred without this measure. No TABOR refund is projected for FY 2010-11, the first year following the end of the five-year Referendum C period, or for FY 2011-12.
- Gross **general fund revenues** are anticipated to reach \$8.0 billion in FY 2008-09, with the largest contributor of this projected 4.3 percent growth over FY 2007-08 being income tax revenues (both personal and corporate). With a combined increase of 5.2 percent, income tax revenue is anticipated to partially offset the impact from slowing sales tax collections.
- **Cash fund revenues** are forecast to increase 8.7 percent in FY 2008-09 (to \$2.5 billion) as severance tax revenue is projected to grow nearly 80 percent over FY 2007-08 values, driven by greater prices for natural gas over the last year. Unemployment tax revenues are also anticipated to increase by 16.4 percent due to imposing the solvency surcharge when the balance of the Unemployment Trust Fund falls below its 0.9 percent of total private wages threshold. For the long term, greater volatility in natural gas prices is anticipated, resulting in reduced severance tax revenues in some years, driving overall Cash Fund revenues down.
- Through the forecast period, the State is projected to have enough General Fund revenue to maintain **appropriations** growth of six percent and make at least partial **Senate Bill 97-1 transfers**. The State is not projected to have **excess General Fund reserves** after FY 2007-08.
- Under the provisions of **Referendum C**, the State will retain \$6.1 billion from FY 2005-06 through FY 2009-10; a decrease of roughly \$314.3 million from the June forecast. A TABOR refund of \$62.9 million is forecast for FY 2011-12.
- The 6.0 percent General Fund limit on appropriations continues to limit the spending on the State's operating budget. The "big six" departments continue to represent

- Under S.B. 97-1, the State is required to transfer up to 10.355 percent of sales and use tax revenue to the HUTF in years when the state has enough revenue to pay its total obligations. The State made 100 percent of the S.B. 97-1 transfer to the Highway Users Tax Fund in FY 2005-06 and FY 2006-07 (at \$220.4 million and \$230.6 million, respectively), and is projected to do so again in FY 2007-08 and FY 2008-09 (at \$241.3 million and \$250.9 million, respectively). For FY 2009-10 and FY 2010-11, the S.B. 97-1 transfer is forecasted to be lower (\$241.2 million or 92 percent of the maximum in FY 2009-10 and \$229.6 million or 83 percent of the maximum in FY 2010-11).

Economic Conditions

Appropriations – The September 2008 forecast projects that the State will have enough revenue to fully fund the six percent General Fund appropriations growth through FY 2011-12. The annual allowable increase in General Fund appropriations is \$459.0 million in FY 2008-09 and is projected to equal \$453.1 million in FY 2009-10.

Transportation – The State transferred \$266.0 million to fund transportation-related projects in FY 2007-08 (\$27.9 million from HB 02-1310 and \$238.1 million from full SB 97-1 transfers). The September 2008 forecast estimates that there will not be excess General Fund revenue to fund HB 02-1310 transfers for the forecast period, and that only partial SB 97-1 transfers will be possible. Projected FY 2008-09 cash fund revenues related to transportation are also anticipated to experience a 0.1 percent decline from FY 2007-08 levels before returning to traditional growth rates.

Capital Construction – Assuming no future HB 02-1310 transfers and a spending pattern for three year capital projects of 30 percent in year one, 60 percent in year two, and 10 percent in year three, this forecast assumes that General Fund transfers will be required for all forecast years. Since no excess General Fund revenue is anticipated throughout the forecast period, all SB 97-1 transfers have been reduced to ensure that continuation capital projects are funded.

Certificate of participation payments for Colorado State Penitentiary II and Fitzsimmons (equal to \$19.1 million combined) are also covered by these transfers. This information was developed prior to the current state “freeze” on capital projects. Obviously the length of the spending freeze will have significant impact on capital construction.

Referendum C – Under the provisions of Referendum C, the State will retain \$6.1 billion between FY 2005-06 and FY 2009-10, down \$330 million from the June forecast. This reduction in exempt revenue is due to the combination of lower TABOR revenue projections and a higher TABOR limit brought on by projected increases in inflation.

Though the TABOR limit increased for FY 2009-10 year due to a sizable increase to the projected inflation rate for 2008, since the TABOR limit is still projected to be well below projected revenue estimates in the year Referendum C expires, projected revenues in FY 2009-10 will determine the starting point for the new allowable revenue limit in future fiscal years. Since TABOR revenues are anticipated to increase more than the combined population plus inflation increase beginning in FY 2011-12, a TABOR refund of \$62.9 million is currently forecast.

The Office of Economic Development and International Trade – OEDIT

Introduction

The Office of Economic Development and International Trade (OEDIT) was created to foster a positive business climate that encourages quality economic development through financial and technical assistance provided in support of local and regional economic development activities throughout the State of Colorado. A historical perspective makes it clear that an economic development strategy must be ongoing, integrated, and flexible to take advantage of opportunities and build long-term competitiveness.

The Governor has directed OEDIT to specifically target assistance to the aerospace, bioscience, renewable energy and tourism sectors. OEDIT targets resources to both rural and urban areas; supports small business creation and expansion; creates initiatives that support emerging industries; assists Colorado companies in developing export markets and becoming globally competitive; builds a strong public-private approach for program delivery; facilitates the development of improved quality jobs and a high quality workforce; supports the State's economy, while preserving quality of life; and monitors and develops responses to economic conditions throughout the state.

A comprehensive slate of programs within OEDIT's divisions work together to offer economic development services for all Colorado businesses – new and expanding, traditional and emerging, small and large, including retention programs to assure continued competitiveness of Colorado's economic base, and job training to keep Colorado's workforce the best in the nation.

OEDIT's major divisions are as follows: Business Development works with businesses and communities on attraction and retention, site selection and technical assistance, community capacity building, and promotion through very selective trade shows and conferences. Business Finance offers a broad range of programs that provide financial assistance and incentives to companies and other entities in Colorado. The International Trade Office assists Colorado companies entering export markets as well as foreign companies doing business in Colorado. The Colorado Tourism Office administers the state's tourism promotion programs and welcome centers. Small Business Development Centers are a statewide network of centers to assist startup businesses and the Minority Business Office offers programs to help minority-owned businesses thrive. Finally, the Colorado Council on the Arts administers programs to foster a flourishing arts community throughout Colorado.

Statutory Authority

The statutory authority for the Colorado Office of Economic Development can be found at Title 24, Section 48.5-101, Colorado Revised Statutes (2008).

Mission Statement

The mission of the Office of Economic Development and International Trade is to strengthen Colorado's prospects for long-term economic growth by providing broad-based support to Colorado businesses.

Vision

OEDIT’s vision is to develop a robust Colorado economy that supports good-paying jobs and offers an environment for businesses to expand and thrive. OEDIT’s budget provides resources to support various targeted and diversified sectors, which are critical to a sustainable and competitive economy and fostering a strong business climate.

CORE Objectives

OEDIT’s objectives are to:

- Increase quality job creation/retention by existing, expanding and relocating businesses;
- Position Colorado as a national leader in emerging and targeted industries, including renewable energy, biomedicine/bioscience, aerospace and tourism;
- Support entrepreneurs and small businesses; and
- Strengthen regional economies

Performance Measures, Strategies, Evaluation of Prior Year Performance and Key Workload Measures

Objective #1: Increase quality job creation/retention by existing, expanding and relocating businesses

Performance Measure	Outcome	FY 06-07		FY 07-08		FY 08-09		FY 09-10	
		Actual	Change	Actual	Change	Approp.	Request	Request	Change
Jobs created and retained by businesses receiving assistance from OEDIT	Benchmark	9,000	N/A	9,000	NA	9,000		9,000	
	Actual	8,093	N/A	9,923	+22.6%				

Strategy: OEDIT’s strategy is to identify businesses which will create or retain quality jobs and provide the assistance needed in order for the business to create or retain jobs in Colorado.

All OEDIT divisions contribute to this effort through their diverse programs that support a variety of businesses. OEDIT’s current approach has three basic components:

1. Identifying businesses that will create or retain quality jobs through marketing efforts by OEDIT and its many partners;
2. Determining the type and level of assistance needed by businesses;
3. Providing the assistance needed utilizing OEDIT’s programs/services and/or providing referrals to other partners and resources.

OEDIT’s Business Development Division utilizes regional Business Development Representatives (BDRs) to increase awareness of all OEDIT programs and services in Colorado. The BDRs also serve as the primary point of contact for domestic business development retention, recruitment and expansion activities by providing leadership, assistance, technical support and referrals for local economic development initiatives. The

International Trade Division promotes Colorado and serves as the primary point of contact for direct investment and job creation/retention efforts in Colorado by international businesses in addition to working directly with Colorado companies interested in exporting their goods/services. Individual programs also market to targeted audiences. Once businesses and needs have been identified, the appropriate program staff works with the businesses to either provide the assistance needed utilizing OEDIT's programs/services or provides referrals to other partners and resources.

Evaluation of Prior Year Performance:

OEDIT surpassed its benchmark in FY07-08. The businesses receiving OEDIT assistance created/retained 9,923 jobs, which was 923 jobs more than projected. The job creation/retention in FY07-08 was 22.6% higher than FY06-07's 8,093 jobs. Colorado's trends to date reflect that Colorado continues to outperform the national economy. External factors such as the weak U.S. dollar, when combined with Colorado's diverse economic base and strong marketing efforts, have supported Colorado's continued expansionary mode.

Key Related Workload Indicators

Workload Indicators	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate
Business Development Promotion Activities (trade shows, website, advertising)	14	14	17
Number of Business Development Division Relocation/Business Expansion Prospects and Business Retention Projects Managed	55	60	75
Number of Board/Committee Meetings Staffed by Business Finance Division Staff	17	22	22
Number of Business Finance Division Contracts under Management	70	81	84
Number of Colorado First/Existing Industry Grants Managed	86	95	95
Number of companies receiving substantial international export and foreign direct inward investment assistance	114	111	150
Number of Presentations on Export Promotion, Export Training Seminars and Investment (made to groups within and outside of Colorado) and the Total Number of Attendees at Such Events	200/2,493	82/2,012	100/2,500
Number of Outgoing and Incoming Trade Missions Promoting Colorado Exports and Investment Opportunities	7	8	10
Number of Colorado Council on the Arts Contracts Managed	208	288	290

Objective #2: Position Colorado as a national leader in emerging and targeted industries, including renewable energy, biomedicine/bioscience, aerospace and tourism

Performance Measure	Outcome	FY 06-07 Actual		FY 07-08 Actual		FY 08-09 Approp.		FY 09-10 Request	
		Funding	Change	Funding	Change	Funding	Change	Funding	Change
Financial Assistance provided in support of emerging industries	Benchmark	NAV	N/A	\$7.25M	N/A	\$7.25M		\$7.25M	
	Actual	NAV	N/A	\$15.5M	N/A				

Performance Measure	Outcome	CY 06 Actual		CY 07 Actual		CY 08 Approp.		CY 09 Request	
		Market Share	Change	Market Share	Change	Market Share	Change	Market Share	Change
Increase Colorado's travel market share of total US marketable pleasure trips	Benchmark	2.2%	N/A	2.5%		2.5%		2.5%	
	Actual	2.3%/20th	N/A	2.5%/17th	+8.6%				

Strategy: OEDIT's strategy is to build a strong and competitive business climate specifically focused on emerging and targeted industries.

To make Colorado more competitive in the global economy, the Governor has specifically targeted the aerospace, renewable energy, bioscience/biomedicine and tourism industries for focused business development efforts by OEDIT. The strategy for aerospace, renewable energy, and bioscience/biomedicine industries include creating a high level of visibility both nationally and internationally related to these industries in Colorado, determining the infrastructure and specific assistance needed by the businesses within these industries so that the industries will have the strongest opportunity for success in Colorado, and working with OEDIT resources and numerous partners to provide the elements necessary for such success. In conjunction with the Governor's Energy Office, OEDIT provided support in program administration and development, review and rating of applications, and due diligence on renewable energy companies receiving New Energy Economy Development (NEED) grants.

The Colorado Tourism Office promotes the growth of the travel and tourism industry thereby creating jobs, increasing tax revenues and furthering economic development. Through a comprehensive marketing, advertising and public relations campaign, the CTO promotes Colorado as a premiere leisure travel destination to out-of-state and international visitors and in-state travelers. The CTO works with a national research firm to ascertain the impact of visitors to the state economy, including state and local tax revenues derived from travel expenditures. Tourism strategies include focusing on increased domestic tourism promotions along with more emphasis on international markets and heritage tourism, the development of a new website, and leveraging its dollars. Tourism in Colorado is promoted through the

following programs: Welcome Centers, Tourism Promotion, International Promotions, a Tourism Website, the Official State Vacation Guide and the Heritage Tourism Program.

Evaluation of Prior Year Performance:

The strategy of focusing on emerging and targeted industries has resulted in a number of early successes. Related to identifying needs in emerging industries, OEDIT has experienced a significant increase in the number of prospects in these sectors and investments have been made at a higher level than initially projected for this first year measurement. The decision by Vestas Wind Systems to locate its first North American blade manufacturing plant in Windsor, Colorado resulted in an investment of over \$60 million and 650 manufacturing jobs. Vestas has recently announced its intention to locate additional facilities in Brighton and Pueblo, with over \$530 million in capital investments planned and the creation of 1,850 new jobs. In addition to Vestas, companies assisted include Siemens Power Generation, United Launch Alliance, AVA Solar, Renewable Energy Systems, Lockheed Martin, and Ascent Solar in addition to a number of other businesses.

The Colorado Tourism Office met its benchmark and achieved a higher state market share. In 2007, the Colorado Tourism Office issued a request for proposal for a new advertising campaign to more effectively utilize the increased funding provided by new legislation. A new agency was selected, and a new campaign, “Let’s Talk Colorado” was developed. In addition, advertising coverage was expanded to include national media as well as more international promotions. In 2007, Colorado experienced a very strong year in travel and tourism, breaking all records, for spending, and bringing over \$15 billion into Colorado’s state economy, based on Dean Runyan & Associates’ report on the Economic Impact of Travel on Colorado, 2007.” In contrast, 2008 will be a huge challenge for the travel and tourism industry due to high gas prices, low consumer confidence and widespread job losses in other parts of the country.

Key Related Workload Indicators

Workload Indicators	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate
<i>Bioscience/biomedicine, Renewable Energy and Aerospace Sector Workload Indicators are included above in the aggregated job creation/retention workload indicators reported</i>	<i>See Above</i>	<i>See Above</i>	<i>See Above</i>
Number of Tourism Industry Events, Trade Shows & Sales Missions	31	35	36
Number of CTO Contracts Managed	76	86	85
Number of Tourism Board and Committee Meetings and Number of Tourism Industry Communications	78	67	73

Objective #3: Support entrepreneurs and small businesses

Performance Measure	Outcome	FY 06-07 Actual		FY 07-08 Actual		FY 08-09 Approp.		FY 09-10 Request	
		Clients	Change	Clients	Change	Clients	Change	Clients	Change
Assistance provided in support of entrepreneurs and small business clients	Benchmark	NAV	N/A	NAV	N/A	5,000		5,000	
	Actual	NAV	N/A	3,388	N/A				

Strategy: Provide comprehensive services and programs needed by small businesses and entrepreneurs.

Business retention/expansion and new company formation by small businesses and entrepreneurs is expected to provide the basis for and the largest opportunities for growth in Colorado as well as the nation. OEDIT has a broad array of programs and services available for small businesses and entrepreneurs, including technical assistance provided by its Small Business Development Center network, regional Business Loan Funds, assistance to art related businesses, venture capital funds, minority and women-owned business advocacy and programming, and business development, retention and expansion services.

Evaluation of Prior Year Performance

OEDIT served 3,388 clients in FY07-08, which is at 68% of its benchmark of 5,000 clients; however, OEDIT expects to meet this benchmark over time. Clients may receive services from a variety of OEDIT programs; however, the clients tracked for the most part receive services through the Small Business Development Center network. Meeting this benchmark will require that OEDIT continue to strongly market its programs/services, find ways to stretch its resources to support more clients, and continue to refine its methods of tracking clients served. A significant number of these clients will proceed to start or grow their small businesses and thus, will create jobs and contribute to Colorado’s overall economic base.

Key Related Workload Indicators

Workload Indicators	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate
<i>Entrepreneur and Small Business Workload Indicators are included above in the aggregated job creation/retention workload indicators reported</i>	<i>See Above</i>	<i>See Above</i>	<i>See Above</i>
Number of Quarterly Reimbursement Requests from Host SBDCs	56	56	60

Workload Indicators	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate
Number of Women and Minorities (historically underutilized businesses) Receiving Surety Bond Technical Assistance	N/A new program	N/A new program	300
Number of Minority Business Office Seminars and Trade Fairs Planned & Coordinated	15	20	25

Objective #4: Strengthen regional economies

Performance Measure	Outcome	FY 06-07 Actual		FY 07-08 Actual		FY 08-09 Approp.		FY 09-10 Request	
		Assessments	Change	Assessments	Change	Assessments	Change	Assessments	Change
Assistance provided to strengthen regional economies	Benchmark	N/A	N/A	25	N/A	25		25	
	Actual	17	N/A	27	N/A				

Strategy: Provide state-supported programs to assist regions throughout the state.

OEDIT generally offers its programs to all regions located throughout the state, including business development representation, international trade assistance, regional business loan fund administration, regional Small Business Development Centers, regional Enterprise Zone administration, regional tourism marketing grants, welcome centers, and arts education efforts. These programs are captured in the objectives and strategies previously described.

In addition, OEDIT has developed a statewide site selection website that allows regions or communities to include their own web page as part of the site. Expanding and/or relocating businesses throughout the US and globally use such websites to conduct their preliminary search of potential sites for further consideration. This website is located at www.ColoradoProspects.com.

This specific objective and strategy focuses on regional or community capacity building programs. OEDIT's Community Economic Development Assessments, Community Action Planning and Business Retention and Expansion Assessments are programs that involve a process of examining the social, political, economical and environmental conditions within a community. The conditions are reviewed as they pertain to economic and business development. The process used involves economic development professionals from across the state, local community leaders, local businesses and residents with coordination, facilitation and participations by OEDIT staff. During the process, dozens of development factors are considered and addressed. Recommendations are driven toward addressing critical issues, discovering possible solutions, suggesting actions and leveraging resources. The processes provide an economic development tool that assists in furthering economic development options within a community or region. The goal of the programs is to provide

the community with resources so that it may plan, execute and complete a locally conceived and driven economic development strategic plan.

Specifically,

- The Community Economic Development Assessments result in a SWOT (strengths, weaknesses, opportunities, and threats) report at the conclusion of the process. The SWOT report provides the community with recommendations to assist in its future economic development planning.
- The Community Action Planning (CAP) program provides the opportunity for community stakeholders to participate in the next step, Community Action Planning. This program is designed to prioritize the assessment recommendations and include action steps, responsibilities, timelines and resources needed to accomplish the top priority recommendations determined by the community.
- The Business Retention and Expansion Assessments provide a structure and software to track existing business issues by conducting individual interviews with high level company officials. The assessments identify issues, concerns and barriers faced by businesses. The goal is to identify and resolve the issues, concerns and barriers so that the business and its employees can be retained in the community.

Evaluation of Prior Year Performance:

OEDIT completed 27 assessments/plans during FY07-08 and exceeded its benchmark of 25 assessments/plans. Communities have provided feedback indicating that these programs have been very beneficial to them. Such capacity building is a critical need for small communities to enable them to compete with areas of the state that have more resources.

OEDIT’s delivery of these programs is contingent on and limited by the number of economic development professionals available in its partner organizations to participate in such assessments/plans. Going forward, demand for these programs may be lower due to the number of assessments already completed for Colorado communities/regions. OEDIT is evaluating the programs and is in the process of determining if strategic changes need to be implemented to ensure that the programs continue to be relevant and meet the needs of the communities as they become ready to implement economic development activities.

Key Related Workload Indicators

Workload Indicators	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate
Number of Rural Business Financing Forums Planned and Coordinated	5	5	5
<i>Regional Assistance Workload Indicators are included above in the aggregated job creation/retention workload indicators reported</i>	<i>See Above</i>	<i>See Above</i>	<i>See Above</i>

The Governor's Office of Homeland Security (GOHS)

Introduction

The objectives of the Governor's Office of Homeland Security were to revise the Homeland Security grant allocation process by establishing state priorities in specific areas, to identify an application format and develop grant application scoring criteria. These objectives were chosen in order to improve the effectiveness of Homeland Security funds in reaching the overall mission.

Mission Statement

The Mission of GOHS is to ensure a safe and secure environment in Colorado for all persons from intentional acts of terrorism, accidental harmful events, or natural disasters, through the implementation of innovative prevention methods, coordinated response procedures, and effective recovery plans. The mission encompasses three major objectives:

To prevent terrorist attacks in Colorado

To reduce Colorado's vulnerability to terrorism

To minimize the damage and recover from attacks that do occur

Objectives

Establish state priorities for Homeland Security in:

1. Planning
2. Interoperable Communications
3. Intelligence/Information Sharing
4. Community Preparedness and Preparation
5. Responder Safety and Health

Identify an Application Format

Develop Grant Application Scoring Criteria

GOHS staff, Colorado Information Analysis Center (CIAC) staff and Regional Coordinators collaborated to develop the formula, data criteria and funding allocation process. The Colorado Formula is modeled on the Department of Homeland Security Risk-Based Grant Methodology (CRS Report for Congress RL33858). In this year's round of funding, 90% of the federal Homeland Security funds were allocated based on the Risk Formula and established as target baseline allocations by Region. Ten percent of the funds were marked as competitive among Regions/Agencies. Fourteen grant review committee members, including 3 state representatives, 2 tribal nation representatives and 9 Regional representatives, reviewed, evaluated and scored a total of 11 questions for each project within each Region and state application. Application narratives and itemized budgets were evaluated for effectiveness and relevance.

Performance Measures

The revised application process produced the following results:

- Colorado's 2008 DHS HSGP effectiveness score was 88 points vs. the national average of 80 points.
- The score reflects an increase in Colorado's standings from the 60th percentile in 2007 to the 75th percentile in 2008.

- There of the six IJs scored in the top 15% of submissions nationwide
- 39 states received less SHGP finding in 2008 than in 2007, while 11 states, including Colorado, saw their SHGP funding increased in 2008
- Colorado's 2008 SHSP funding allocation is \$11,880,000 vs. \$11,030,000 in 2007; an increase of 7.7%.

The Office of Information Technology

Introduction

The **Governor's Office of Information Technology** (OIT) oversees technology initiatives at the state level, recommending strategies to maximize efficient service delivery through enterprise technology solutions. OIT is established in state law to coordinate and direct information technology resources by state agencies. OIT is responsible for oversight, administration and management of centralized information technology in state government in Colorado. The scope and duties of OIT were augmented significantly as a result of the statewide information technology consolidation in SB08-155.

Mission Statement

The mission of OIT is to increase the effectiveness of government through the use of shared information and technology.

Vision Statement

Over the next five years information technology will be used to maximize the efficiency of service delivery and will operate as a seamless enterprise, delivering consistent, cost-effective, reliable, accessible and secure services that satisfy the needs of the citizens of Colorado, its business communities, and its public sector agencies from an enterprise perspective. As the agency designated with the authority for the management and delivery of centralized information technology services in the state, OIT will provide leadership in information technology related procurement, budgeting, strategic operations, project management, and enterprise architecture. In effect, OIT will generate efficiencies by leveraging common services, infrastructure and applications enterprise-wide, and will optimize the procurement strategy of the state related to the acquisition of goods, services and consulting necessary to provision information technology effectively. This strategy will promote a more stable, progressive, dynamic and effective information technology infrastructure in Colorado state government in current and future years.

Objectives

The Office of Information Technology (OIT) Strategic Plan has five key objectives and is in the process accomplishing these goals. OIT is leveraging technology statewide, consolidating the State's data centers and improving oversight of the State's Information Technology (IT) projects. OIT will continue to ensure that the Strategic Plan is operational, measurable and practical as the State's IT infrastructure evolves.

- Secure and protect information technology assets
 - Conduct enterprise asset management inventory

- Create new asset management policies and standards
- Continue to improve cyber and information technology security
- Continue to standardize enterprise architecture
- Promote enterprise service consolidation
- Optimize spending for IT decisions, projects, and technology
 - Establish new information technology budgeting process
 - Reform enterprise licensing and buying
 - Improve contracting oversight
- Effectively manage IT projects
 - Continue to implement project management certification
 - Expand the Enterprise Project Management Office (PMO)
 - Provide enterprise reporting on large information technology projects
- Maximize enterprise service delivery
 - Help enable statewide broadband connectivity
 - Complete statewide communications system
 - Better leverage the Statewide Internet Portal
 - Maintain and improve service delivery to customers
- Improve collaboration and innovation
 - Facilitate an ongoing collaborative enterprise-wide information technology strategic planning process
 - Establish centers of excellence for key competencies
 - Continue to utilize Executive Governance Committees to improve cross-departmental collaboration and to better manage the existing statewide information technology project portfolio.

Performance Measures

Objective: Secure and protect information technology assets/promote enterprise service consolidation

Performance Measure	Outcome	FY 2007	FY 2008	FY 2009	FY 2010
		Actual	Actual	Approp.	Request
Increase # of physical servers hosted and housed at the 690 Kipling data center by 7.5% annually	Benchmark	N/A	N/A	372	400
	Actual	300	346		

Strategy: Through increased collaboration with state agencies, OIT will continue to facilitate enhanced levels of utilization of the state’s primary data center at multiple levels which should begin to promote the strategy of enterprise data center consolidation

Evaluation of Prior Year Performance: This performance measure is new in the current strategic plan.

➤ *Objective:* Maximize enterprise service delivery/maintain and improve service delivery to customers

Performance Measure	Outcome	FY 2007 Actual	FY 2008 Actual	FY 2009 Approp.	FY 2010 Request
Maintain MNT network availability above 99.9% through 6/30/09	Benchmark	N/A	99.9%	99.9%	99.9%
	Actual	99.98%	99.97%		

Strategy: To maximize service levels associated with the MNT network to benefit entities in the public sector, private sector, and individual citizens statewide.

Evaluation of Prior Year Performance: Network Services was able to satisfy this performance measure in the most recent fiscal year.

Objective: Secure and protect information technology assets/promote enterprise service consolidation

Performance Measure	Outcome	FY 2007 Actual	FY 2008 Actual	FY 2009 Approp.	FY 2010 Request
Increase number of bytes of open systems disk storage managed at the 690 Kipling data center by 5% annually	Benchmark	N/A	14.7 TB	15.4 TB	16.2 TB
	Actual	14 TB	14.5 TB		

Strategy: Through increased collaboration with state agencies, OIT will continue to facilitate enhanced levels of utilization of the state’s primary data center at multiple levels which should begin to promote the strategy of enterprise data center consolidation

Evaluation of Prior Year Performance: This was a new performance measure last fiscal year. The benchmark for this measure was a 5% annual increase for FY 2007-08 and the actual increase was ~3.6%. This effort will continue and additional capacity exists at the data center that will be heavily promoted to state agencies in the coming fiscal year.

Objective: Maximize enterprise service delivery/complete statewide communications system

Performance Measure	Outcome	FY 2007 Actual	FY 2008 Actual	FY 2009 Approp.	FY 2010 Request
Increase percent of state highways covered by DTR network to 95% by 9/30/10	Benchmark	N/A	95%	95%	95%
	Actual	90%	~92%		

Strategy: To facilitate increased coverage for the statewide interoperable public safety network for the benefit of first responders in local, tribal, state and federal public safety agencies.

Evaluation of Prior Year Performance: This was a new performance measure last fiscal year and the benchmark is associated with achieving the desired level of coverage by fall of 2010. As such, the continued progress toward this objective during the most recent fiscal year continues to be positive.

Objective: Secure and protect information technology assets

Performance Measure	Outcome	FY 2007	FY 2008	FY 2009	FY 2010
		Actual	Actual	Approp.	Request
Increase percent of mainframe applications successfully restored during annual disaster recovery test to 95% or above by 9/30/09	Benchmark	N/A	90%	95%	95%
	Actual	83%	N/A*		

**This annual test is typically performed in August: this year the test has been postponed until Dec.*

Strategy: To promote continuity of government operations and disaster recovery of mainframe applications

Evaluation of Prior Year Performance: The benchmark is determined to be an optimal level of recovery and the FY 2006-07 level of 83% was low largely because of a single application that was unable to be restored immediately. It is anticipated that the FY 2007-08 benchmark of 90% should be achieved when the annual test is performed in December.

Objective: Secure & protect I.T. assets/promote enterprise service consolidation

Performance Measure	Outcome	FY 2007	FY 2008	FY 2009	FY 2010
		Actual	Actual	Approp.	Request
Reduce number of state data centers	Benchmark	N/A	N/A	30*	<20*
	Actual	39	37		

**These benchmarks may be significantly adjusted dependent on the scope and timing of future data center consolidation assessments.*

Strategy: Data center consolidation is an activity that is clearly under consideration as part of any information technology consolidation, and Colorado is no different. It is clearly in the state's best interest to attempt to consolidate data centers in the state for the sake of performance, optimization of state resources, and potential savings. The scope and pace of potential data center consolidation efforts is pending at this time, and is in part contingent on assessments that are currently in early stages.

Evaluation of Prior Year Performance: This is a new objective in the current fiscal year that will remain into the future, and as referenced above the benchmark will be adjusted over time after initial assessments are completed.

Objective: Optimize spending for IT decisions, projects and technology

Performance Measure	Outcome	FY 2007 Actual	FY 2008 Actual	FY 2009 Approp.	FY 2010 Request
Increase percent of information technology procurement actions above \$10k reviewed & approved by OIT*	Benchmark	N/A	N/A	100%	100%
	Actual	N/A	~65%		

This measure relates specifically to the Executive Branch

Strategy: To continue the process introduced in FY 2007-08 whereby Executive Branch agencies were expected to seek OIT approval for technology expenditures/procurements in excess of ten thousand dollars. Beginning with FY 2008-09, OIT will begin to expand its review to much lower dollar thresholds, but in the immediate term, OIT intends to ensure that this process is all-inclusive for the \$10,000+ threshold.

Evaluation of Prior Year Performance: This is a new performance measure in the current fiscal year.