

Department Description

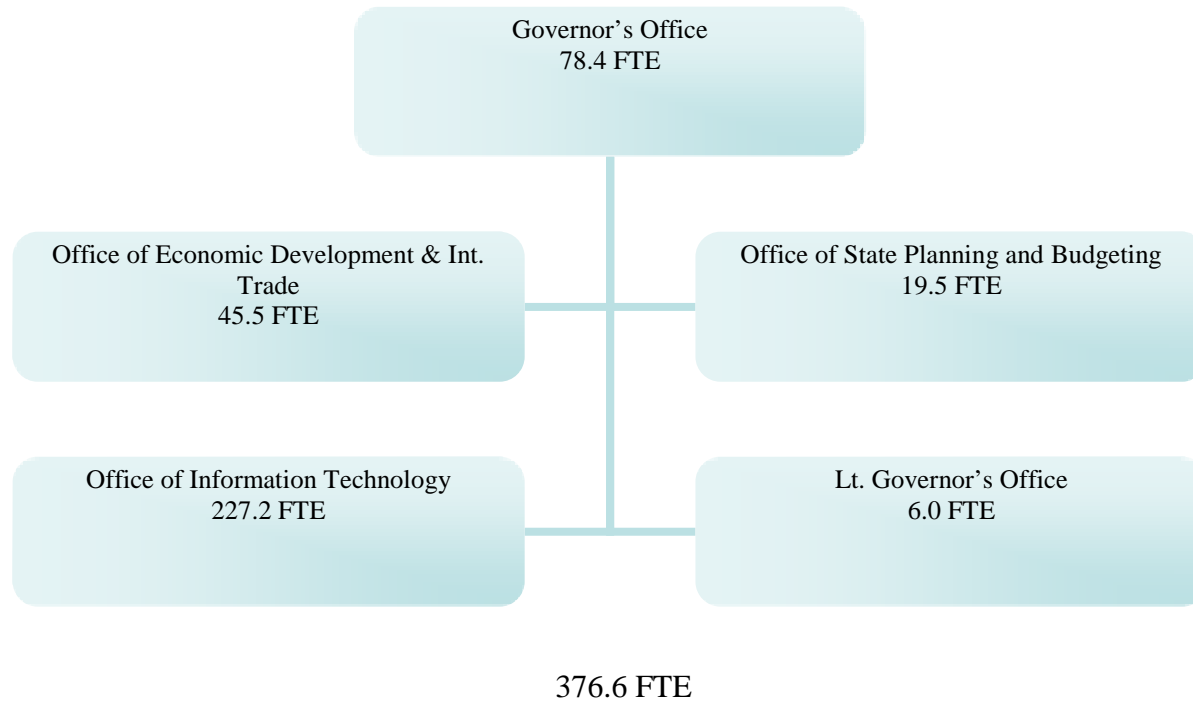


Governor's Office  
Department Description

FY 10-11 Budget Request

July 1, 2009

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\$14,322,532 GF 25,525,276 CF \$50,392,776 Re-appropriated \$32,859,979 FF

## Department Description

### **GOVERNOR'S OFFICE**

The Governor's Office heads the executive branch of Colorado State Government. Article IV, Section 2, of the Colorado Constitution states, "*The supreme executive power of the state shall be vested in the governor who shall take care that laws be faithfully executed.*" As Chief Executive, the Governor oversees delivery of services to Colorado citizens and ensures effective agency operations in the executive branch. The Office acts as 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 Governor's Office consists of offices funded under the Governor's Office proper: the Legal Office, the Office of Policy Initiatives, the Office of Boards and Commissions, the Citizens' Advocate Office and Press/Correspondence; as well as offices constitutionally and/or statutorily created and funded separately by the legislature: the Lieutenant Governor's Office, the Office of State Planning and Budgeting (OSPB), the Governor's Office of Information Technology (OIT), the Office of Economic Development and International Trade (OEDIT), the Governor's Energy Office (GEO) and the Governor's Office of Homeland Security (GOHLS). In 2008, the JBC created separate appropriations for Homeland Security and the Governor's Energy Office. Prior to that session, these functions were included in the Governor's Office Long bill appropriation under "Other Programs and Grants." FTE's noted in the organizational chart include employees in the administrative offices as well as the Governor's Energy Office and the Office of Homeland Security. The administrative offices of the Governor, the Lt. Governor and OSPB, are located in the Colorado State Capitol building, 200 East Colfax Ave., Denver.

**The Governor's Office of Policy and Initiatives**, directed by Ken Weil, works on behalf of the Governor to develop his policy agenda through the legislature, state agencies, citizen groups, and others. The Policy Office advises the governor on policy issues and provides policy research. Policy areas include, among other topics, transportation, health care, education, child and family issues, and economic development. The **Office of Legislative Relations** is run by Mary Kay Hogan. This office assists the Governor in developing his legislative agenda, tracking bills during the legislative session and providing a liaison between the Governor's Office and the state legislature. The **Legal Office**, headed by Chief Legal Counsel Trey Rogers, provides legal counsel to the Governor including addressing the legality of legislation, the requirements of boards or commission members, vetting of judicial appointments and representing the Governor. The **Citizen Advocate Office** headed by Melissa Martinez responds to citizens inquiries and concerns. Cases are forwarded to the appropriate state department to determine whether and how the issue can be addressed by the agency. The **Press/Correspondence Office** handles communications and media relations for the Governor. Duties in this office include preparing press releases, assisting with the Governor's speeches, managing the governor's office web pages and e-newsletters,

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and responding to media requests for information and interviews. Evan Dreyer is the Governor's Press Secretary. The **Office of Boards and Commissions** is directed by Shaylisa Hurte. This office advertizes, screens and makes recommendations to the Governor on gubernatorial appointments to boards and commissions. Boards and commissions appointments include everything from the State Board of Accountancy to the Wine Industry Development Board of Colorado. In addition to these offices the Governor's Office handles administrative, accounting and human resources functions.

The **Office of the Lieutenant Governor** is defined in the Colorado Constitution. The Lieutenant Governor acts in the capacity of the Governor when the Governor is out of the state or is otherwise unable to perform his constitutional responsibilities. Barbara O'Brien is Colorado's Lieutenant Governor. In 1976, the Colorado General Assembly created (See C.R.S. §§ 24-44-101 to 24-44-108) the Colorado Commission of Indian Affairs (CCIA) within the Office of the Lieutenant Governor. The Lieutenant Governor serves in the statutory role as chair of the Colorado Commission of Indian Affairs. The Commission was designed to be the official liaison between the two Ute Tribes and the State of Colorado. Since its inception, the Commission has worked with the two tribes and the off-reservation American Indian people who live in Colorado. Ernest House is the Commissioner on Indian Affairs.

The **Office of State Planning and Budgeting** (OSPB) provides the Governor with information and recommendations so he can make sound public policy and budget decisions. This role is carried out through eight core functions.

- Developing reliable revenue estimates;
- Developing a defensible budget within revenue constraints;
- Developing proposals for new legislation;
- Tracking legislation and monitoring the legislative budget process
- Advocating for the Governor's priorities & addressing issues of concern;
- Monitoring budget implementation, anticipating issues, and developing solutions;
- Providing accurate and concise public information;
- Operating efficiently as an office.

The director of the Office of State Planning and Budgeting is Todd Saliman.

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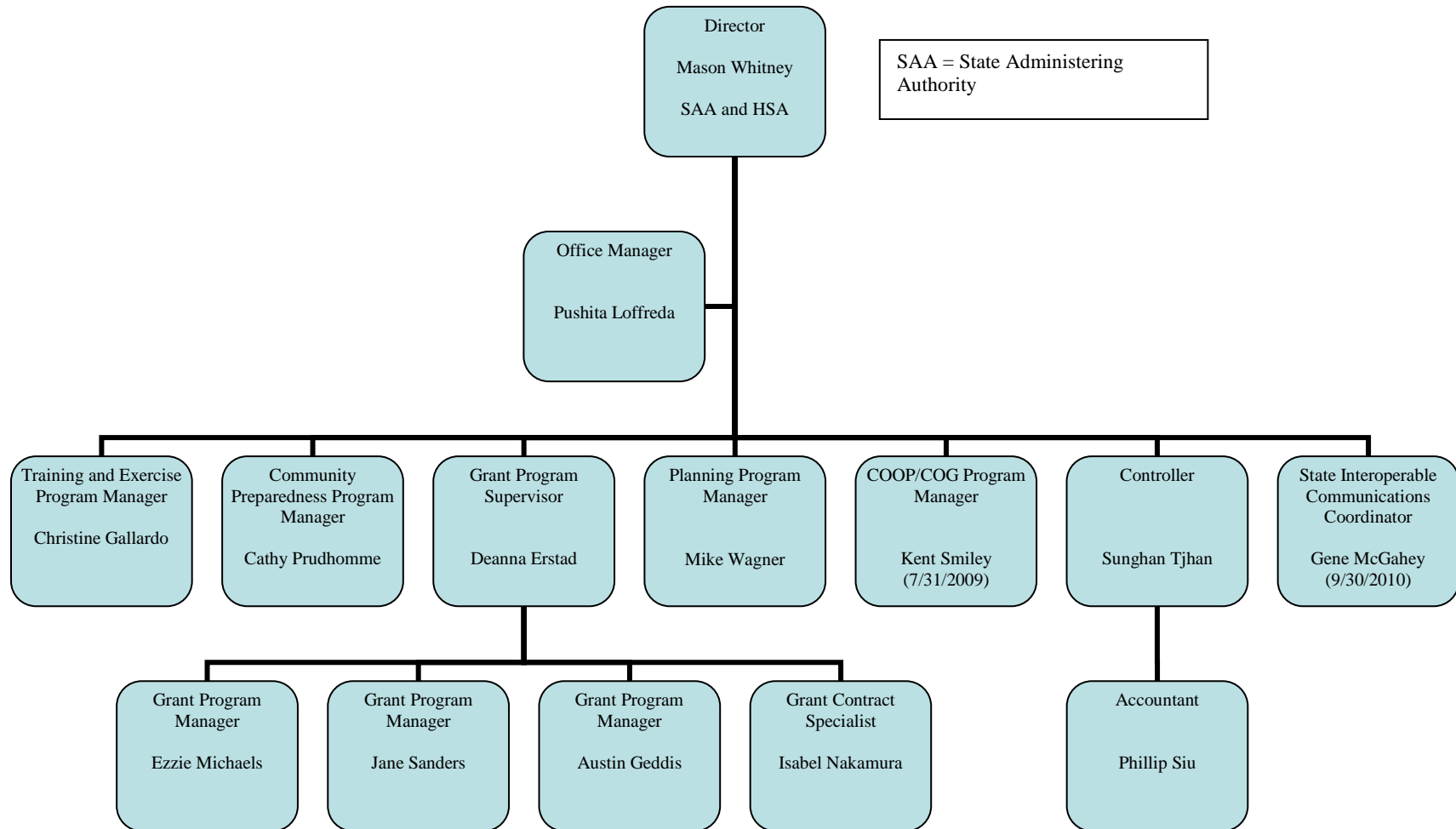
**OFFICE OF STATE PLANNING AND BUDGETING – Workload Indicators**

Workload Indicator	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2009-10 Request
Number of departments posting their budget on their website.	1	17	3 <sup>1</sup>	N/A
Number of department budgets posted on the OSPB website.	0	17	17	17
Number of issue briefs written and posted on the OSPB website	N/A	21	20	20

<sup>1</sup> Most agencies/departments decided to forego posting their budget on their website because the information is now included on the OSPB website.

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**GOVERNOR'S OFFICE OF HOMELAND SECURITY (GOHS)**



SAA = State Administering Authority

## Department Description

### **BACKGROUND INFORMATION**

The Governor's Office of Homeland Security (GOHS) was created by Executive Order in February of 2008 and became operational July 1, 2008. Prior to GOHS being created, homeland security grant administration was accomplished by the Colorado Division of Emergency Management while the Department of Local Affairs and the Department of Public Safety were responsible for homeland security management. GOHS was created to combine the responsibilities for homeland security into one office. GOHS serves as the coordinating office for the Homeland Security missions contained in a majority of the state's agencies and departments as well as coordinating the homeland security efforts of the nine All Hazards Emergency Management Regions (AHEMR) and Denver Urban Area Security Initiative (UASI). The purpose of the office is to ensure all state departments, agencies, AHEMRs, and Denver UASI have the tools to perform the mission elements of prevention and disruption of terrorist attacks; protection of critical infrastructure, key resources and Colorado communities against all hazards; response to all incidents; and recovery from all incidents. These tools are Planning, Organizations and Personnel, Equipment, Training, and Exercises (POETEs). Risk management must be used to determine which tools will be resourced with available manpower or funding programs. The primary functions of the Governor's Office of Homeland Security are to develop, implement, and evaluate the State Homeland Security Strategy and to administer the Federal Homeland Security Grant Programs' funds allocated to Colorado using risk management principles. GOHS is the State Administering Agency (SAA) for the Homeland Security Grant Programs in Colorado. As the SAA, the office sets priorities and allocates funds within the state for all federal homeland security grant programs.

**Director's Office** The Director of the Office of Homeland Security, Major General (retired) Mason C. Whitney, is a cabinet level official reporting to the Governor. The Director is responsible for the essential duties of the entire office as well as the coordination with the nine AHEMRs and Denver UASI. He also performs duties as the Governor's Homeland Security Advisor (HSA) and the lead authority for the State Administering Agency (SAA). In the HSA capacity, the Director provides advice and counsel to the Governor on all matters relating to the homeland security mission within Colorado and coordinates state efforts in executing the State Homeland Security Strategy. As the lead authority for the SAA, the Director is responsible for the administration of all federal homeland security grant programs awarded to Colorado. The Director serves as the Chair of the Governor's Homeland Security All Hazards Senior Advisory Committee (SAC). The GOHS office manager is responsible for human resources, performance management and procurement, travel and logistics, internal and external support resources (such as Information Technology and Central services). The GOHS office maintains effective working relationships with related local, state and federal agencies, ensures GOHS office procedures comply with all State policies, State/Federal laws, and that GOHS operational efficiencies are evaluated annually.

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**Training and Exercise Program Manager** This position oversees the Training and Exercise Program that includes processing, approval, tracking, support and assistance with conducting Department of Homeland Security (DHS) training and exercises which range from single agency to multi-jurisdictional. This position supports the development of classes and use of the Homeland Security Exercise and Evaluation Program (HSEEP) methodology statewide, to include Urban Area Security Initiative (UASI). Specific responsibilities of this position include assisting state agencies, counties and local jurisdictions in designing, developing, training and exercises for the state.

**Community Preparedness Program Manager** This position is responsible for community preparedness and community participation in the state homeland security mission. The position has broad responsibility for ensuring that:

- Ongoing collaboration between government and nongovernmental organizations at all levels.
- Volunteers and nongovernmental resources are incorporated in plans and exercises.
- The public is educated, trained, aware; citizens participate in volunteer programs and provide surge capability support.
- Nongovernmental resources are managed effectively in disasters.
- Statewide progress in community preparedness and participation is evaluated annually. The position represents the Governor's Office, provide assistance and responds to inquiries on a variety of community preparedness topics.

**Grants Program Office** This office implements the Federal Homeland Security Grant Program and all associated grants. The office has broad responsibility for ensuring that:

- All activities necessary to plan and apply for applicable grants are completed on time and accurately.
- Supervision is provided for the three Grant Managers and Grants Contract Specialist in administering GOHS grants.
- Grant requirements with the nine All Hazards Regions, Denver UASI, and state agencies are maintained.
- Management oversight for all GOHS grants is provided through monitoring visits to the nine All Hazards Regions, Metropolitan Medical Response System (MMRS) jurisdictions, Denver UASI, and state agency sub-grantees. The office administers nine different grant programs for eight state agencies, nine AHEMRs, three MMRS jurisdictions, six non-profits, Denver Regional Transportation District and Denver UASI. The nine grant programs have performance periods from 2 - 3 years each. As a result, the office manages over one hundred and twenty grant awards as the SAA for the state of Colorado yearly. The dollar amount of these cumulative grants averages approximately \$30 million annually statewide. The Grant Program Supervisor provides assistance and responds to grant inquiries.



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**Planning Program Manager** This position is responsible for the statewide implementation of the Colorado Homeland Security Planning Program. The position has broad responsibility for ensuring that:

- All activities needed to develop, implement, and evaluate the State Homeland Security Strategy are accomplished.
- The State Improvement Planning Conference (IPC) is effectively planned, is conducted, and reports are distributed to users.
- Coordination of the DHS Integrated Planning System and the Comprehensive Preparedness Guide 101 with Federal, State, Local, and Tribal entities is accomplished.
- The State agencies Continuity of Operations/Continuity of Government Plans are developed, maintained, exercised, and evaluated. The position represents the Governor's Office of Homeland Security at meetings around the state, providing assistance and responding to inquiries on planning topics.

**Controller's Office** This office manages the financial activities of the GOHS, including accounting for federal grants and the financial reporting requirements for those grants, development of financial, budgetary, administrative policies and procedures, and preparation of state and federal financial reports. The office manages approximately \$30 million in federal grant transactions annually.

**State Interoperable Communications Coordinator** This is a temporary position associated with the Public Safety Interoperable Communications (PSIC) grant award of 2007 and is scheduled to be terminated at the end of the grant performance period on 30 September 2010. The coordinator works with state and local government public safety responders to establish working bylaws to govern interoperability throughout the state with the oversight of the Statewide Interoperability Executive Committee (SIEC) and Senior Advisory Committee (SAC). The coordinator develops a strategic vision, goals and objectives to improve emergency response, interagency communications, connectivity and tactical interoperable communications plans (TICP) to maximize response and coordination during hazardous events.

## GOHS - PRIOR YEAR LEGISLATION

No legislation was enacted that directly impacted the GOHS this past state legislative session.

## GOHS - HOT ISSUES

- The current Homeland Security Strategy was approved by the Governor in March of 2008. The strategy tasks state departments and agencies with assigning subject matter experts to each Goal and Objective in the Strategy. GOHS has been training these experts in executing the capabilities based planning process for their assigned goal or objective for the past year. Each AHEMR has submitted names from their regions as subject matter experts for those goals and objectives in the Goal Working Groups. These working groups

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are multi-jurisdictional and cross-function with representation from all sectors, both private and government. By July 2011, there should be thirty-seven Goal Working Groups developing tools that will improve the thirty-seven target capabilities from the National Preparedness Guidelines for the five major goals in the strategy. These tools will be in the form of plans, organizations, equipment, training, and exercises (POETEs) which will be prioritized at the annual Improvement Planning Conference for placement in investment plans for targeted resources. This process requires concurrence and collaboration of state departments and agencies in implementing the strategy. It also requires every AHEMR align their regional strategies with the state strategy to ensure a common language is used when developing priorities for state preparedness initiatives.

- The GOHS is entirely federal grant funded. If these grants are reduced below the capability to support the office at the current levels, state general funds may be required. At the present rate of expenditures the office can be sustained until the SFY2013-14 using federal grant funds. Beyond that depends on funding from the federal grant programs. As most homeland security grant award periods of performance are for three years, the office should be able to predict at least two years prior to any state general funds being needed.
- Community Preparedness is a force multiplier for any disaster. To ensure first responders aren't overwhelmed after a major disaster, citizens must be prepared to sustain themselves for at least 72 hours after any incident without support from government services. This means every Colorado family should have an emergency preparedness kit in case of a major disaster. Information is available on the internet at [www.readycolorado.com](http://www.readycolorado.com) or [www.ready.gov](http://www.ready.gov) to guide citizens in preparing a kit. Disasters are usually no-notice so preparation is critical. All levels of government and community leadership are needed to send the message of community and individual responsibility for preparedness. Businesses that provide critical community services or products must also be prepared to recover from a disaster and continue operating. The Colorado Emergency Preparedness Partnership (CEPP) is one initiative that brings government and businesses together to coordinate and leverage their efforts in community preparedness. More of these initiatives should be encouraged throughout Colorado. Federal grant funds are being used almost exclusively to support these programs in Colorado. State and local government leadership must consider the risks associated with poor community preparedness and determine if more state and local resources are needed for preparedness efforts throughout the state.

**GOHS - WORKLOAD INDICATORS - Homeland Security Federal Grant Funds administered annually over 6 Years**

Program	2004	2005	2006	2007	2008	2009	6 Year Total
State Homeland Security	\$28,041,000	\$17,796,658	\$8,080,000	\$6,430,000	\$11,880,000	\$10,925,000	\$83,152,658

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Program (SHSP)							
Law Enforcement Terrorism Prevention Program (LETPP)	\$8,321,000	\$6,471,512	\$7,600,000	\$4,600,000			\$26,992,512
Citizen Corps Program (CCP)	\$582,000	\$225,929	\$322,819	\$244,560	\$249,368	\$248,204	\$1,872,880
Urban Area Security Initiative (UASI)	\$8,595,347	\$8,718,395	\$4,380,000	\$7,850,000	\$7,614,500	\$7,053,050	\$44,211,292
Metropolitan Medical Resource System (MMRS)		\$682,776	\$696,990	\$774,435	\$963,663	\$963,663	\$4,081,527
Public Safety Interoperable Communications (PSIC)				\$14,336,638			\$14,336,638
Transit Security Grant Program (TSGP)		\$1,225,000	\$1,150,000		\$831,648	\$613,000	\$3,819,648
Interoperable Emergency Communications Grant Program (IECGP)					\$609,616	\$689,951	\$1,299,567
Buffer Zone Protection Program (BZPP)		\$1,450,000	\$189,000		\$1,597,000	\$600,000	\$3,836,000
Nonprofit Security Grant Program (NSGP)					\$55,843	\$99,538	\$155,381
<b>TOTAL</b>	<b>\$45,539,347</b>	<b>\$36,570,270</b>	<b>\$22,418,809</b>	<b>\$34,235,633</b>	<b>\$23,801,638</b>	<b>\$21,192,406</b>	<b>\$183,758,103</b>

Workload Measure	Unit	FY 08 Actual	FY-09 Actual	FY-10 Est.	FY-11 Est.
Grant Awards Managed	# of Awards	N/A	122	120	120
Financial Transactions Completed	# of PV, IT, JV, & CR	N/A	756	750	750
Grant Projects Submitted and Reviewed	# of Projects	N/A	198	160	160
Grant Monitoring Visits Performed	# of visits	N/A	5	8	8

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Individual Training Applications Processed	# of Applications	N/A	596	600	600
Training Courses requested for HSEEP, MTT & MCR	# of Requests Processed	N/A	44	50	50
Community Preparedness Outreach Events and Presentations	# of events and presentations	N/A	27	30	35
Staff Visits to AHEMR for Planning & Capability Assessments	# of visits	N/A	11	9	9
State Strategy Goal Working Groups Trained, Formed & Operating	# of Groups	N/A	4	15	37

PV = Payment Vouchers

IT = Interagency Transactions

JV = Reallocation of Expenditure

CR = Cash Received

HSEEP = Homeland Security Exercise and Evaluation Program

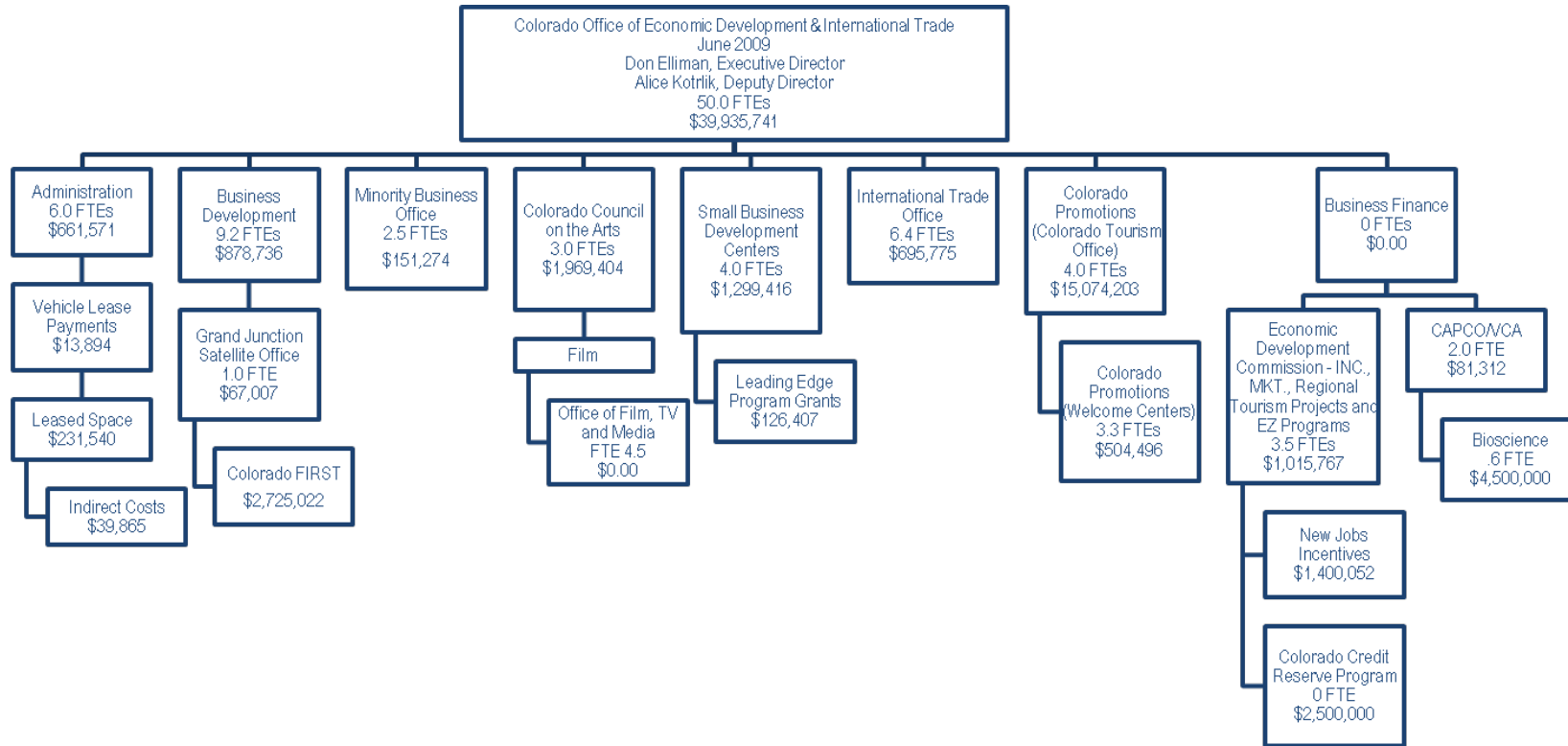
MTT = Mobile Training Teams

MCR = Mobile Course Requests

AHEMR = All Hazards Emergency Management Regions (nine total in Colorado)

Department Description

**OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE (OEDIT)**



## Department Description

### **Background Information**

The Colorado Office of Economic Development and International Trade (OEDIT) strengthens Colorado's long-term economic growth by providing support to Colorado businesses. OEDIT monitors and responds to economic conditions throughout the state; initiates support for small business creation and expansion; creates initiatives to support emerging industries; builds public-private program delivery; facilitates quality jobs development and assists the State's economy while preserving quality of life.

OEDIT's direct appropriation from the Colorado legislature is \$33,935,741, of which approximately 67% or \$22,861,936 is from cash funds. The remaining appropriation consists of 26% or \$8,946,109 from general funds; 6% or \$1,999,409 from federal funds for which the Colorado legislature provides required matching funds; and .30% or \$128,287 from reappropriated funds. OEDIT's primary location is at 1625 Broadway, Suite 2700, Denver, Colorado. OEDIT has regional service locations for its business development and Colorado Promotions/Tourism Office Welcome Centers' programs. OEDIT also provides funding and oversight for a number of Colorado service providers such as the regional Small Business Development Centers and Business Loan Funds.

OEDIT's objectives are increasing quality job creation by expanding and attracting businesses; maintaining Colorado's diverse economic base by retaining existing jobs through responsive programs and a supportive business climate; positioning Colorado as a national leader in emerging industries, including renewable energy and biomedicine; supporting entrepreneurs and small businesses, and strengthening regional economies, with specific emphasis on rural and lagging communities. OEDIT's core programs and services are described below. Additional information on programs/services can be found at [www.advancecolorado.com](http://www.advancecolorado.com).

**OEDIT's Administration Division** provides strategic and operational management direction, policy formulation, accounting, budgeting, procurement, limited personnel functions and other administrative functions. This division includes OEDIT's Executive Director Don Marostica, Deputy Director Alice Kotrlik and Controller John Rubano.

**OEDIT's Business Development Division** is the primary contact for the State's business development retention, recruitment and expansion activities by providing leadership, assistance, technical support and referrals for local economic development initiatives. Business programs and services offered include: Business Retention, Attraction, and Expansion; Project Management and Site Selection Assistance; Data Analysis, Data Dissemination, and Monitoring of Economic Indicators; Customized Industry Training (Colorado First and Existing Industry Program) jointly administered with the Colorado Community College System; Colorado Marketing and Promotions; OEDIT and Colorado Prospects Website Development and Maintenance; Trade Shows and Targeted Advertising; Targeted Industry Initiatives; and Aviation Development Zone Registration by Airports. Community based programs include Regional Business Development Representatives (including the Grand Junction Satellite Office); Economic development

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assistance to local organizations; Community Assessment Program; and Synchronist/State Business Retention and Expansion Program. OEDIT's Business Development Division Director is Jeff Holwell.

**OEDIT's Minority Business Office (MBO) Division** assists women and minority-owned businesses (the fastest growing small business segments in Colorado) to take advantage of certified Disadvantage Business Enterprise (DBE) business opportunities. The MBO assists businesses with procurement opportunities thereby fostering a stronger economy. The MBO is proactive in reaching out to the minority and women communities by sponsoring events, conferences, and participating in workshops. In addition, the MBO provides surety bond technical assistance to such historically underutilized businesses and has established a database with information on bonded women and minority businesses in Colorado. LeRoy Romero is OEDIT's MBO Division Director.

**OEDIT's Colorado Council on the Arts (CCA) Division** promotes the cultural, educational and economic growth of Colorado through development of its arts and cultural heritage. CCA administers grants and services that make the arts more accessible to all Coloradans; expand arts education opportunities for youth; support tourism and other economic development strategies; preserve and promote our cultural heritage; and stimulate and encourage the development of artists and arts organizations. CCA also administers the Art in Public Places Act, which requires an allocation of one percent of capital construction funds for new or renovated state buildings for the acquisition of works of art for the project site. In addition using contractors and volunteers, CCA provides professional development services to build the management capacity of Colorado's artist-entrepreneurs and arts organizations and the quality of the arts programs they present. Beginning July 1, 2009, the Office of Film, Television and Media is established in OEDIT within the CCA Division. The mission of the Office of Film, Television & Media (OFTM) is to promote economic development throughout Colorado by attracting film, television, commercials, still photography, music videos, new media and interactive gaming production to Colorado. Securing these productions to the state attracts new revenue to Colorado, provides new jobs for Colorado residents and helps promote tourism in the state. The OFTM markets Colorado and its potential as a film production location directly to film makers. Staff also works with communities across the state, providing them with production inquiry leads, permit assistance and educational training in addition to facilitating and promoting film festivals in communities across the state. The OFTM will manage the state's Film Incentive Program. OEDIT's CCA Division Director is Elaine Mariner.

**OEDIT's Small Business Development Centers Division**, the Lead Center has oversight for Colorado's Small Business Development Centers' (CSBDC) network. The CSBDC provide counseling and training services to small business owners and entrepreneurs for business planning, sources of capital, domestic and international marketing, accounting, and related business disciplines. The CSBDC network consists of 15 service centers located throughout the state providing coverage to every Colorado county. The Lead Center provides service to existing businesses and start-up entrepreneurs. Services include maintaining a

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clearinghouse of information on federal, state and local licensing requirements for existing and start-up businesses, SBDC business training, counseling and assistance. The SBDC produces the Colorado Business Resource Guide; a comprehensive guide for starting and operating a business in Colorado. The SBDC also administers the Colorado Leading Edge Training Program, which provides intensive entrepreneurial training with a minimum of 35 classroom hours and five one-on-one counseling hours at sites across Colorado. OEDIT's SBDC Division Director is Kelly Manning.

**OEDIT's International Trade Office (ITO) Division** promotes the export of Colorado products and services through its export counseling services and trade promotion events and markets Colorado to foreign investors. The ITO organizes low-cost, state-sponsored international trade missions, provides guidance on exporting through seminars and one-on-one counseling, helps companies identify target markets, trade leads and arrange meetings with foreign buyers and distributors. ITO can also provide support for export troubleshooting, for example assisting with regulatory issues or advocating to remove trade barriers. The Office networks with international private and government organizations. ITO promotes Colorado as a place to invest (inward foreign direct investment), and showcases Colorado to foreign companies. The ITO makes presentations in Colorado and abroad, showcasing Colorado's key industries and economic climate and providing services to companies in conjunction with the Business Development Division.

ITO has a part-time Mexico City office run by a contract representative and also has a number of Honorary Trade and Investment Representatives. Such foreign office representation provides on-the-ground presence in key world markets assisting Colorado companies and promoting Colorado to investors. OEDIT's ITO Division Director is Pam Reichert who acts as the State point of contact to the US Trade Representative's Office on trade policy.

**OEDIT's Colorado Tourism Office Division** promotes Colorado's travel and tourism industry thereby creating jobs, increasing tax revenues and furthering economic development. Through comprehensive marketing, advertising and public relations, the CTO promotes Colorado as a premier leisure travel destination to international and domestic travelers, both out-of-state and in-state. The CTO tracks and measures all of its programs at the staff level and reports on them at board and committee meetings. The CTO engages Colorado's tourism industry through partnership opportunities, and receives input on its programs from the industry. The CTO works with a national research firm to determine visitor impact to the state economy, including the effectiveness of its advertising campaign, visitor spending and state and local tax revenues derived from travel expenditures. The Office promotes tourism in Colorado through: Welcome Centers, Tourism Promotions, the Tourism Website, the Official State Vacation Guide, Distribution of the Official State Map and the Heritage Tourism Program. OEDIT's Tourism Division Director is Kim McNulty.



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**OEDIT's Business Finance Division** serves as the primary contact for the State's business financing, business incentive and grant programs. The Business Finance Division includes the following programs: the Economic Development Commission's (EDC) General Economic Incentives and Marketing Program (including Strategic Funds), the EDC's new Job Tax Incentive Program, the EDC's New Jobs Incentive Program, the EDC's Enterprise Zone Program, the EDC's Colorado Credit Reserve Program, The EDC's Regional Tourism Authority Program, the Bioscience Discovery Evaluation Grant Program, the Certified Capital Companies (CAPCO) Program, and Venture Capital Authority (VCA). In addition, the OEDIT's Business Finance Division has shared oversight with the Department of Local Affairs for the economic development portion of the federal Community Development Block Grant (CDBG) Program. The Business Finance Division also assists businesses by recommending potential financing options offered by other sources of state, federal and private funding. OEDIT's Business Finance Division Director is Alice Kotrlik.

### **OEDIT - PRIOR YEAR LEGISLATION**

HB09-1001 *Job Growth Incentive Program* (Rice/Heath) authorizes an income tax credit to incentivize businesses to create jobs in Colorado. Companies must apply to the Economic Development Commission and meet specific criteria, including creating jobs with an average wage of at least 110% of the average wage of the county in which the new jobs are located in order to qualify. The company may be eligible for a tax credit up to 50 percent of its annual FICA taxes paid on new employees. The income tax credit for new employees is calculated on a year-to-year basis for 5 years. The program is administered by OEDIT's Business Finance Division.

HB09-1010 *Colorado Office of Film, Television and Media* (Massey, McGihon/Gibbs, Spence) establishes the Colorado Office of Film, Television, and Media within the Colorado Office of Economic Development and International Trade in the Governor's Office. Duties include marketing Colorado as a destination for making movie films and other related activities; coordinating efforts among production companies and government agencies; and conducting educational seminars. This program is part of OEDIT's Colorado Council on the Arts Division.

HB09-1035 *Clean Tech & Medical Device Tax Refund* (Riesberg/Heath) allows bioscience and clean-tech companies to receive sales-tax refunds from the purchase of equipment used in research and development. This legislation was part of the 2009 business development agenda supported by Governor Ritter and the Colorado legislature; however, the program is not administered by OEDIT.

HB09-1105 *Colorado Innovation Investment Tax Credit* (Kefalas/Sheffel) allows certain investors to receive an income tax credit for investments made during tax year 2010 in businesses involved in the research and development or manufacturing of new technologies,

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products, or processes. The implementation of this bill is conditional on receipt of approval from OEDIT's Economic Development Commission to provide funding of \$832,055. This program is administered by OEDIT's Business Finance Division.

HB09-1298 *Economic Development for Trucking Industry in Colorado* (McFayden/Mitchell) refunds a portion of state sales and use taxes paid on the sale, storage, or use of Class A motor vehicles, expands the enterprise zone 3 percent investment tax credit, and creates the Green Truck Grant Program. This bill is partially administered by OEDIT's Business Finance Division.

SB09-031 *Clean Technology Research Grant Program* (Heath/Riesberg) advances research and development of clean technology by providing grant assistance. The implementation of this bill is conditional on the identification of a funding source and receipt of such funding from this source (or other sources). This program is administered by OEDIT's Business Finance Division.

SB09-067 *Colorado Credit Reserve Program* (Heath/Marostica, Gagliardi) authorizes the Colorado Economic Development Commission to contract with the Colorado Housing and Finance Authority for the operation of a program to increase the availability of credit to small businesses in Colorado. This program is overseen by OEDIT's Business Finance Division.

SB09-108 *Funding Advancement for Surface Transportation and Economic Recovery*, (Gibbs/Rice) known as FASTER, funds transportation projects, including improvements to more than 100 roads and bridges. This legislation was part of the 2009 business development agenda supported by Governor Ritter and the Colorado legislature; however, the program is not administered by OEDIT.

SB09-171 *New Energy Jobs Program* (Schwartz/Todd, Vigil) expands the allowable uses of funds from the Colorado Customized Job Training program to include employee training efforts focused on Colorado's new energy economy. This program is co-administered by OEDIT's Business Development Division.

SB09-173 *Regional Tourism Projects* (Veiga/Rice) allows local governments to pursue tourism-related capital improvement projects using state sales tax increment financing. This program is administered by OEDIT's Business Finance Division.

SB09-234 *Enterprise Zone Recommendations* (Mitchell, Heath/Rice) directs the Economic Development Commission, with assistance from the Colorado Office of Economic Development and International Trade, to submit a report to the General Assembly with recommendations on specifically identified areas on or before March 31, 2009. This program is administered by OEDIT's Business Finance Division.

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### **OEDIT - HOT ISSUES/KEY INITIATIVES**

The condition of the U.S. economy is a key hot issue for economic development programs. The recession has turned out to be the worst downturn for the US economy since the Great Depression. As of May 2009, Economy.com's regional forecast has estimated the 2009 job losses for the US to a negative 3.7%. The estimate for Colorado is -3.1% decrease in jobs. Even as recovery is projected to kick in late in 2009, the Economy.com forecast still shows 2010 with a -0.8 job decrease for the U.S. as a whole, but Colorado with a positive job growth rate of 0.2%. Though meager, this percentage increase would nonetheless make Colorado the second fastest growing state in the US in terms of job growth.

**Industry Initiatives** - Colorado is weathering the recession better than most states because of its diversified economic base. In spite of job losses in many sectors, Colorado continues to generate new jobs to partially mitigate those lost. A primary factor in this development is the state's position as a leader in the new energy economy. Real evidence of its key position in this industry is the announcement of multiple projects by Vestas Wind. The economic multiplier effect from these projects is very powerful as numerous companies seek to be suppliers to Vestas and look for Colorado business locations. Solar energy has also become a major economic driver in Colorado. Job announcements in a broad spectrum of industry sectors have continued to keep Colorado from sinking into a deeper recession. The recent announcement of the relocation of DaVita Corporation, a leader in kidney dialysis services, from California, brings the number of Fortune 500 companies based in Colorado to 12.

In 2007, Colorado experienced a 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." For calendar year 2008, Colorado experienced a 2% increase in total visitation, 50.6 million domestic visitors over 2007. However, spending by these visitors slightly decreased due to the softening of the economy. The 2009 calendar year will be challenge for the travel and tourism industry due to the soft economy, low consumer confidence and widespread job losses in other parts of the country. With last year's launch of a new improved tourism website, [www.Colorado.com](http://www.Colorado.com) and continued strategic marketing, the CTO is making the best of what is likely to be a tough year for this sector.

OEDIT has undertaken a number of initiatives to assure Colorado capitalizes on the emerging industries of the future and to provide an innovative and business friendly environment for home-grown companies to share in the prosperity of new economic sectors. In addition to the focus on renewable energy as an economic engine for the state, legislation funding bioscience proof of concept research and commercialization, will provide further stimulus for growth in a 21<sup>st</sup> century industry.

Department Description

**Competitiveness** – The Colorado legislature passed major economic development legislation during the 2009 session, such as HB09-1001, that will improve Colorado’s business competitiveness and make the state more viable during site selection processes. During this challenging economic climate, the number of targeted economic development initiatives will assist in strengthening Colorado’s position and business ability to create new jobs.

**Creativity and Innovation** - According to a 2007 study by The Conference Board, U.S. employers rate creativity and innovation among the “top five skills that will increase in importance over the next five years” and “stimulating innovation/creativity is among the top 10 challenges of U.S. CEOs”. The study reports that CEOs and school superintendents alike believe that learning in and through the arts is crucial to developing creativity in students. The Colorado Council on the Arts has been working with the Colorado Department of Education to survey principals to assess the level of arts education in Colorado schools. The Council is also conducting research to assess the impact of Colorado’s creative industries and creative workforce on our state’s economy. The findings from both of these studies will be released in the next several months, and should lead to policy considerations regarding how to establish Colorado as a leader in preparing and capturing the creative workers and enterprises that will help drive our state’s success.

**Website Redesign** - OEDIT’s new website is designed to be more user-friendly for Colorado businesses seeking OEDIT services to help them expand their markets, become more innovative, find financial opportunities and training assistance for their workers, as well as for out-of-state and global companies looking for expansion or relocation information.

**OEDIT - WORKLOAD INDICATORS**

As of June 2009 through various legislative actions (including SB09-279 and SB09-217), a number of OEDIT programs received material budget reductions for FY09-10 and therefore, estimated workload indicators have been revised as needed. Divisions with material budget reductions as of June 2009 are marked with an asterisk; however, it should also be noted that federal stimulus funds may be available in some cases in FY09-10 for deployment.

<b>Workload Indicators</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Estimate</b>
<i>Business Finance Division*</i>			
Number of Rural Business Financing Forums Planned and Coordinated	5	5	5
Number of Board/Committee Meetings Staffed by Business Finance Division	22	33	44

Department Description

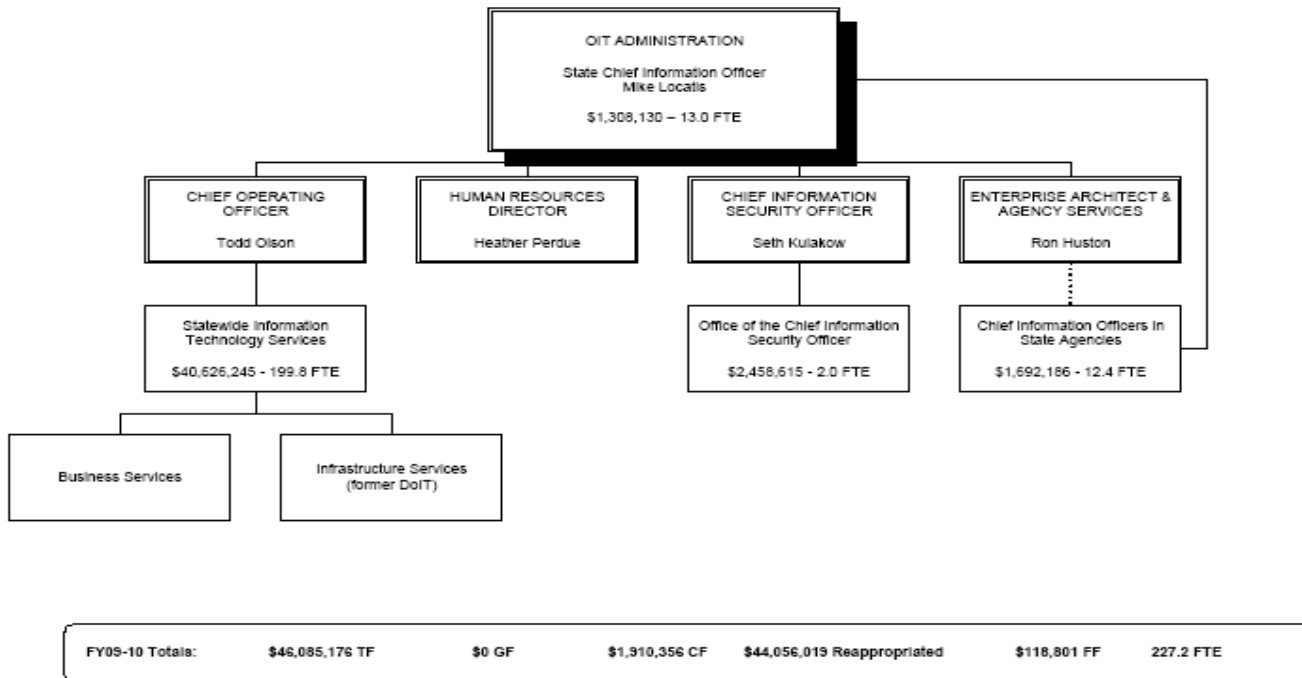
<b>Workload Indicators</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Estimate</b>
Staff			
Number of Finance Division Contracts under Management	81	107	129
Number of Reports (to Legislature, federal agencies, etc.)	8	9	12
Number of Monitoring Visits Completed	22	8	14
Number of Audits (by state and/or federal agencies providing funding)	3	1	1
<b><i>Business Development Division</i></b>			
Number of Business Relocation/Business Expansion Prospects and Business Retention Projects Managed	75	124	124
Number of Community Economic Assessments and Number of Business Retention and Expansion Program Assistance	17 CEA 5 BREA	21 CEA 3 BREA	21 CEA 3 BREA
Number of Business Development Promotion Activities (trade shows, website, advertising)	17	22	22
Number of Other Business Development Grants/Programs Managed	6	8	8
Number of Colorado First/Existing Industry Grants Managed	95	122 (102 approved, 20 denied)	120
<b><i>Minority Business Office Division</i></b>			
Number of Women and Minorities (historically underutilized businesses) Receiving Surety Bond Technical Assistance	N/A new program	300	305
Number of Seminars and Trade Fairs Planned & Coordinated	20	20	20
Number of Newsletters Issued & Other communications	24 issues	24 issues	22 issues
Number of Small businesses in directory	N/A new program	2,300	2,500
<b><i>Small Business Development Centers Division</i></b>			
Number of Monthly Host Small Business Development Centers (SBDC) Performance Monitoring	15	14	15
Number of Subrecipient Annual Performance Letters Issued	14	15	15
Accreditation Reviews (every four years)	0	0	0
Number of Quarterly Reimbursement Requests from Host SBDCs	56	50	56

Department Description

<b>Workload Indicators</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Estimate</b>
Number of Yearly Program and Financial Reviews of Host SBDCs performed	15	5	14
<b><i>International Trade Office Division</i></b>			
Number of companies receiving substantial international export and foreign direct inward investment assistance	111 (w/only two regional directors for ½ of the fiscal year)	196	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	82/2,012	49/2,410	100/2,500
Number of Outgoing and Incoming Trade Missions Promoting Colorado Exports and Investment Opportunities	8	10	8
Number of E-newsletter and Other Communications Recipients	5,658	2,846	3,000
<b><i>Colorado Tourism Office Division*</i></b>			
Number of Tourism Industry Events, Trade Shows & Sales Missions	35	37	28
Number of CTO Contracts Managed	86	98	61
Number of Tourism Board and Committee Meetings and Number of Tourism Industry Communications	67	74	70
<b><i>Colorado Council on the Arts Division*</i></b>			
Value of Art in Public Places Managed	\$3,443,594	\$3,567,591	\$1,659,162
Number of Schools and Districts Served	43	46	40
Number of Contracts Managed	288	213	247
Office of Film, Television & Media Number of Production Inquiries	185	193	245
Office of Film, Television & Media Number of People Trained in Colorado Communities	N/A	N/A	400

Department Description

**OFFICE OF INFORMATION TECHNOLOGY**



## Department Description

### **BACKGROUND INFORMATION**

The Governor's Office of Information Technology (GOIT) oversees technology initiatives at the state level, recommending strategies to maximize service delivery through the application of enterprise technology solutions. GOIT is established in state law to coordinate and direct information technology resources by state agencies. GOIT is responsible for oversight, administration and management of centralized information technology in state government. The scope and duties of GOIT were augmented significantly in the statewide information technology consolidation implemented as a result of Senate Bill 08 – 155.

This legislation consolidated strategic and operational direction for information technology under the management of GOIT. As a result of SB 08 - 155, the authority initially granted via Executive Order D 016 07 was placed in statute. The legislation formally designated GOIT with authority for the management and delivery of centralized information technology services, including procurement, budgeting, strategic operations, project management, and enterprise architecture. GOIT is to generate efficiencies by leveraging common services, infrastructure and applications enterprise-wide, and to 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 and effective IT infrastructure in Colorado state government. Additionally, effective July 1, 2008, the Chief Information Officers (CIO) for each Executive Branch agency reports to the State Chief Information Officer pursuant to SB 08 - 155 and all former DPA Division of Information Technology personnel (with the exception of the State Archives) were transferred to GOIT. Information technology staff in the Executive agencies will continue to report to the designated CIO; between July 1, 2008 and July 1, 2012 these functions, operations and appropriations will be transferred to GOIT. This functional transfer ensures that all Executive Branch IT staff, operations and expenditures becomes the responsibility of GOIT.

Implementation of the IT consolidation is being done in a manner to minimize impact to state agencies, programs, and service delivery. SB 08-155 passed without consolidating all IT personal services or IT operating budgets into GOIT although the legislation did consolidate the former Division of Information Technologies, the departmental CIO's, the Office of Cyber Security, and statewide GIS coordination. The remaining, approximately 950, IT personnel and associated operating budgets continue to be appropriated within the departments. However, effective July 1, 2008, the reporting structure of all executive branch IT staff was changed so that these employees will report through the State Chief Information Officer (CIO). This step ensures IT staff and management adhere to State CIO strategic direction. GOIT has developed and implemented additional controls to ensure budgets are being managed in a strategic fashion resulting in efficiencies and savings. These controls are supported by existing statutory authority and include:

### *Organization Changes*

GOVERNOR'S OFFICE



## Department Description

As referenced, effective July 1, 2008, the structure for agency CIOs changed so that IT management report directly to GOIT and the State CIO. Given that all remaining Executive Branch IT staff report to their respective agency CIO, this has allowed GOIT to be involved with agency IT operations, applications and systems in a significant fashion leading to a more collaborative statewide IT environment that will result in multiple efficiencies and allow for comprehensive statewide IT planning and reporting.

### *Information Technology Planning*

IT assists state department in their specific missions. However, historically each department planned and budgeted individual solutions to address business needs rather than collaborating with other departments to accomplish common goals. Given there are common infrastructure components to every IT project or business solution, leveraging statewide resources at the enterprise level will result in multiple benefits. Beginning with FY 2009-10, executive branch departments and GOIT will collaboratively engage in an annual process to identify and justify the base information technology budget. Departments will identify all components of planned IT expenditures from the base budget for the current fiscal year and the budget request year by system/project/application in both dollars and FTE. The process and data are analogous to Department IT Plans (DITP) required in past fiscal years

### *Budgetary Controls*

Declaring a Change Request an “IT request” has usually triggered additional GOIT review. Departments now submit IT change requests directly to GOIT for review. GOIT will analyze and submit approved requests to OSPB. This will facilitate more complete and accurate requests and prevent unnecessary agency work in the form of additional analytical and documentation requirements that come with “IT” requests. GOIT will work with agencies to seek solutions within existing state resources absent a budget change request, or to otherwise work toward addressing issues that cause requests to be denied by OSPB and/or the legislature. In some cases, GOIT staff and management may work directly with the agency to support budget change requests for future budget cycles.

### *Grant Application Controls*

GOIT supports department’s use of grants, however many grants provide for IT infrastructure build-out that is not coordinated. This lack of coordination results in continued IT infrastructure silos. Further, grants generally provide for the funding of infrastructure with no future support for operating costs (i.e. ongoing maintenance, software/hardware upgrades, etc). To ensure departments consider all costs associated with grant funding, a comprehensive Total Cost of Ownership (TCO) analysis will be completed during the grant application process. Some departments may forgo grant applications if they realize the total cost of projects utilizing grant funding.

### *Standard Setting*

## Department Description

Currently State departments utilize one version of nearly every hardware and software platform available because the state lacks standards; this contributes to multiple platforms servicing similar needs across multiple departments. Lack of standardization makes it difficult to leverage the State's purchasing power and to ensure there are adequate staffing levels to service all hardware and software platforms. GOIT will begin publishing standards for hardware & software starting in 2010. All purchases of IT goods must then adhere to such standards. These standards will result in more effective utilization of the State's purchasing power and provide for more cross-departmental experience with a limited number of standard platforms.

### *Procurement and Contracting Controls*

IT procurement and contracting have not traditionally been considered enterprise opportunities and have lacked integration with statewide IT planning. In fact, these functions have large potential savings. GOIT has been begun analyzing purchasing trends which will allow the state to target spend categories and create enterprise level agreements with specific vendors. Enterprise level agreements will afford the state cost savings and cost avoidance for commodities and services.

One task associated with IT contracting is consolidation into agreements that all state agencies can purchase and benefit from. It appears that resources are being wasted because of duplicate IT contracting. The State currently has multiple vendor agreements creating a drain on the State's resources and increasing work by vendors thereby raising the overall cost of these contracts. Working with State Purchasing, GOIT will begin renegotiating these contracts into single agreements that serve all agencies. This will reduce the cost of future purchases of products off these agreements.

### *Accounting and Reporting Improvements and Controls*

COFRS does not allow IT spending to be captured, whether for auditing, analysis or other purposes, without multiple detailed data extracts, manual analyses by GOIT, and validation by agencies. Even then, the level of detail associated with individual transactions in COFRS makes independent analysis difficult and time consuming. The Technology Management Unit in GOIT, the State Controller's Office and GOIT leadership have developed a reporting structure for the short term. Agencies frequently do not understand the full extent of their IT spending and what opportunities exist to maximize this spending. Additionally, agencies have usually lacked a mechanism to review IT spending from an enterprise perspective therefore have failed to collaborate among agencies further limiting the utilization of IT resources and services. GOIT is working with agency CIOs and budget and financial officers to ensure that this data is provided to and reviewed with appropriate senior level management in agencies to facilitate better management of state IT funds.

## Department Description

Implementation of the Colorado Consolidation Plan will continue in a phased approach that provides the most effective and transparent transition for state agencies, programs, and service delivery. As a result of the reorganization via SB 08 - 155, the Office of Information Technology currently includes the following components:

- GOIT Administration;
- Office of the Chief Information Security Officer;
- Chief Information Officers in State agencies; and
- Statewide Information Technology Services

GOIT Administration provides strategic and operational direction and policy formulation and serves as the executive director's office. Administration includes the State Chief Information Officer (CIO), Michael Locatis, and OIT management and support staff.

The Office of the Chief Information Security Officer (CISO), also known as the Office of Cyber Security (OCS), handles enterprise-wide information technology related cyber security functions, including assessment, monitoring and process implementation. The mission of this program is directly aligned with the goals and objectives of the National Strategy to Secure Cyberspace, and OCS is the single state source for cyber security readiness and awareness. Working closely with federal, state, local and private partners, the Office of Cyber Security gathers and analyzes information on cyber threats and vulnerabilities that present risk to the state's information systems, networks and applications or the critical information managed within.

As a result of SB08-155, state agencies' Chief Information Officers were transferred to GOIT. Although executive branch CIOs still maintain responsibility for and provide IT leadership for their assigned agency/department, the transfer of this function to GOIT has assisted the transition to a consolidated enterprise. A collaborative environment is developing among Executive branch agencies allowing GOIT leverage commonalities amongst agencies to achieve the maximum benefits from an enterprise perspective.

The largest group in the current GOIT organization is Statewide Information Technology Services. This is comprised of the statewide Geographic Information Systems Coordinator (formerly administered by the Department of Local Affairs and then the Office of Homeland Security) and an Internal Program Support unit that includes staff dedicated to the information technology component of statewide programs and applications administered by the Department of Personnel and Administration, the other cabinet department providing multiple business infrastructure and services to state agencies.

## Department Description

An additional component of Statewide Information Technology Services is Statewide Information Technology Management, commonly referred to as Business Services. This program provides support staff and management necessary to implement the IT consolidation and central management of the enterprise, including oversight, control and management of procurement, accounting, budgeting, project management, human resources and other functions. The central management function is new, as implemented pursuant to SB 08-155.

The largest component of Statewide Information Technology Services maintains the computing and network infrastructure used by all state agencies to accomplish their business functions. This infrastructure includes the state's central data center, the Multi-Use Network (MNT), the Digital Trunked Radio (DTR) network, the telecommunications infrastructure through the Colorado Integrated Communications Network, and application systems support for statewide systems through the Technology Management Unit. Programs in this portion of the enterprise comprise the majority of the former Division of IT. The historic mission of Statewide Information Technology Services continues; to provide enterprise-level services to state agencies. Similarly the objective vision, to partner for collaborative solutions and delivery of enterprise technology services to benefit Colorado, continues consistent with objectives of the global organization. Specific services transferred include:

### Statewide Applications (Financial & Human Resources)

- ADS (Applicant Data System)
  - Applicant Management
  - Job Announcements
  - Job Application
- CPPS (Colorado Payroll Personnel System)
  - HR
  - Payroll
  - Position Control
- KRONOS (Timekeeping and Leave Tracking System)
  - Users are CDLE, DPA, CDPHE, DNR, and Secretary of State
  - Extracts imported into the state payroll system (CPPS) and COFRS
- COFRS (Colorado Financial Reporting System)
  - General Ledger, Budget, Purchasing, Expenditures, Inventory, Labor Distribution, Cash, Fixed Assets, Grants, Vendor Offset

## Department Description

- HRDW (Human Resources Data Warehouse)
  - Online reporting for current & historical human resources and payroll information
- FDW (Financial Data Warehouse)
  - Online reporting for financial information
- Customer Support
  - COFRS helpdesk
  - Central Payroll
  - HR support

## DPA Applications

- BIDS - (Bid Information Distribution System) - State Purchasing Office
- BILLING - (Statewide Internal Billing Systems) - Division of Central Services
- CARS - (Colorado Automotive Reporting Systems) - State Fleet Management
- Caseware 20/20 - Case tracking system for the Colorado Employee Assistance Program
- CUBS - Collections System for the Division of Finance and Procurement
- Legal Files - Case tracking system for the Office of Administrative Courts

## Hosting Services

- Mainframe Hosting
- Open Systems
- E-mail Hosting, which includes:
  - E-mail server platform and configuration management
  - Personal folder, calendar, task, and contact functionality
  - Remote e-mail and handheld access
  - Routine mailbox maintenance
  - Backup and restoration
  - 15,000 e-mail address records
  - 1,200 customer mailboxes
  - 2,500 Antivirus/SPAM filtering clients

## Department Description

### Managed Desktop/Desktop Support

- Centralized security administration
- Centralized desktop administration
- Support approximately 600 end users of desktops, laptops and thin clients
- Server management
- User training
- Consulting/purchase
- Surplus of old equipment

### Communications Services

- Public Safety Network/Digital Trunked Radio (DTR)
  - Provides a statewide standards based interoperable radio system for public safety agencies and first responders
  - Users include
    - State of Colorado
    - Local governments
    - Federal agencies
    - Tribal agencies
  - ~33,000 radios on the network, 700+ agencies and 156 transmitter sites
  - Remote monitoring of the system infrastructure and DTR network
  - Daily radio programming, failure repairs, preventative maintenance, user training
  - Site development engineering
- Data Network (MNT)
  - Provides affordable, quality, high speed broadband data communications and Internet access statewide to:
    - Colorado State Agencies
    - Schools
    - Libraries
    - City and County Government
    - Health Care Providers
    - Institutions of Higher Education

## Department Description

- 24 x 7 network monitoring
  - Order processing and service/repair calls
  - 700+ LAN's (Local Area Network)
  - 3,000+ ATM PVC's (Asynchronous Transfer Mode/Permanent Virtual Circuit)
  - Dual 120Mbit Connections to the Internet
  - Fully redundant connections to the e-FOR3T Disaster Recovery Center
  - Core network availability = 99.9647%
- Voice / Telephone –
- Provides the planning, provisioning, installation, administration and maintenance for telephony systems and voice applications supporting over 7,000 state staff in more than two dozen locations. Services include:
    - Legacy telephones and voice mail
    - VoIP Systems
    - Cell phones and Blackberries
    - Interactive Voice Response systems
    - Call center applications
    - Order entry & billing processes
    - Maintain inventory records and monthly cost recovery billing to supported agencies

## Data Center/Co-Location

- Located at 690 Kipling, the 24 x 7 enterprise class environment includes:
- 9,075 square feet
  - Raised floor
  - HVAC
  - Several high-capacity air conditioning units (CRAC) and three humidifiers
  - 2 fail over power sources
  - Second power feed
  - Generator
  - 6 PDUs (power distribution units) and 2 extensions (slave units)
  - UPS (Uninterruptible Power Supply)

## Department Description

Services provided include:

- Service center calls
- Printing
- Tape management
- Monitoring – “remote eyes & hands”
- Mainframe
- Provisioning for housed servers
- Facilities management

Please refer to the unit descriptions below for further detail on the specific programs.

**Communication Services** provides the information network backbone, both wired and wireless services including voice, video, and data, for the statewide communications network. Communications Services provides special project design, project management, implementation, equipment installation and routine equipment maintenance to all state departments. It supports many products and technologies, including radio frequency products that require Federal Communications Commission (FCC) licensing and statewide infrastructures such as Digital Trunked Radio (the primary purpose of which is to carry public safety two-way voice traffic for the Colorado State Patrol, Departments of Corrections, Transportation, Natural Resources and local public safety agencies), the state of Colorado Microwave Network, radio communication sites and towers. It is statutorily required to manage all state radio spectrum needs and coordinate those with state, federal and local government agencies and institutions.

**Network Services** plans, coordinates, integrates, and provides telecommunication capabilities and network solutions for state agencies, local government entities, and citizens. This unit provides much of the voice communication services for state agencies, including management and administration of the state government long distance contract. Network Services provides voice and data communication infrastructure including the Multi-use Network (MNT), frame relay and asynchronous transfer mode (ATM) services. For reference, the MNT is a high-speed fiber-optic network for the state. Qwest was the partner selected to build the MNT with the state as anchor tenant. Through the MNT, the state consolidated Colorado State government agency telecommunication requirements from its multiple networks into a single network to reduce administrative and maintenance costs. As anchor tenant, the state’s investment leveraged the development of the telecommunications infrastructure and expanded delivery of advanced services to all regions of Colorado, including state government agencies, schools, libraries, city and county government, medical facilities and institutions of higher education. Included within the MNT are two main transport protocols: frame relay and ATM. Frame relay is a



## Department Description

high-speed packet switching protocol used in wide area networks (WANs), providing a granular service of up to DS3 speed (45 Mbps). ATM is a network technology for both local and wide area networks (LANs and WANs) that supports real-time voice and video as well as data. The topology uses switches that establish a logical circuit from end to end, which improves quality of service (QoS). Other items included with MNT service are:

- T1 connectivity to state agencies
- Local government and non-profit MNT T1 service primarily for connecting schools and libraries to Internet service providers
- Management of WAN routers
- Management of service requests, line setup, problem calls, maintenance and repairs
- WAN Network design, monitoring, capacity planning, troubleshooting, contract management and billing
- Option of router sharing for access to the network

Finally, Network Services supports the development and implementation of the Colorado Integrated Communications Network (CICN), a next generation Voice over Internet Protocol (VoIP) solution that will transition existing legacy systems and provide for a more dynamic platform in future years.

The **Computing Services Unit** manages delivery of computing infrastructure to agencies through the operation of the state's central data center (the General Government Computer Center or GGCC). The computing infrastructure includes database, application and web servers for several departments, as well as the State's general mainframe computer and tape, disk and printing resources for mainframe and server environments. Computing Services also manages the operating system, transaction processing scheduling and systems management software associated with these resources. The center provides operational and technical support and assistance to State agencies. This unit is responsible for the maintenance and operation of the data center on a 24-hour basis, 365 days a year.

The data center provides enterprise mainframe processing services to customers including transaction-based processing, batch processing, database services, and interactive processing. OIT also offers enterprise-server (mainframe) based Linux virtual machines for web-hosting, database services, and service-oriented architecture applications. The continued use of the large-scale IBM mainframe for much of the State's business and the implementation of a storage area network that utilizes common high capacity disk storage for both mainframe and server disk storage are good examples of how Computing Services reduces costs wherever possible.

## Department Description

The data center also offers tiered server housing and hosting capabilities. All tiers provide a complete server environment (conditioned and uninterruptible power, full climate control), 100 mbps switched Internet access, raised floor/rack support, and KVM support. There are over 300 housed or hosted servers residing in the data center on its enterprise IBM mainframe or its distributed systems with 125 virtual server instances. Computing Services offers Oracle, and MySQL server database systems with multiple environment levels, including production, test, and development. Server security is addressed through layered firewall and intrusion detection architecture that serves multiple servers rather than supporting a unique architecture for each. Server housing provides for the placement and connection of customer-owned servers plus the installation of an operating system for customer-owned servers and firewall protection for the customer-owned equipment. Server hosting adds the provision of the server hardware, installation and maintenance of the operating system, administration of the server to provide level 1 and 2 support for the server and OS, and one-on-one technical support. Computing Services handles data site security, system backup and recovery. Maintenance includes product fixes, enhancements and performance monitoring. Customized server hosting is also offered where customers may also add installation, maintenance, and level 2 support for application software, and one-on-one technical support if desired. OIT is also undertaking server consolidation through a virtual Linux server architecture hosted by the IBM mainframe computer. Server virtualization replaces the need to purchase stand-alone servers and is offered on two different architectures: zSeries and i386 (IBM and Intel). The zSeries architecture combines the reliability and I/O capacity of the traditional mainframe with a state-of-the-art Linux environment. The Intel architecture allows the use of widely available Linux and Windows applications while exploiting the advantages of modern storage area networks. Computing Services currently operates 125 virtual servers, offering web hosting, web application environments, file and print servers, database applications, web proxy, and many other applications.

The data center provides Microsoft Exchange platform e-mail services for state agencies. Computing Services provides the hardware, software and IT staff to maintain e-mail services. This provides a secure, robust, high availability for online e-mail service. Additionally, a scaled-down version of e-mail capability is provided on an alternative platform consisting of e-mail address and retrieval only. Finally, an anti-spam/anti-virus managed service filtering solution is offered through a contract with MX Logic that can be included in its e-mail service, or separately. The filtering solution provides around-the-clock e-mail protection, automatically intercepting, analyzing and blocking malicious and unsolicited messages at the network perimeter. The filtering modules include spam blocking, virus and worm scanning and content and attachment filtering. The service provides a daily report and access to a repository for review. Each customer has the ability to manage and administer their content and resource filtering presence within the MX Logic filtering service.

## Department Description

The **Statewide Applications Services Unit** (the Technology Management Unit) manages statewide administrative applications used in state government core business functions. This unit provides application development and ongoing software support for statewide applications, including the Colorado Financial Reporting System (COFRS), multiple statewide personnel, payroll and benefits systems, and the Financial Data Warehouse. Supporting these applications encompasses the entire application development and maintenance cycle including project management, requirements management, systems analysis and design, programming, implementation, enhancement, and system documentation to financial management and human resources personnel in all state agencies. The unit also develops applications and information systems and provides desktop support for internal business units.

Additional support functions are delivered via Order Billing and Customer Services sections. Order Billing staff process requests for voice, video, and data services for state and local government including, but not limited to, providing business functions for service requests ranging from the purchase of state cell phones to the purchase of circuits and routers for state operations and are responsible for the collection of user charges for GOIT telecommunication services. Staff also provides accounts payable and receivable functions for all activities associated with the management of the Telecommunications Revolving Fund. The Customer Services section advocates for GOIT's network and computing services customers; its purpose is to ensure the timely delivery of information services. A "service center" allows this unit to work directly with customers to resolve issues with the state's network, mainframe operations, application servers at the data center, and other services offered by OIT. The service center responds to problem calls and requests for assistance from its customers. A Remedy ticket is created for all calls. For calls that cannot be immediately resolved the Remedy ticket is transferred and assigned to the workgroup that supports the application or has responsibility for the specific issue. The service center provides customers with 24/7 availability as the central point of contact for GOIT services and also provides mainframe operations support, job scheduling and monitoring. Targeted overnight, weekend, and holiday help desk services are offered for individual state agencies providing customized after-hours phone support for customers on a monthly subscription basis. Units within the Division of Central Services and the Department of Human Services use the after-hours service.

## **OFFICE OF INFORMATION TECHNOLOGY – HOT ISSUES/KEY INITIATIVES**

### ***Increased coordination of statewide information technology issues***

Colorado's decentralized information technology structure created inefficiencies that increased costs and put critical systems at risk. For years, the state used an uncoordinated, non-uniform approach to infrastructure, purchasing, project planning and delivery, asset management and strategic leadership. This approach has led to redundant purchases and failed or under performing IT applications. State government has not maximized the opportunity to pool purchases of IT goods and services resulting in greater risks related to security, system architecture and project performance. All these factors helped drive SB 08-155 centralizing IT management.

## Department Description

The Colorado Consolidation Plan continues to work to overcome the issues highlighted above by overseeing IT budgeting statewide, formulating policies on statewide contract agreements, developing a statewide IT strategic plan, prioritizing initiatives and projects across state agencies, assisting state agencies in large-scale projects, and participating in strategic decisions related to IT initiatives, projects and programs. These actions will enable state departments and agencies to focus on their core mission operations, to ensure IT projects are managed strategically and with adequate funding and support, and to leverage the state's current and future IT investments in a shared service model, reducing costs, increasing efficiencies, and creating centers of excellence.

### ***Colorado Integrated Communications Network (CICN)***

The Colorado Integrated Communications Network is a Voice-over-Internet Protocol (VoIP) solution to replace legacy voice system and applications. This project impacts current GOIT customers at all supported sites, but other agencies may participate. Immediate benefits include convergence of voice and data LANs for ease of administration, and the opportunity to leverage existing State MNT/WAN connectivity. Future benefits/opportunities include the potential for a unified communications platform and a comprehensive video conferencing infrastructure solution. Implementation is projected to be completed by the end of calendar year 2009. In addition to providing telephone services (dial tone, voice mail, etc.), this solution allows for business continuity and disaster recovery. Other benefits include:

- Automated call routing
- Unified messaging (integration of voice mail, email and fax)
- Creation of a statewide voice portal
- Future applications include interoperability with other communication systems, statewide 10-digit dial plan and state voice portal.

### ***Executive Governance Committees***

Executive Governance Committees (EGCs) were established to assist OIT with oversight and governance of certified information technology projects. Prior to the EGCs, the Commission on Information Management presided over state IT projects. This group was dissolved pursuant to SB 07-254, and the EGC model was implemented to improve cross-departmental collaboration and to better manage the existing project portfolio. EGCs serve as advisory boards for making recommendations to OIT regarding changes with project funding, scheduling, release plans, staffing, and other issues which could impact a project. There are seven EGCs providing oversight for logically-grouped departments. They are as follows:

- Agriculture and Natural Resources EGC (Departments of Agriculture and Natural Resources)
- Education EGC (Department of Education, Institutions of Higher Education, and Historical Society)

## Department Description

- Finance EGC (Departments of Revenue, Regulatory Agencies, State, Local Affairs, Treasury, and Office of the State Controller)
- Health Care and Human Services EGC (Departments of Human Services, Health Care Policy & Financing, and Public Health & Environment)
- Personnel and Labor EGC (Departments of Personnel & Administration and Labor & Employment)
- Public Safety EGC (Departments of Corrections, Public Safety, Military & Veterans Affairs, and Local Affairs)
- Transportation EGC (Departments of Transportation, Personnel & Administration, and Revenue)

The mission of the Executive Governance Committees is:

- To bring together business and IT professionals from similar departments to advise and collaborate for the benefit of improving project delivery.
- To provide an escalation point for project steering committees.
- To help facilitate the necessary assets and resources to assist projects.
- To ensure the larger enterprise strategy is being leveraged for major IT projects.
- To help recognize and award high performers on IT projects.
- To identify what is working with the projects and extend that knowledge to the enterprise.

An IT project meeting any of the following criteria would need to be evaluated for incorporation into the EGC governance structure:

- The project cost is five million dollars or greater, regardless of funding source.
- The project development or acquisition timeline spans multiple fiscal years.
- The project spans state agencies or government jurisdictions or is considered an enterprise-level project.
- The project has high public visibility.
- The project is a recovery from a failed project.
- The project has been designated by the Governor, the State CIO, or the State Chief Information Security Officer.
- OIT may apply a standard risk assessment to determine if the project represents a risk not fully identified in the assessment process. Any project with a sufficiently high risk profile may also be certified.

### ***Data Center Consolidation***

Some departments continue to expand and support independent data centers. These centers may contain critical data in environments which may lack proper physical and logical security, cooling, power, fire suppression and failover support systems. Each center

## Department Description

requires human capital to operate and maintain. Use of multiple data centers places the State's data and business services at risk while resulting in additional and unnecessary costs.

This project establishes the consolidated data center infrastructure and management structure for the State. The project will continue the planning and execution of consolidation of State data centers, associated staff and financial activities; expand upon the enterprise capabilities that exist within the State resulting in consolidation of all data center activities under one management and a limited number of physical locations. Project goals include a more secure and resilient environment; cost savings in security, networking, equipment, software licensing, maintenance, and physical location; and operational (staffing) efficiencies that can be used to increase capabilities statewide. This project encompasses the consolidation of data centers (equipment and systems), real estate and facility components, data center support staff, and data center financial activities. GOIT will prioritize data center consolidation based primarily in the following priority:

1. Highest Priority: Existing data centers on the Capitol Complex
2. Second Priority: Existing data centers in Metro-Denver outside of the Capitol Complex
3. Third Priority: Existing data centers in the remaining parts of the State

The objective of data center consolidation is to consolidate into a limited physical footprint with adequate staffing to provide a secure and trusted environment for the State's data and business systems. This environment will take advantage of economies of scale in procurement, security, administration and environment. This model will support disaster recovery and business continuity. Finally, the future environment should be capable of meeting all of the necessary standards related to data governance.

### ***Identity and Access Management***

GOIT continues to promote identity management as a key initiative within state government. Identity management (IdM) is the set of business processes, and the supporting technology infrastructure service components, that create, maintain, and use digital identities within legal and policy contexts. The IdM infrastructure is pervasive throughout the organization, supporting both centralized and decentralized administration. Identity management architectures typically need to integrate core components such as user provisioning, logical and physical access management, identity lifecycle management, directory services, identity data content integration technologies, role management, federation, public key infrastructure and identity audit. (Burton Group, 2008) Identity Access Management (IAM) refers to those technologies that allow organizations to manage and control user accounts and privileges and to enforce real-time access to resources (Gartner Group, 2006).

## Department Description

Increasingly, organizations are taking a holistic approach to IdM and IAM and market drivers are causing a convergence between logical systems and networks and physical access systems. Benefits to the organization include improved security and decreased risk; sustainable compliance with government regulations; standardization and optimization of business processes, policies and procedures; reduction in time and cost to address both physical and logical security incidents; improved protection of sensitive data; and, improved management visibility through centralized collection, normalization and correlation of both logical and physical security information and events. A coordinated, strategic and unified approach to IdM and IAM for the state will provide the following benefits to the state and its citizenry:

- Manage citizen, business partner and employee identities across all complex state entities
- Improve state security posture and provide risk reduction
- Provide for secure, strong authentication
- Electronic delivery of citizen services
- Institute common standards for identity proofing
- Improve trust between citizens and the state
- Cost savings and improved purchasing power
- Facilitate transactions for citizens and employees to provide improved ease-of-use and improved customer experience
- Utilization across multiple customer channels (customer service center, web-based, call center, mobile, etc)
- Improve regulatory compliance

Two state programs of interest are the Colorado first responder authentication credential (COFRAC) and the Uniform Electronic Transactions Act (UETA).

### *COFRAC*

First responders need to move and communicate easily across jurisdictions in the event of a terrorist or other all-hazards incident. Issuing credentials to first responders, statewide, that comply with the same minimum standards as well as are in compliance with federal standards will facilitate movement across jurisdictional boundaries allowing more rapid response to a catastrophic event. These credentials will contain information about responders' qualifications and skills so incident command will immediately know the types and quantities of resources they have on-scene. This means more efficient and effective deployment of resources at the incident site.

The Colorado first responder authentication credential (COFRAC) initiative provides electronic validation of the identity and attributes (qualifications, certifications, authorizations, and privileges) of those who are required or volunteer to respond to natural or

## Department Description

man-made disasters or acts of terror. The initiative is a first step in resolving some long-standing obstacles associated with major disaster response by providing a real-time electronic display to emergency operations centers nationwide for human resource situational awareness and in making decisions about resource availability and deployment/re-deployment. It also creates a blueprint of all emergency workers' locations and the length of time in an area so to assist in post-incident reconstruction.

### **UETA**

The Uniform Electronic Transactions Act (UETA) facilitates e-Commerce and e-Government in state government by giving electronic signatures (e-signatures) and electronic records (e-records) the same force and effect as signatures and records produced by non-electronic means.[1] UETA does not require private parties or governmental entities to use or accept e-signatures or e-records. In other words, the use and acceptance of e-signatures or e-records is completely voluntary. The regulation implementing UETA allows a governmental entity to deploy e-records in a manner that satisfies its business practices and needs. This guideline focuses on the E-Signature portion of UETA, explaining the definition of an e-signature under UETA and assisting in the selection of e-signature solutions that meet business and legal needs.

### ***CIO Public Sector Roundtable***

The Colorado Public Sector CIO Roundtable was created to facilitate information exchange among state executive branch agencies, elected officials' agencies, state colleges and universities, school districts, city, county and municipalities. The roundtable is for the exchange of real world experiences. Through this exchange of successes and challenges it is hoped to create a supportive environment.

### ***Broadband Initiative***

The Colorado Broadband Initiative facilitates deployment of broadband and adoption of broadband-intensive applications. This effort is spearheaded by (GOIT) and the Governor's Innovation Council. The availability of broadband Internet is important to economic development, provides widespread access to essential services (like health care and education), and can foster energy conservation and environmental protection (by enabling tele-working and "smart grid" applications). Consequently, every effort should be pursued to ensure citizens have access to broadband.

### ***Disaster Recovery***

Disaster recovery is a mission critical consideration for IT applications and data associated with state government. It is a priority that state agencies maintain effective disaster recovery programs. GOIT is leading to ensure this issue is addressed by maintaining a robust disaster recovery plan for the data center at 690 Kipling, promoting the use of the e-FOR<sup>3</sup>T facility and conferring with data



## Department Description

centers operated by individual agencies to ensure that this issue is properly addressed. The Enterprise Facility for Operational Recovery Readiness Response & Transition (e-FOR<sup>3</sup>T) initiative establishes a statewide disaster recovery facility for use by state agencies and government entities. The facility is operated under a cooperative agreement between the Colorado Secretary of State's Office and participating agencies. The facility will allow agencies to recover critical functionality in the event of a disaster or an event resulting in a significant interruption of service.

### ***Geographic Information Systems***

Information about locations of activities or resources, or geospatial information, is also important to government operations. The National Association of State CIOs (NASCIO), states nearly every public sector business activity and decision has a location or spatial aspect. Colorado has invested considerable resources in systems managing, analyzing and displaying geospatial information (i.e., geographic information systems or GIS), and Colorado has some exemplary GIS activities among state agencies and local governments.

Enterprise-wide management of geospatial information resources is needed to realize their full potential. SB08-155 gave OIT duties and responsibilities related to statewide GIS coordination and required a statewide GIS plan be presented to the Governor and the Legislature by July 2010. GIS was the only IT application explicitly noted in the bill. The coordination of State GIS efforts and resources has been initiated as part of the State's IT consolidation. A working group of state GIS personnel is planning how geospatial services can be delivered more efficiently and effectively. This effort has been chartered by state agency CIOs and the executive leadership of OIT. As part of a consolidated approach to GIS and mandated for the Geospatial Advisory Council by the State CIO, state GIS personnel started developing a geospatial data governance plan. The first step will involve state personnel and will be followed by participation by other stakeholders in the state's GIS community.

### ***Continuity of Operation Planning/ Continuity of Government***

The Governor, through the appointment of a COOP/COG Program Manager, has restated his commitment to ensuring the state is ready to respond and to recover from natural or man-made incidents. The COOP strives to develop plans for all state agencies using federal standards for content per FPC 65. These plans will address identification and prioritization of agency essential functions, succession, delegation of authority, interoperable communications, identification of alternate facilities, identification of vital records and databases, human capital aspects, reconstitution of facilities and the testing, training and exercising of these plans.

## Department Description

The goal of the project is to allow state agencies to recover from a natural or man-made incident that impacts the delivery of state functions. The project also plans for the safety and wellbeing of state employees through disaster planning for their own families and orderly and proper notification of when and where employees should report to work. Primary objectives include:

- Providing planning for recovery of state of Colorado functions after a man-made or natural disaster
- Verifying that mission critical functions are prioritized within the state
- Ensuring that alternate work locations are available for agencies
- Validating that staff are trained in activating and operating within a COOP environment
- Establishing an on-going maintenance and training regime within each state agency.

### ***Digital Trunked Radio Network***

Over the last several years, the Division of Information Technologies (DoIT) worked to implement and operate Colorado's Statewide Digital Trunked Radio (DTR) network. To date the state has approved and invested approximately \$48 million and leveraged federal grants totaling \$5.4 million. In addition, \$30 million in DOLA provided CWIN grants were allocated to local government partners for the development and implementation of this statewide public safety communication system defined in HB98-1068. OIT is now statutorily (Section 24-37.5-506, C.R.S.) responsible for implementation, administration and ongoing maintenance of this system for all state and local government entities. The DTR network has been implemented as a single integrated digital network that encompasses multiple stakeholders across state, local and federal government agencies. The departments of Public Safety, Corrections, Transportation, Natural Resources, Revenue, Higher Education and local government public safety entities participate in and share common system resources. Several federal agencies currently utilize the system as well. All other state agencies will also have system access.

Practical benefits from completion of the DTR project include improved efficiencies in public safety response times, improved interoperability with all participating agencies, elimination of duplicate radio systems and the ability to process low speed data and voice transmissions over a single integrated network. To achieve the best value state and local governments have partnered to share infrastructure and construction costs whenever possible. This methodology, leverage of market conditions, and use of state FTE for implementation, have substantially decreased the overall costs.

For FY 2008-09, a Capitol Construction appropriation (~\$7.9 million) was secured for the completion of the DTR. The appropriation restored funding delayed by revenue shortfalls during the past six fiscal years. This funding provided hardware, software, security and system upgrades needed to keep the system infrastructure serviceable and secure throughout the state.

Department Description

***Statewide Internet Portal***

The Statewide Internet Portal Authority (SIPA) serves as the oversight body of the Colorado.gov portal. The Colorado.gov portal is the gateway to Colorado government and it is intended to be Colorado's single comprehensive delivery channel for eGovernment services. Many citizens prefer to interact with state and local government online but they are often unsure of which governmental entity provides the information or services they want. Colorado.gov is the official Web portal of the state by act of the Colorado General Assembly; representing a collaborative effort between the Statewide Internet Portal Authority (SIPA) and Colorado Interactive, LLC (CI), a wholly owned subsidiary of eGovernment firm NIC. The portal has been designed with the input of citizens and with the participation of local government and state agencies.

**OFFICE OF INFORMATION TECHNOLOGY – KEY WORKLOAD INDICATORS**

Workload Indicators (Computing Services)	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Actual.
Average Monthly Number of Transactions (in millions) Executed in the Mainframe Environment	79.4	83.6	TBD
Number of E-Mail mailboxes supported	1,097	1,200	TBD
Number of Open Systems Servers Supported	300	346	TBD
Percent of MNT Network Availability	99.98%	99.97%	TBD
# of MNT Network Data Circuits Managed	2,843	3,000	TBD
# of State Agency Phone Lines Managed	7,862	8,000	TBD
# of Voice Mail Boxes supported	4,813	5,026	TBD
# of Cellular Phone Customers supported	Not tracked	9,500	TBD

Department Description

Workload Indicators (Computing Services)	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Actual.
Number of DTR Towers, Zone Controllers & Radios	Towers 143 Zones 3 Radios 29,000	Towers 156 Zones 3 Radios 32,200+	TBD
Number of tapes used by GGCC	61,000	63,390	TBD
Number of bytes of enterprise disk managed by GGCC	14 TB	14.5 TB	TBD
Disaster Recovery - Percentage of Applications attempted/successfully tested	83	95	TBD
Applicant Data System (ADS) # of applications processed per year	68,000	70,000	TBD
Colorado Financial Reporting System (COFRS) # of user ID's	2,795	2,870	TBD
Number of Employees paid per month from the Colorado Personnel Payroll System (CPPS)	37,500	38,000	TBD
Number of W-2's produced annually from the Colorado Personnel Payroll System (CPPS)	50,000	51,000	TBD
Financial Data Warehouse (FDW) average # of unique user ID's	890	1,470	TBD
Financial Data Warehouse (FDW) average monthly # of report requests	56,750	57,462	TBD

**OFFICE OF INFORMATION TECHNOLOGY – PRIOR YEAR LEGISLATION**

HB 09-1285 *Government Data Sharing – (Benefield/King)* replaces the data protocol development council with the government data advisory board. States the advisory board's duties, including recommending to the State CIO rules for requesting data, responding to data requests, and imposing fees for responding to data requests. Creates the education data subcommittee of the advisory board. This bill is a follow-on to HB 08-1364 from the previous legislative session.

## Department Description

HB 09-1367 *Pay Date Shift for Employee Transfers of GOIT (Marostica/Keller)* was intended to mitigate unintended consequences of the pay date shift legislation (SB03-197) from several legislative sessions ago. Pursuant to SB 08-155, GOIT was given statutory authority to consolidate IT personnel from executive branch agencies within GOIT to promote operational efficiencies and savings. As a result of this statutorily authorized staff transfer there will be a significant (~ \$3.2 million) one-time General Fund impact related to the SB 03-197 pay-date shift unless a temporary method to avoid these costs is utilized. The key statutory provision of this legislation is to delay any one-time general fund impact that could result from the transition to a shared services model for information technology until such time as sufficient state General fund surplus exists to address the one-time impact without detrimental impact to either state agencies and their missions, or the objectives of both OIT and the General Assembly pursuant to SB08-155.

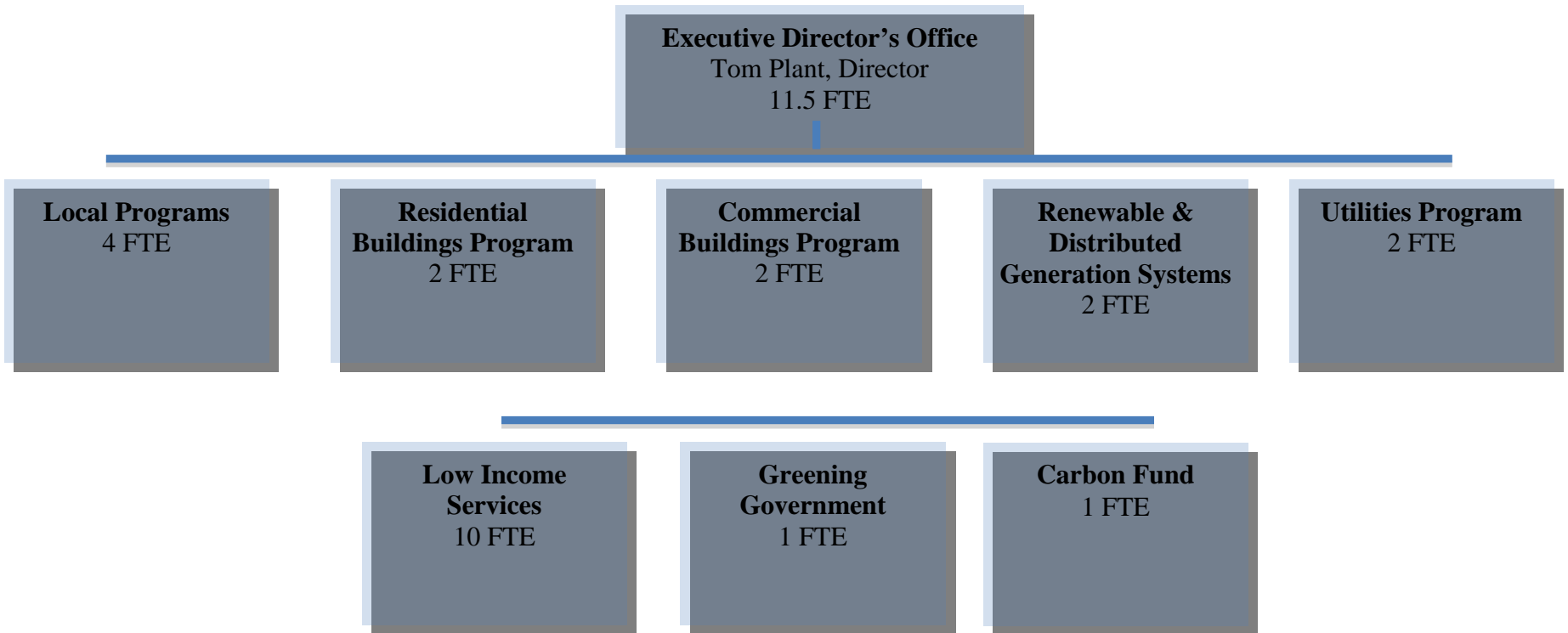
SB 09-162 *Broadband Inventory to Accept Public Funds (Schwart/Liston)* is a clean-up bill related to SB 08-215 that was necessary to allow GOIT to begin the broadband mapping effort. The Bill amends statute adopted in 2008 for the creation of an inventory of broadband service areas within the state by removing an existing limitation to the acceptance of private gifts, grants, and donations to help finance the creation of the inventory and extending the deadline for completion of the inventory. Specifically, the Bill allows the GOIT to accept grants from public entities, where current law limits acceptance to grants from private entities, and the deadline for completing the inventory is extended from April 1, 2009, to November 1, 2009.

HB 09-1288 *Colorado Taxpayer Transparency Act (Nikkel/Kopp)* requires the CIO of the GOIT to create and maintain a searchable budget database web site, which shall include revenue and expenditure data from the state financial data warehouse.

Department Description

**GOVERNOR'S ENERGY OFFICE (GEO)**

**Governor's Energy Office  
35.5 FTE**



Cash Fund: \$19,422,097

General Fund \$1,000,000

Federal Funds \$12,165,118

## Department Description

**BACKGROUND INFORMATION** - The GEO's strategic vision is to become a clearinghouse for energy information and services to help Colorado citizens and businesses make wise energy choices. This is accomplished through access to: information, services, and finance. GEO's objectives are to create an 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. In 2009-10, the program will move to the majority of funding through the federal government. The American Recovery and Reinvestment Act (ARRA) provided funding at the same time state budget reductions all but eliminated general fund funding to the office. Cash funding of GEO dropped from over \$19M to an estimate of \$350k anticipated transfer into the Clean Energy Fund.

The GEO has divided tasks into services designed to address distinct resource and customer needs:

### **1. Residential Services**

Residential building emissions account for over 20% of greenhouse gas emissions nationwide. Climate change efforts need to engage the public when attempting to minimize these emissions. GEO foresees these changes happening primarily through changes in the construction of new residential buildings and with retrofits of existing homes with more effective insulation and heating systems combined with increases in appliance efficiency, 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. GEO runs a new construction building codes program to help local governments implement energy effective codes' (such as the 2006 and 2009 IECC), training for building professionals. Using ARRA funds in 09-11, GEO will be greatly expanding code training and adding incentive programs for builders and lenders. In 2009, the GEO ENERGY STAR program was awarded the National ENERGY STAR Partner of the Year award. For existing buildings GEO has developed programs to implement on the community level, advanced through the regional representative model working with local utilities, cities, counties and community groups for financial partnership and implementation. ARRA funds will enable GEO to greatly expand the residential program.

### **2. Low Income Services**

While many action items within the low income community are consistent with the general residential community, a federal/state and private partnership has been formed to implement these measures through the Low Income Home Energy Assistance Program (LIHEAP – Federal, LEAP – State) 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 DOE with a portion coming from the DHS. Xcel Energy participates by contributing to gas demand side management efforts in low income homes within their territory. These funds help lower the energy costs for low income individuals/families and

## Department Description

increases their financial stability while lowering demand on the utility grid and reducing pollution. Federal funds may only be expended on families meeting the federal low income requirements; defined as 200% of federal poverty level. This qualification is done through the LEAP office within the DHS. GEO delivers services through contracts with regional weatherization service providers. GEO offers training, oversight and funding of the program and runs a quality control division to audit the performance of these service entities and offers educational resources to improve the quality of the service. *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.*

### **3. 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. "Performance contracting," which earmarks a portion of future energy savings to pay the upfront costs of the capital investment, is used to finance large scale investments in efficiency systems. The GEO has contracts with individuals to work with the entities involved as representatives to the energy service companies. This ensures the commercial entity's interests are being represented in negotiations. In 2007, HB 1309 dedicated significant resources over three years, now extended to 2017 by virtue of HB 1312, to conduct performance contracts on all of public K-12 school buildings. These funds will pay in-house performance contracting experts - saving hundreds of thousands of dollars in contracting costs and increasing kWh saved per dollar. Renewable energy systems are also used in the performance contracting process on the front end, through the initial performance contract, or on the back end if the savings exceed the contracted amount. This was the case with the recent solar PV system installation on the Capitol.

### **4. Utilities and Transmission Programs**

The Transmission and Utilities Programs focuses on the 57 different utilities in the state including: investor owned utilities - regulated by the Public Utilities Commission; municipally owned utilities - regulated by city councils; and rural electric cooperatives - regulated by locally elected boards of directors. All these entities are required to deliver affordable, reliable power. Transmission infrastructure and utility policy will drive much of the work of this program. The Climate Action Plan included a parallel goal for utilities of achieving a 20% reduction in carbon emissions below their 2005 levels by 2020.

### **5. Renewable Energy Program**

GEO's Renewable Energy Programs work with local communities and businesses to develop renewable energy opportunities while expanding the infrastructure for renewable energy deployment around the state. Included in strategies associated with Renewable Energy Programs are:

#### **1. Local Fuels/Bio Fuels Programs**

##### **i. Agricultural Anaerobic Digestion Programs**



## Department Description

- ii. Waste to Fuel Programs
- iii. Woody Biomass Development
- 2. Solar Programs
  - i. Commercial/Public
  - ii. Residential
  - iii. Utility
- 3. Wind Programs
  - i. Residential
  - ii. Community
  - iii. Utility
- 4. Technologies in Development Programs
  - i. Geothermal
  - ii. Small Hydro

### **6. Greening Government Program**

The Greening Government program is an extension of the 2007 “Leading by Example” executive order by the Governor to:

- Reduce energy usage in state buildings by 20%
- Reduce water usage in state facilities by 10%
- Reduce paper usage by 25%
- Reduce the amount of petroleum consumed by the state fleet by 25%

This effort is advanced by a Greening Government Team consisting of a representative from each of the state’s agencies and coordinated by the Greening Government Program Manager within GEO. The Greening Government Program works with the Commercial Buildings program and advances the performance contracting program within state facilities. (In 2009, the Greening Government program was one of two programs chosen in the nation as the best lead-by-example program.)

### **7. Regional Representatives**

Regional Representatives work with city/county governments, non-profits, community groups and local utilities in their regions to develop partners in implementing programs developed by the program managers. Regional Representatives also monitor, verify and measure the results across the state and report back the results enabling GEO to be more responsive. Colorado has four regional representatives serving the eastern plains, central region, southern region and the west/northwest

### **8. Colorado Carbon Fund**

Department Description

The Colorado Carbon Fund compliments GEO’s renewable energy and energy conservation programs by providing voluntary offset contributions to a third party. Revenues to the Colorado Carbon Fund will be invested in projects meeting the specifications of the Colorado Carbon Fund manager designed by GEO. The fund is retained outside of state government through a third party fund manager. Voluntary contributions to the fund are not received as state revenues.

The Governor’s Energy Office (initially called the Office of Energy Conservation and later called the Office of Energy Management and Conservation) was created to respond to the oil crisis of the late 1970’s. The program was reduced in the 1980’s when oil prices dropped and GEO became essentially a federal pass-through for low income weatherization services (LIHEAP) which continues today. From 1973-1981 Federal Oil Price controls were in place. There were alleged violations of these controls and litigation ended up directing settlement funds to the states beginning in 1983. These funds were called “Oil-overcharge Funds” or “Petroleum Violation Escrow Funds” (PVE). As escrow funds, they are held by the State Treasurer; any proposed draw from these funds requires a state energy office to apply through the escrow third party for authorization and disbursement. The funds are primarily held in three different accounts: Texaco, Diamond Shamrock, and Stripper Well. The State of Colorado has received approximately \$46M in direct payment authorization, and \$26M in interest on these funds. Interest is credited to the funds, but is also subject to the provisions of the litigation for disbursement. This has been the primary funding source for the office over the past 25 years outside of federal revenues associated with grants and the low income services managed by the state. Funds have been used for personnel costs and mandated match for federal grant monies. For example, every year, the state requests a State Energy Plan allotment which requires a 20% local match. The PVE funds have been used for these matches as well as matching other federal grant requests throughout the year. The funds have been depleted to approximately \$2.5M – in 2008. The ARRA grants will fund these positions through 2010-11 however; federal support after that time is not known. PVE funds are being retained to address future personnel needs. Depending on the disposition of federal and state funds, there may be significant changes in program offerings at that time.

	Employees		State Funding			Federal Funding					Litigation (PVE)				Xcel*	
	FTE	Cont./Temp.	HB 1200	SB 246	HB 1309	E\$P*	LEAP	ARRA Wx	State Reach	ARRA SEP	ARRA SEP	SEP Match	Special Projects	Misc Program		Salary
<b>2003-04</b>			0	0	0											
<b>2004-05</b>	22	3.5	0	0	0					0.59		0.13	2.4		0.776	
<b>2005-06</b>	22	5.5	4	0	0	5.9	3.8		0.37	0.45		0.27	2.3	0.1	0.782	2.5
<b>2006-07</b>	22	2.5	0.5	0	0	6.5	5.1		0.211	0.38		0.16	3	0.1	0.953	2.5
<b>2007-08</b>	24	1	5	10.5	0.5	5.5	5		0.3	0.7		0.2	1.2	0.1	0.925	2.3

Department Description

2008-09 | 35.5 | 7 4.4 0.6 | 5.5 9.5 7.9 0 1 4.9 0.1 0 0 0.8 | 7.8  
\* *Low Income Weatherization*

**Prior Year Legislation**

HB09-1126 *Encourage Solar Thermal Installations* (Hullingerhorst/Schaffer) allows local governments to provide the same incentives for solar thermal installations as exists for solar electric installations. This bill also adds a corresponding exemption from state sales and use tax for solar thermal, similar to what’s in place for solar PV and wind.

HB09-1149 *Solar Home Prewire* (Merrifield/Carroll) requires homebuilders to offer prospective homebuyers the option of having their home pre-wired for solar or having a system installed, making it easier to finance renewable energy by folding it in the mortgage.

HB09-1312 *K-12 School Loans* (Kerr/Schwartz/Romer) creates a loan program to help schools pay for renewable energy projects, as well as hybrid and electric buses.

HB09-1331 *Incentives for Efficient Motor Vehicles* (Gagliardi/Boyd) creates incentives through updated tax credits to buy fuel-efficient vehicles as well as convert vehicles to plug-in electric hybrids or compressed natural gas. The bill updates tax credits to exclude certain hybrid SUVs and other vehicles that don’t meet a mile-per-gallon standard.

HB09-1345 *Electric Utilities Integrate Transmission Infrastructure* (Solano/Schwartz) directs the PUC to study/report to the General Assembly construction plans of owners and operators of electric transmission facilities in Colorado to help guide how best to ensure new transmission projects can deliver power from renewable sources to the grid.

HB09-1346 *Recovery & Reinvestment Finance Act Of 2009* (Carroll/Shaffer) compliments the American Recovery and Reinvestment Act (ARRA) and helps the Governor’s Energy Office (GEO) with bonding. Allows the GEO to utilize state Treasurer’s office to issue bonds for renewable energy projects.

SB09-039 *Conserve Energy Tiered Rates Incentive* (Schwartz/Curry) authorizes cooperative electric associations to charge graduated rates for high-consuming customers as an incentive to encourage residential consumers to be more energy efficient. Also allows associations to establish a fund designed to reduce power demands by helping customers improve energy efficiency, energy conservation and weatherization, as well as install renewable energy.

## Department Description

SB09-051 *Renewable Energy Finance Act* (Carroll/Levy) makes several changes to improve affordability of solar energy systems and improve market conditions for solar energy companies doing business in Colorado. The bill creates financing models that help homes and businesses spread out the up-front system costs over several years, similar to purchasing and financing a car. The bill also provides treasury bonds to participating banks and lenders that to provide more solar installation financing options.

SB09-075 *Low-speed Electric Self-propelled Vehicles* (Schwartz/Marostica) sets equipment standards for the sale and operation of low speed electric vehicles. Prohibits operating or selling a low-speed electric vehicle if the vehicle does not conform to federal manufacturing standards and imposes a \$25 fee on registration of low-speed electric vehicles. Credits the fee to a fund to provide grants to local governments to install recharging stations.

SB09-092 *State Motor Vehicles Use Natural Gas* (Kopp/Marostica) requires a significant increase in the use of alternative fuels by state-owned motor vehicles, focusing on compressed natural gas as an alternative fuel.

SB09-098 *Tax Exempt Blended Diesel Products* (Schwartz/Vigil) Simplifies the tax rebate structure to make blended biodiesel a more financially appealing alternative to traditional diesel.

SB09-124 *Extend Ag Energy-Related Projects* (Isgar/Roberts) extends funding to the Colorado Agricultural Value-Added Development Board to promote agricultural renewable energy-related projects and research, such as those involving biofuels development or wind and solar energy.

SB09-171 *New Energy Jobs Program* (Schwartz/Todd/Vigil) develops job training programs and helps companies train employees for participation in Colorado's New Energy Economy.

SB09-177 *New Solar Facility Property Tax Valuation* (Schwartz/Vigil) standardizes the method for property value assessment of solar energy facilities and wind energy facilities creating longer-term economic benefit to the local community over the life of a large-scale solar system.

## Department Description

SB09-297 *Expedite Federal Stimulus Act Projects* (Sandoval/Judd) allows the GEO to use Clean Energy Fund dollars for revolving loan programs, thus giving additional life to recovery dollars which can revolve back to the state for use in additional renewable energy and energy efficiency projects.

### **Hot Issues**

In 2004, the voters passed Amendment 37, a Renewable Portfolio Standard. The initiative applied primarily to the state's investor owned utilities (Xcel Energy – Public Service Company of Colorado; and Aquilla) and included a goal of achieving 10% of retail sales of electricity coming from renewable resources (with 4% of the RPS from solar, evenly split between centralized solar resources and “distributed” or rooftop systems) by 2015. The initiative also included provisions requiring the IOUs to adopt “Net Metering” policies to allow customer generators credit on a kilowatt for kilowatt basis for electricity they delivered back onto the grid from their renewable energy systems and that the utility provide customer rebates for solar generation systems. In 2007, HB 07-1281 doubled the Amendment 37 goals from 10% by 2015 to 20% by 2020 and set a separate standard for rural electric cooperatives and municipal utilities – a goal of 10% by 2020. The IOUs still had the solar carve-out of 4% while the other utilities were given a weighted percentage – if the renewable resources were from solar, they counted for 3x the credit. This was to account for different resources available around the state and the relatively higher cost of solar compared to wind development. The PUC developed rules surrounding Amendment 37 compliance. Significantly, a process regarding purchase of “Renewable Energy Credits” was developed to track compliance with the renewable energy requirements. Because other utilities are not regulated by the PUC, no such compliance standard exists for those utilities.

Under HB 08-1060, net metering policies were established for the investor owned utilities, but no such policies were in place for utilities in the state not regulated by the PUC. Instead, rural electric cooperatives had a legislated policy of “net billing”. Net billing allows for a credit based on a \$/kWh on a customer's bill, net metering allows for a kWh credit on the customer's bill. HB8-1060 established a system of net metering for non-PUC regulated utilities. While the IOUs had a limit of 2MW for net metered systems, the legislation required cooperative and municipal utilities to net meter up to 10kW systems for residences and 25kW for commercial systems. This legislation is a key component for successful residential and small commercial solar integration. HB 07-1146, Energy Codes, established a baseline energy code of the 2003 IECC (International Energy Conservation Code) for all jurisdictions that had a building code as of July 1, 2007 or added a building code thereafter. There also exists the opportunity for jurisdictions to adopt a later code instead (there is a 2006 IECC and will soon be a 2009 IECC). GEO committed to providing free trainings and materials for code officials around the state and completed delivery of 30 regional trainings in July of 2009. HB 07-246, the Clean Energy Fund, was established to create a funding source for programs financed through the GEO. The fund comes from the unallocated remainder of

## Department Description

Gaming Funds at the end of each fiscal year. In 2007-08, the appropriated amount was \$7M. In 2008-09, due to declining gaming revenues, that amount dropped to \$4M – a nearly 50% decline in revenues. These revenues were further reduced for 2010-11. Estimates for FY2009 were for \$350k to be transferred into the Clean Energy Fund. The Petroleum Violation Escrow funds are described in the historical section of this report. The funding has been used for the past 30 years but it is nearly depleted. In 2007, this funding was switched to financing FTE where possible and programmatic funding was shifted to the Clean Energy Fund. In 2006, with HB06-1200, the legislature funded Low Income Energy Assistance including an energy efficiency component for the first time. The funding was designed with 50% cash assistance delivered by Human Services and a nonprofit entity – Energy Outreach Colorado. The remaining 50% would go to increase the energy efficiency of homes to permanently reduce bills for low income customers. A re-design of the low income services program in 2007 led to a fivefold increase in the number of low income recipients of services – from 4,000 to over 20,000 customers served. Financing is from the Severance Tax Operating Account in DNR and amounts to \$6.5M/year for cash assistance and \$6.5M/year for energy efficiency services. During the 2009 Legislative session, the 2009-10 statutory appropriation was eliminated for the Energy Office and the programs funded through that source of revenue were eliminated.

## Workload Indicators

Workload indicators will be primarily driven by population increases and trends in per capita energy usage. However, the ability to meet designated emissions objectives will be linked to the resource mix of power supplying energy to the citizens and businesses of Colorado and their associated emissions levels of climate forcing gases. The GEO will measure outcomes in a variety of ways, however, success of programs will be gauged against the goals and objectives of the Governor’s Climate Action Plan and the Governor’s Greening Government Executive Order, both released in 2007.

- Climate Action Plan established carbon reduction goals of 20% below 2005 levels by 2020 & 80% below 2005 levels by 2050
- Greening Government Goal of 25% reduction in fleet petroleum use by 2012
- Greening Government Goal of 20% reduction in energy use within state buildings by 2012

## Climate Action Plan Goals

As Modeled		MMTCO <sub>2</sub>
2005	48,353 GWh	44.53
2020 Business As Usual	69,008 GWh	63.56
20% Below 2005		35.63

Department Description

<b>Savings Needed by 2020</b>		27.94
<b>Savings through efficiency</b>		13.97

**Governor’s Energy Office Key Workload Indicators**

Workload Indicators (Residential Programs)	FY 07-08 Actual	FY 08-09 Target	FY 08-09 Actual	FY 09-10 Target
Percentage of housing starts qualified as ENERGY STAR	7%	10%	19%	25%
Code Trainings Delivered across the state	30	30	30	30
Homes receiving insulation upgrades through “Insulate Colorado” Program	60	2,500	1,400	2,000
Low Income Energy Efficiency Services Delivered	20,000	25,000		
Workload Indicators (Commercial Programs)	FY 07-08 Actual	FY 08-09 Target	FY 08-09 Actual	FY 09-10 Target
K-12 Efficiency Upgrades (# Districts in Performance Contract or other sustainable energy program )	35	50	47	60
Utility Bills Management Systems in Place	NA	45	41	51
State Buildings Square Footage under Performance Contract	40%	90%	42%	50%
# Public Agency Partners in the High Performance Building Program	NA	20	20	40
# State-Assisted Facilities Meeting LEED Gold Target	NA	NA	NA	6
# Zero Energy Public Buildings in Colorado	NA	NA	NA	1

Department Description

# Attendees at GEO High Performance Building Workshops	NA	NA	NA	240
# Public Building Facility/Energy Managers Achieving Operator’s Certification	NA	NA	NA	20
Workload Indicators (Renewables Programs)	FY 07-08 Actual	FY 08-09 Target	FY 08-09 Actual	FY 09-10 Target
Solar Rebate Program – Residential Photovoltaic	250kW	500kW	541 kW	1,350 kW
Solar Rebate Program – Solar Residential Thermal Systems	500kWe	1,000 kWe	953 kWe	1,200 kWe
Small Commercial Solar Thermal	NA	500kWe	358 kWe	397 kWe
Small Commercial Photovoltaic	NA	250kW	105 kW	300 kW
Industrial Efficiency Program (participation of top 100 industrial customers)	NA	50%	NA*	1.5 Trillion BTU saved from 10 companies
# Stations in Colorado offering bio-fuels	60	100	103	120
Gallons of biofuels sold	2.8M Gal	5.6M Gal	8.3M Gal	9.3M Gal
Woody Biomass Projects	2	2	6	10
Anaerobic Digestion Projects	NA	2	0	1
Workload Indicators (Colorado Carbon Fund Program)	FY 07-08 Actual	FY 08-09 Target	FY 08-09 Actual	FY 09-10 Target
\$ Collected for projects	NA	\$1M	\$300,000	\$1M



Department Description

Tons CO2 Offset through Colorado Projects	NA	50,000	0	50,000
Percentage community participation in local community partners	NA	1%	12	15
Workload Indicators (Utilities Program)	FY 07-08 Actual	FY 08-09 Target	FY 08-09 Actual	FY 09-10 Target
Number of Copies of Renewable Energy Development Infrastructure (REDI) reports distributed – hard copy	NA	NA	NA	1,000
Number of transmission workshops organized	NA	NA	NA	4
Workload Indicators (Utilities Program)	FY 07-08 Actual	FY 08-09 Target	FY 08-09 Actual	FY 09-10 Target
Number of Public Utilities Commission key dockets where GEO intervenes	4	6	4	5
Number of public utilities participating, or represented, in process to deliver Climate Action Plan report to the Governor	NA	56	15	NA
Number of Clean Energy Development Authority meetings staffed by GEO	4	8	8	TBD**
Number of attendees at the Annual New Energy Economy Conference	550	1000	550	600
Number of copies distributed of “Guide to Distributed Generation Opportunities in Colorado”	NA	300		500
Number of Annual Meetings for Colorado Electric Utilities	NA	1	3	3
Number of copies distributed of “Connecting Colorado’s Renewable Resources to the Market”	2000	1000	3000	1000

## Department Description

Number of copies of Colorado Utilities Report	NA	NA	NA	1000
Number of workshops held for EPA NAPEE	NA	NA	NA	5
Number of training and workshops held for Colorado Energy Assurance Plan	NA	NA	NA	3
Number of copies of Colorado Utilities Report	NA	NA	NA	200

\*Cut from 08-09 budget, DOE Recovery Act funds will launch in 09-10

\*\* Pending change in CEDA Authorizing statute. CEDA is not functioning until the statute is modified so that they can issue bonds.

## Goals and Objectives

### Residential Programs

Goals and Objectives: The mission of GEO's residential program is to expand renewable energy and energy efficiency in both new construction and existing homes. In 2009-10, the Residential Program will be expanded with ARRA funds. GEO is implementing the CO ENERGY STAR New Homes program which works with homebuilders to build, certify and label energy-efficient homes with the EPA's ENERGY STAR logo for easy identification by Colorado homebuyers. A home qualifies for the ENERGY STAR label by documenting energy performance 15% above the national standard code (2004 IRC). The GEO established budgets to award up to 10 matching \$25,000 grants to Colorado cities/counties for the regional implementation of this program, to include homebuilder recruitment and training, consumer awareness campaigns, and related local industry support, such as Realtor education and technical training for third party testers. E-Star Colorado estimates that each ENERGY STAR home saves 5.64 Tons of CO2 per home each year. In 2006, ~7% of Colorado's ~30,000 new homes were certified with the ENERGY STAR New Home label. In 2008, the target was 10% and the state achieved 19%, leading to GEO being named ENERGY STAR Partner of the Year, by the National EPA ENERGY STAR Program. GEO also launched a pilot ENERGY STAR Mortgage program with Bank of Colorado to buy down interest rates on homes purchased with the ENERGY STAR label. In 2009 the GEO will look to expand that pilot.

### ENERGY STAR New Home Program Goals Include:

- 2008 = 10% of Colorado's housing starts to be labeled as ENERGY STAR
  1. Actual ENERGY STAR Housing starts were 19% in 2008
- 2009 = 25% of Colorado's housing starts to be labeled as ENERGY STAR

## Department Description

- 2010 = 30% of Colorado's housing starts to be labeled as ENERGY STAR
- 0.1 MMT CO2 reduction from ENERGY STAR New Homes <sup>1</sup>

Additionally, the GEO has provided training and support for the 2003 International Energy Conservation Code (IECC 2003). Focus of trainings in 2009-10 will shift to the 2009 IECC pursuant to the requirements of the 2009 American Recovery and Reinvestment Act. Accompanying trainings for code and building professionals will be local implementation assistance.

### **HB 07-1146 Code Training Program Goals**

- 20 state-sponsored IECC 2003 code-trainings to jurisdictions in 2008
- 10 state-sponsored IECC 2006 code-trainings to jurisdictions in 2008
- 30 federal-sponsored IECC 2009 code trainings to jurisdictions in 2009

### **Insulate Colorado Program**

The Insulate Colorado program works with insulation contractors to install attic and exterior wall insulation at 2006 IECC recommended levels as well as complete air-sealing work for Colorado homeowners. All eligible homeowners can receive a 20% "job-cost" rebate as part of the Insulate Colorado program, not to exceed \$300 maximum. GEO established budgets to award up to 25 matching \$25,000 grants to Colorado cities/counties for regional implementation, to include insulation contractor recruitment and training, consumer awareness campaigns, and program support, such as rebate processing, program measure and verification. The EPA estimates that homeowners can save up to 20% of heating and cooling costs (or up to 10% of total energy costs) by properly insulating and air sealing their homes. In 2009, Xcel Energy adopted the Insulate Colorado program as a DSM measure in compliance with the DSM goals established through legislation and the PUC. As a result, program goals were diminished, however with ARRA Funds, GEO will be adding additional existing home offerings, including furnace rebates, home energy audits, duct sealing, air sealing, energy star appliance rebates and more. GEO will bundle these incentives for added savings.

### **Goals**

- ~ 2,000 Colorado homes receiving insulation upgrades to 2006 IECC recommended levels.
- 3,000 Energy Audits Performed
- 500 Furnace Replacements with 92% efficiency furnaces
- Launch Kill-A-Watt Lending Program

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<sup>1</sup> Assumes 5.64 tons of CO2 per home reduction x 17,500 homes from 2008 to 2010

## Department Description

- Launch Energy Star Appliance Rebate Program
- ~ 0.005 MMT CO2 reduction from Insulating existing CO homes <sup>2</sup>

### **Five Year Outlook**

- Fully established residential package of programs
- Financing partners across the state to assist customers
- Network of providers and financing partners in all 64 counties
- Easy access to information by address, for all Colorado energy customers
- Partnerships with all major utilities to provide energy efficiency programs

### **The Governor's Energy Office Weatherization Program**

GEO's Weatherization Program reduces energy consumption of income qualifying families in Colorado and improves the comfort and safety of their homes by making energy efficiency upgrades. The program is predominantly funded through the U.S. DOE's Weatherization Assistance Program grant. In addition, the GEO partners with the Low Income Energy Assistance Program (LEAP) and utilities, such as Xcel Energy to provide weatherization services. Weatherization measures increase the energy efficiency of homes, enabling occupants to use less energy to heat, cool, and power their homes. These measures can include the installation of wall and attic insulation, high efficiency furnaces and refrigerators, compact fluorescent light bulbs, storm windows, caulking and weather stripping of homes. Another program component is conservation education to clients.

### **FY2010-11 Goals and Objectives:**

- To serve 7,200 single-family homes throughout Colorado
- To serve 685 multi-family homes throughout Colorado
- To increase partnerships with utilities to provide greater levels of service throughout Colorado
- To assess the quality of workmanship performed on 5% of homes served
- To implement a new web-based data gathering system to enable faster and more real-time reporting
- To implement an aggressive outreach plan to engage a high number of eligible clients

## **Industrial Program**

### **Colorado Industrial Challenge Program**

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<sup>2</sup> Assumes 1.0 tons of CO2 per insulated home reduction x 4,000 homes in 2008

## Department Description

The Industrial sector in Colorado holds tremendous energy savings opportunities. Currently, medium-sized and larger industrial consumers generally do not participate in utility energy efficiency programs and are not significantly influenced by state energy codes or standards. The GEO launched its Industrial Challenge Program this year to encourage industrial companies to make voluntary commitments to reduce their energy use including pledging to audit facilities and implement all efficiency projects with a 5 year payback or less. Technical assistance in the form of industrial process and facility energy pre-feasibility level auditing will be offered through third party providers. Investment-grade analyses of specific energy saving strategies will be the responsibility of the industrial customer. Recognition awards will be given annually from the Governor to encourage more companies to participate.

### **FY2010-11 Goals**

- Identify the largest 100 electric and natural gas industrial customers within the state.
- Engage a sufficient number of industrial customers to achieve 0.5% savings from the entire industrial sector below 2005 gas and electricity consumption corresponding to a 0.12 MMTCO<sub>2</sub> reduction.

### Five year outlook

- Engage a sufficient number of industrial customers to achieve 0.75% savings from the entire industrial sector by FY 09/10 corresponding to a 0.24 MMTCO<sub>2</sub> reduction. Goal of 50% participation from Colorado's 100 largest industrial customers.

## **Colorado Carbon Fund**

**Goals and Objectives:** The Colorado Carbon Fund mission is to provide high quality, credible offsets for individuals, businesses and institutions as a way to support new, local clean energy projects which reduce GHG emissions. This is the first program of its kind in the nation. The GEO has contracted with the nonprofit Climate Trust to manage the donations to the CCF and to identify, purchase and retire offsets from selected GHG projects. The CCF helps advance GEO's mission to support clean energy and also provides support for the state's Climate Action Plan by encouraging carbon neutrality using a three step strategy: 1) Measure emissions; 2) Reduce emissions through efficiency and renewable energy 3) Offset remaining emissions.

### **FY2010-11 Goals**

- Contract for at least 50,000 metric tons of greenhouse gas emission reductions from Colorado-based projects
- Promote ColoradoCarbonFund.org website as educational resource and consumer point of purchase for carbon offsets

## Department Description

- Promote CCF carbon offsets to individuals, businesses and institutions as part of a comprehensive strategy to reduce greenhouse gas emissions: (1) Measure emissions, (2) Reduce emissions through efficiency, renewables, alternative modes of transportation, (3) Offset remaining emissions through the Colorado Carbon Fund
- Reach participation rate of 1% in each partner community by June 2010

### **5 year goals:**

- The Colorado Carbon Fund will be self-funding; administrative and certification costs are covered by offsets sales revenues
- This program will be a model for state and local governments interested in voluntary greenhouse gas emissions reductions.
- The Colorado Carbon Fund helps build in-state capacity and expertise for carbon finance and verification services, and GHG mitigation project development.
- Annual emissions reductions through the program are at least 150,000 metric tons of CO2 equivalents.

## **Transmission Program**

The need for expanded high voltage transmission is widely acknowledged as key to achieving the electric power sector goals of the New Energy Economy.

### **I. Plans for this fiscal year are divided into three sections:**

#### **A. Renewable Energy Development Infrastructure (REDI)**

In September 2008, GEO was awarded \$397,700 from the U.S. Department of Energy's Office of Electricity Delivery and Energy Reliability. The program objective is to model the level of utility-scale renewable energy projects and corresponding transmission projects required to meet the CAP goals. GEO is reviewing the draft material and will determine the timing of the release of the report. The release date is between August to October. The research has conducted detailed analyses regarding a) optimum locations and ratings of new high voltage transmission lines, b) effective land use, permitting, and environmental policies, and c) effective cost sharing and cost recovery mechanisms. After the REDI Report is published, a 15-20 minute video will be produced and loaded to YouTube for wide viewership. GEO selected a Colorado video production firm (Imagine That!) following a process that attracted 28 competitors. The video will: 1) describe the challenge of climate change, 2) describe the Governor's Climate Action Plan, 3) describe what change in the electric power mix to meet the power sector's carbon reduction goals, and 4) describe the transmission upgrades that are necessary to bring the renewable power to the grid.

#### **B. State and regional transmission coordination**

## Department Description

- i. The Transmission Program Manager works with utilities and institutions engaged in utility-scale renewable energy and transmission expansion initiatives. These include, but are not limited to: the Western Governors' Association's Western Renewable Energy Zones (WREZ) project, the Colorado Coordinated Planning Group, the Colorado Long Range Planning Group, the Committee on Regional Electric Power Cooperation, and the High Plains Express. The TPM serves on the steering committee of the WGA'S WREZ, and is a member of the Executive Committee of the High Plains Express.
- ii. GEO's coordination of the Colorado Clean Energy Development Authority (CEDA). GEO plans to work closely with the key parties to remedy CEDA's 2007 statutory language that effectively prohibits CEDA to bond and finance renewable energy and transmission projects.
- iii. GEO also plans to work with the PUC to implement HB09-1345 that creates a reporting mechanism from the PUC to the Colorado General Assembly by November 1, 2009 regarding transmission planning in Colorado and the region. A final report is due to the legislature by June 1, 2010.

### C. Implementation of REDI recommendations, and ARRA opportunities

- i. The Transmission Program will retain contractors to work with stakeholders to implement the findings of the REDI Report, using funds from the American Recovery and Reinvestment Act.
- ii. A key Transmission Program concentration for the year will be to successfully compete for federal funds to expand Colorado's utility-scale renewable energy projects and the requirement to modernize the bulk power system.

## II. Plans for Five Year Goals are divided into two broad sections

### A. Participation in State Transmission Planning and Decision-Making Venues

- i. GEO will continue to participate in transmission-related activities at the Colorado PUC including PUC Transmission Investigatory Dockets as well as dockets considering applications by both Public Service Company of Colorado and Tri-State Generation and Transmission Association for Certificates of Public Convenience and Necessity (CPCN) for a variety of high-voltage transmission projects. These projects will enable the delivery of utility-scale renewable energy on to the grid. At present, one CPCN application is pending (San Luis Valley to Comanche). Up to three more new transmission lines may seek a CPCN in the next five years. ***GEO's goal is to encourage COPUC approval of these lines, assuming they are economically viable.***
- ii. GEO anticipates continuing as a participant in the work of the Colorado Coordinated Planning Group and its Colorado Long Range Transmission Planning Group. GEO will continue to support plans for aggressive growth in energy efficiency, renewable energy and low carbon resources. ***GEO's goal is to make a quantifiable difference that results in increasing the miles and voltages of transmission in Colorado's Renewables Generation Development Areas.***

## Department Description

- iii. Should the Colorado Clean Energy Development Authority remedy its statutory drawbacks, GEO anticipates providing substantial assistance to the Authority. *GEO's goal is to transform CEDA into an effective entity with the power to finance and or refinance investments in transmission infrastructure in Colorado.*

### B. Participation in Regional and Federal Planning and Decision-Making Venues

- i. GEO will continue to serve on the WGA's Western Interstate Energy Board and the Committee on Regional Electric Power Cooperation. GEO will also continue to serve on the Executive Committee of the High Plains Express. In addition, GEO will actively pursue opportunities to serve on all relevant committees of the Western Electricity Coordinating Council, and new planning for that enlists the participation of state officials. Participation on a national level is also met in part by the Transmission Program Manager's service as a member on the Policy Committee of the National Council on Electricity Policy (composed of state regulators and electric utility officials).

*The goal is to ensure that Colorado's interests are protected during key decision-making.*

### Utilities Program

GEO's Utilities Program facilitates the expansion of renewable energy and energy efficiency initiatives and helps implement the provisions of utility-related legislation (including a doubling of Colorado's renewable portfolio standard, new demand side management (DSM) policies, renewable energy mapping, and transmission incentives). In addition, the Utilities Program was established to intervene at the Colorado Public Utilities Commission (PUC) including but not limited to, gas DSM, electric resource planning, transmission expansion, distributed generation, and efficiency incentives regulation.

#### **The overall mission of the Utilities Program is to:**

- Provide technical assistance to Colorado electric and gas utilities to further GEO's efficiency and renewable energy goals.
- Assist utilities in implementing electric utility-specific provisions of the Governor's Climate Action Plan.
- Assist and intervene in PUC deliberations with a focus on shifting electric resource planning toward renewable energy and demand side management outcomes.
- Serve as an educational and informational resource.

### Utilities Program Milestones: FY 2010

#### **Rural Electric Associations and Municipal Utilities**

- Publish and provide educational outreach on the Colorado Climate Action Plan for municipal utilities and rural electric cooperatives report.



## Department Description

- Develop new matching rebate program for DSM and energy efficiency measures with Tri-State Generation and Transmission for Colorado members.
- Increase distributed generation in non-IOU territories by supporting a financial model which accelerates installation of small to mid-sized on-site generation

### **Public Utilities Commission activities**

- Retain legal assistance for testimony and dockets, in particular for Electric Resource Planning and rate case dockets.
- Submit Cross-Answer Testimony in the Public Service Company of Colorado Electric Resource Planning docket.
- Hire one FTE to assist with regulatory analysis and for other testimony and regulatory activities on behalf of the GEO
- File expert testimony in Electric Rate Case Phase II (Rate Design)
- File expert testimony in Electric Resource Plan Phase II (Competitive Bidding)
- Provide expert comment on gas local distribution companies' DSM implementation plans

### **DOE Market Transformation funds**

The Utilities Program will be facilitating applications and potentially directly applying DOE funding in the following areas:

- Smart Grid Investments
- Transportation Electrification
- ENERGYSTAR state allocation
- Competitive State Energy Plan funds

### **Distributed Generation:**

During FY2010 the Utilities Program will allocate more time and resources towards distributed generation. The Utilities Program will encourage REAs, IOUs and Municipal utilities to increase the percentage of distributed generation measures in their portfolio.

Activities within this work plan will include:

- administration of GEO's small wind funds towards qualified projects,
- input and guidance with GEO's Solar Innovation Grant program, and
- publish a report, in conjunction with the Renewable Energy Team, for identifying pathways for utilities to implement larger percentages of distributed generation in their resource profiles.

### **Five year goals of the Utilities Program:**

## Department Description

By the year 2013, each utility over 5,000 meters will have a fully-developed DSM/distributed generation program, with a record of achievement of 1% reduction in demand per year over business as usual projections.

By the year 2013, Public Service Company of Colorado will have brought per capita growth in energy demand to 0%.

By the year 2013, Tri-State Generation and Transmission Association will begin construction on the Eastern Plains Transmission Project with over 3,000 MW of wind power and 400 MW of solar power with interconnection agreements to inject into the system.

### **Greening Government Program - State Facility Energy Management and High Performance Building Program**

Goal: By June 30, 2012 reduce energy consumption in state facilities by 20% and water consumption by 10% from FY05-06 baseline

#### **Goals and Milestones for FY2010-11**

- Install power management software in 8,000 state computers. Achieve a 30% power reduction by that equipment.
- Replace 85 refrigerators in state facilities to increase energy efficiency by 70% average or more in the appliances replaced.
- Use Qualified Energy Conservation Bonds to finance \$5M of state projects to reduce energy consumption 20% or more.
- Develop a “net zero” energy feasibility for state buildings and identify one “net zero” energy building opportunity.

### **Material / Resource Management Environmentally Preferable Purchasing (EPP) Program**

**Measurable goal:** Reduce paper consumption 20% from FY06 to FY12; Implement “Zero” waste strategies

#### **Goals and Milestones for FY2010-11**

- Divert 10% of state office building waste to Colorado Correctional Industries recycling programs.
- Publish a guide to reduce waste in construction and operations.
- Conduct waste audits at 15 state facilities.
- Reduce paper use by 15 percent under baseline SFY 05-06.

### **State Fleet Management Program**

#### **Measurable goals:**

- By June 30, 2012 reduce volumetric petroleum consumption by 25% from SFY 05-06 baseline
- 50% of fuel purchases for flex fuel vehicles will be alternative fuels
- 20% of diesel vehicles fueled with biodiesel

#### **Goals and Milestones for FY2010-11**

## Department Description

- Increase the percentage of hybrids in the baseline vehicle count from less than 10% to 20%.
- Establish 7-10 new video conferencing locations and reduce vehicle miles traveled by 15% or more.
- Convert 15 vehicles to PHEV and reduce petroleum consumption by 50% in converted vehicles.
- Reduce overall fleet petroleum consumption by 5% in SFY 09-10.

### **Employee Education and Reporting Program**

**Measurable goals:** Increase employee awareness by 20%, participation by 20% each year

#### **Goals and Milestones for FY2010-11**

- Stateline articles - six per year.
- Statewide speaker series - four events.
- Employee outreach, green bag lunches at 24 locations.
- Annual employee survey.

### **Weatherization Program**

The GEO's Weatherization Program aims to reduce the energy burden of income qualifying families in Colorado and improve their home comfort and safety through energy efficiency upgrades. The program is predominantly funded through the U.S. DOE's Weatherization Assistance Program grant. GEO partners with the Low Income Energy Assistance Program (LEAP) and utilities, such as Xcel Energy to provide weatherization services. Weatherization measures increase the energy efficiency of homes, enabling occupants to use less energy to heat, cool, and power their homes. Measures include the installation of wall and attic insulation, high efficiency furnaces and refrigerators, compact fluorescent light bulbs, storm windows and caulking and weather stripping of homes. Another component of the program is also to provide conservation education to clients.

#### **FY2010-11 Goals and Objectives**

- Serve 7,200 single-family homes throughout Colorado
- Serve 685 multi-family homes throughout Colorado
- Increase partnerships with utilities to provide greater levels of service throughout Colorado
- Assess the quality of workmanship performed on 5% of homes served
- Implement a new web-based data gathering system to enable faster and more real-time reporting
- Implement an aggressive outreach plan to engage a high number of eligible clients
- Manage solicitations in a competitive manner that encourages high standards

Department Description

**5-Year Goals and Objectives**

- Between the years 2009-2013, the program will have served over 30,000 homes throughout Colorado
- By 2013, every home served will receive financial support from a utility provider
- By the year 2013, the program will partner with every governmental agency who has a program that automatically qualifies a recipient to receive weatherization services
- By the year 2013, the program will have accurate, real-time job costing information about each weatherization job performed

**Renewable Energy Program**

Work to be completed within the Renewable Energy Program includes dissemination of grants and rebates, project development, and policy development that reduce federal, state and local policy and regulatory issues.

***Rebates and Grants***

The GEO Renewable Energy Program has identified (16) sixteen technology categories eligible for grants across the residential, commercial and industrial/utility sectors. The rebate programs GEO plans to include

Residential	Commercial	Industrial/Utility-scale
Solar photovoltaic and hot water	Solar photovoltaic and hot water	Anaerobic digesters
Solar photovoltaic and hot water (for 100% AMI households)	Community Wind	Biofuel s retail stations
Small wind	Transpired solar (air preheat)	Exploratory geothermal well drilling
Ground source heat pumps	Biomass boilers	
Solar mortgage closing costs	Renewable Energy in Energy Performance Contracting	

**FY 2010-11 Outcomes**

- Distributed through the Renewable Energy Rebates and Grants Program approximately \$5.7M to viable renewable energy projects, with an additional 10% set aside for program administration and monitoring and verification requirements
- Award approximately 700 projects with a rebate or grant
- Issue quarterly project status reports for all rebates and grant funded

## Department Description

- Develop two ground source heat pump pilot projects with two utilities that will be provide technical data on the system and technology, as well as serve as a demonstration site for other utilities in the state
- Create or maintain, at least 85 jobs
- Save approximately 183,017 MMBTUs through renewable energy projects

## Project Development

A Renewable Energy Development Team will be assembled to work with the GEO Renewable Energy Team. REDT will be responsible to assist in the development of specific projects through an early stage development pipeline while working closely with GEO's team. Members of this team will be industry experts, representing the core technologies listed above.

### FY 2010-10 Outcomes

- Develop a team of industry experts representing core renewable energy technologies
- Provide 80 potential projects with project development support and consultation
- 40 projects will receive consultation and project development to a investment rate plan
- Create 5 new jobs
- Complete *Colorado IGW Distributed Generation Report* for market assessment, development and project planning

## Policy Initiatives

Although grants and rebates are sometimes necessary to continue the expansion of renewable energy development in Colorado, GEO has identified numerous state and federal regulatory, legislative or local ordinance issues that hinder project developments.

### FY2010-2011 Outcomes

- Work with the renewable energy industry, local governments, and utilities to develop a plan for addressing the growing concern over local permitting, code, site locations and interconnection issues for solar energy systems.
- Offer seed funding to create a third-party consultant position who will directly address these issues.
- Intervene on behalf of the State of Colorado on, at minimum, six regulatory dockets at the Public Utilities Commission

## Commercial Building Programs K-12 School Efficiency Program

The objective of the K-12 program is to implement the directives established in HB 1309 FY07 including; high performance new schools, energy performance contracting in existing schools, utility bill energy management and facility manager training. The broad goal of the K-12 program is to offer some level technical energy engineering expertise to all 178 School Districts.

## Department Description

Specifically, HB 07-1309 calls for improvement in four areas;

1. Performance Contracting for Existing Schools
2. High Performance Building for New Schools and Major Renovations
3. Utility Bill Management
4. Education and Training

### **Performance Contracting – Existing Schools**

GEO is in various stages of Performance Contracting with 67 of Colorado's 178 School Districts leaving 111 to still assist in evaluating their need for this program by the end of FY 09/10 (sunset of HB 1309). To this end, the K-12 program has a goal of evaluating and, if applicable, initiating the Performance Contracting process with approximately 50 School Districts per year each year through FY 09/10 in order to impact every district with performance contracting opportunity.

### **High Performance Building – New Schools**

The High Performance Building (HBP) Program will provide technical assistance and grant funding for public schools building a new school or contracting major renovations. Most new school construction is taking place through the Building Excellent Schools Today (BEST) program administered by the Colorado Department of Education (CDE). This effort will involve a continuous tracking of all new school development in the state. The GEO has completed the Colorado Collaborative for High Performance Schools (CO-CHPS) K-12 green building rating system and this will be available to schools throughout the state as well.

### **Education and Training**

The GEO will provide numerous opportunities for training and education on various topics related to energy efficiency in existing and new K-12 schools. Opportunities include:

- Workshops on the Advanced Energy Design Guides for K-12 Schools aimed at architects, engineers and contractors
- An in-depth training course with a third-party certification will be offered to K-12 Facilities Managers
- Numerous workshops focused on LEED for Schools and CO-CHPS certification for new schools, as well as LEED-EBOM for existing schools
- Extended mentoring and peer-to-peer engagement among members of the Colorado Association of School District Energy Managers (CASDEM) and the Colorado School Plant Managers Association (CSPMA)
- Continued support of 1-2 initiatives that brings energy education into school classrooms throughout the state

## Department Description

### FY2010-11 Goals

#### **Performance Contracting – Existing Schools**

- Initiate ~50 new Performance Contracts in Colorado School Districts.

#### **High Performance Building – New Schools**

- Ensure that every new school project built by the BEST program complies with the state's High Performance Certification (HPCP) program requirements and achieves the LEED Gold or CO-CHPS certification
- Ensure that any new school project targets energy efficiency levels at least 25% above the ASHRAE 90.1-2007 energy code and includes commissioning.

#### **Utility Bill Management**

- Offer Utility Bill Management System grant assistance to all 178 districts to get their utility bill history into the state's UBILS system. Goal: Over 75% participation by the end of FY09/10

#### **Training/Education**

- Offer at least two workshops in all four GEO regions
- At least one facility and/or energy manager in each of the 10 largest districts receives a certification through the GEO training course. Additional goal of at least 25 total districts enrolling a facility/energy manager in this certification course.
- CSPMA and CASDEM increase their outreach and expand their membership by 25%

#### **Five year outlook**

##### Performance Contracting

- All 178 School Districts will have been offered the GEO's Performance Contracting services. Goal: 75% participation

##### High Performance Building

- All districts building a new school will have been offered the opportunity to partner with the State of Colorado in achieving LEED for Schools Gold or Collaborative for High Performance Schools certification. Goal of 75% participation from all districts building a new school.

## Department Description

### Utility Bill Management

- All 178 School Districts will have been given the opportunity to participate in the GEO's Utility Bill Management System. Goal: 75% participation.

### Energy Manager Training

- All 178 of Colorado's School Districts will have participated in trainings and workshops offered by the GEO.
- CASDEM and CSPMA have provided consistent contact with all 178 school districts and provide outreach and mentoring support to all districts
- All facility/energy managers that receive a certification in FY 09-10 have renewed their certification
- 75% of all school districts with a facility manager or energy manager on staff have received a third-party certification through GEO's training opportunity

### **Performance Contracting Program**

The GEO's Performance Contracting program is the principle tool by which each of Colorado's 19 state agencies will achieve the goals of the Governor's Greening Government Executive Order - a 20% reduction in energy use by 2012. To date, the GEO's program has facilitated performance contracts in the Capital Complex, Department of Human Services, Department of Transportation, Department of Corrections, Department of Public Health and Environment, and State Parks, representing combined over 25% of the state's building square footage. Within Higher Education, 12 of 27 colleges and universities representing an additional 25% of state square footage have recently undergone performance contracting with the assistance of GEO and its consultants. With approximately 50% of the state's square footage under the GEO's performance contracting program, a significant portion of the state's infrastructure is making necessary energy retrofits. Consistent with the Greening Government Executive Order, all new performance contracts initiated through the GEO's program will set as a minimum for each state agency of a 20% reduction against a 2005/06 baseline by 2012. Although the goal is a state-wide reduction, this target is a starting point for building-level achievement and will ensure that the state will meet its goals by 2012. In order to ensure sufficient time is left to implement energy savings measures in advance of the June, 2012 deadline, all state agencies where performance contracting is a viable option will need to implement retrofits no later than June, 2010. This leaves FY09/10 to engage all state agencies in meeting the directives of the order. The GEO Commercial Buildings Program will continue to offer grants for Renewable Energy in Performance Contracting intended to stimulate renewable energy installations in commercial buildings. The program anticipates nearly 500 Kilowatts of installed renewable energy capacity per year within the public sector. The GEO has also partnered with over 30 municipalities (counties, towns, cities) and has recently signed the Regional Transportation District (RTD) into the program.



## Department Description

### FY2010-11 Goals

- Target Higher Education. Higher Education facilities constitute a great concentration of building square footage. For that reason, the GEO will directly address those Higher Ed facilities not currently undergoing Performance Contracting in the remainder of FY08/09. Goal: Achieve a cumulative 50% of applicable state building square footage under some type of performance contract by the end of the FY 09/10.
- Cumulative 75% of applicable state building infrastructure under some form of performance contract.

### FY2010-11

- Cumulative 100% of applicable state building infrastructure under some form of performance contract.

### Five year outlook

- All 19 Colorado State Agencies have engaged in some level of energy performance contracting and will have achieved an overall energy reduction demand of 20% below the 05-06 baseline following the Greening of Government executive order.
- The GEO will have a database of all savings achieved through the Performance Contracting program which will serve as documentation for the Greening Government Executive Order. This database will include Measurement and Verification data intended to validate the savings for each Performance Contract over the term of the project.
- In excess of 2MW of renewable energy capacity has been installed in the public sector via the GEO's Renewable Energy In Performance Contracting program.

### **High Performance Building Program**

The High Performance Building Program provides technical support to owners and project teams to ensure achievement of high levels of energy efficiency and compliance with the state's third-party certification requirements. This program is intended to facilitate the High Performance Certification Program initiated by SB 07-51 and amended to include local government projects funded by the Department of Local Affairs (DOLA). The High Performance Certification Program (HPCP) has adopted as a target performance the US Green Building Council's Leadership in Energy and Environmental Design (LEED) Gold certification. To facilitate this market transformation, the GEO will offer early technical assistance to state agencies, local governments, K-12 and higher education partners.

The Building Excellent Schools Today (B.E.S.T.) program initiated by HB 08-1335 will impact the HPCP; a dozen or more new school projects are expected to receive 25% or more of their capital construction budget from the state which triggers the requirements

## Department Description

of SB07-51. The first round of construction grants was awarded in spring 2009; four schools being built in the San Luis Valley, as well as major building renovations in eastern plains districts. The HPB Program will provide training opportunities, including workshops by GEO and trainings by vendors selected through solicitations. The HPB Program will also be developing select financial grants for projects targeting aggressive levels of energy efficiency as well as projects pursuing net-zero energy goals.

### FY2010-11 Goals

- Goal: Offer consulting assistance to all state-assisted projects with a goal of 100% compliance with the SB 51 and the HPCP for all new building infrastructure receiving 25% or more of its capital construction budget from the state.
- Launch a Net-Zero Task Force to involve stakeholders in the design, construction, renewable energy and finance industries to identify barriers and develop solutions and strategies to achieve net zero energy commercial buildings aligned with DOE goals.
- Develop energy efficiency tech specs for K-12 schools and make available to all school districts
- Offer trainings and workshops in all GEO regions aimed at architects, engineers, building owners and contractors. Fund the deployment of at least one online training course for state project managers and focused on LEED and compliance with the HPCP
- Establish partnerships with at least three projects to provide financial and technical assistance to pursue net-zero energy demonstration projects
- Provide matching funding to front range municipalities and code jurisdictions to launch a Regional Green Building Code initiative

### Five year outlook

- Colorado will rank among the highest in the nation in percentage of public built environment infrastructure certified under programs such as USGBC LEED and CO-CHPS.
- All new state buildings, regardless of their capital construction funding from the state, pursue LEED certification.
- New commercial public buildings will be at least 50% more efficient than the ASHRAE 90.1-2007 energy code.
- Colorado becomes the leader in zero energy commercial buildings in terms of numbers of completed projects.

### **Energy Efficiency in Commercial Buildings**

GEO will launch a new program in 09/10 targeted at leveraging ARRA (SEP & EECBG) funds to create local jobs and reduce carbon emissions by installing energy efficient and renewable energy equipment in small and mid size commercial facilities. GEO will solicit and accept application for “partner grants” for the program. This will allow GEO to support services to several Colorado communities.