

**Schedule 13**  
**Change Request for FY 2010-11 Budget Request Cycle**

Decision Item FY 2010-11  Base Reduction Item FY 2010-11 Supplemental FY 2009-10  Budget Amendment FY 2010-11

Request Title: Statewide Information Technology Staff Consolidation  
 Department: Governor's Office of Information Technology Dept. Approval by: *[Signature]* Date: 11/2/9  
 Priority Number: 1 OSPB Approval: *[Signature]* Date: 11/2/09

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
<b>Total of All Line Items</b>	<b>Total</b>	10,878,016	11,356,443	0	11,356,443	11,616,022	58,786,128	70,402,150	0	70,402,150	58,786,128
	FTE	91.3	102.7	0.0	102.7	96.7	680.7	777.4	0.0	777.4	680.7
	GF	499,090	775,526	0	775,526	955,181	0	955,181	0	955,181	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	59,272	1,218	0	1,218	37,911	0	37,911	0	37,911	0
	CFE/RF	10,290,179	10,552,099	0	10,552,099	10,579,239	58,786,128	69,365,367	0	69,365,367	58,786,128
	FF	29,475	27,600	0	27,600	43,691	0	43,691	0	43,691	0
<b>(1) Office of the Governor, (B) Special Purpose, Health, Life and Dental</b>	<b>Total</b>	1,535,678	1,968,161	0	1,968,161	2,202,520	3,911,169	6,113,689	0	6,113,689	3,911,169
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	422,173	646,102	0	646,102	722,427	0	722,427	0	722,427	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	7,040	0	0	0	35,541	0	35,541	0	35,541	0
	CFE/RF	1,091,252	1,302,571	0	1,302,571	1,408,156	3,911,169	5,319,325	0	5,319,325	3,911,169
	FF	15,213	19,488	0	19,488	36,396	0	36,396	0	36,396	0
<b>(1) Office of the Governor, (B) Special Purpose, Short-term Disability</b>	<b>Total</b>	26,491	28,870	0	28,870	42,732	75,901	118,633	0	118,633	75,901
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	4,158	5,632	0	5,632	8,321	0	8,321	0	8,321	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	2,616	55	0	55	85	0	85	0	85	0
	CFE/RF	19,419	22,814	0	22,814	33,771	75,901	109,672	0	109,672	75,901
	FF	298	369	0	369	555	0	555	0	555	0
<b>(1) Office of the Governor, (B) Special Purpose, SB 04-257 Amortization Equalization Disbursement</b>	<b>Total</b>	330,638	389,217	0	389,217	661,651	1,173,020	1,834,671	0	1,834,671	1,173,020
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	50,105	76,680	0	76,680	130,965	0	130,965	0	130,965	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	32,196	716	0	716	1,321	0	1,321	0	1,321	0
	CFE/RF	238,830	307,056	0	307,056	522,625	1,173,020	1,695,645	0	1,695,645	1,173,020
	FF	9,507	4,765	0	4,765	6,740	0	6,740	0	6,740	0
<b>(1) Office of the Governor, (B) Special Purpose, SB 06-235 Supplemental Amortization Equalization Disbursement</b>	<b>Total</b>	154,008	242,447	0	242,447	476,679	857,141	1,333,820	0	1,333,820	857,141
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	22,654	47,112	0	47,112	93,468	0	93,468	0	93,468	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	15,092	447	0	447	964	0	964	0	964	0
	CFE/RF	111,805	191,910	0	191,910	382,247	857,141	1,239,388	0	1,239,388	857,141
	FF	4,457	2,978	0	2,978	0	0	0	0	0	0

**Schedule 1:  
Change Request for FY 2010-11 Budget Request Cycle**

Decision Item FY 2010-11  Base Reduction Item FY 2010-11 Supplemental FY 2009-10  Budget Amendment FY 2010-11

**Request Title:** Statewide Information Technology Staff Consolidation  
**Department:** Governor's Office of Information Technology **Dept. Approval by:**  
**Priority Number:** 1 **OSPB Approval:** **Date:**

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
(1) Office of the Governor, (B) Special Purpose, Shift Differential	Total	44,120	41,562	0	41,562	38,002	16,721	54,723	0	54,723	16,721
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	44,120	41,562	0	41,562	38,002	16,721	54,723	0	54,723	16,721
	FF	0	0	0	0	0	0	0	0	0	0
(5) Office of Information Technology, (C) Chief Information Officers in State Agencies, Administrator Costs	Total	1,743,173	1,692,186	0	1,692,186	1,692,186	(1,692,186)	0	0	0	(1,692,186)
	FTE	12.3	12.4	0.0	12.4	12.4	(12.4)	0.0	0.0	0.0	(12.4)
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	1,743,173	1,692,186	0	1,692,186	1,692,186	(1,692,186)	0	0	0	(1,692,186)
	FF	0	0	0	0	0	0	0	0	0	0
(5) Office of Information Technology, (D) Statewide Information Technology Services, (2) Internal Program Support	Total	841,367	817,731	0	817,731	689,098	(689,098)	0	0	0	(689,098)
	FTE	11.0	11.0	0.0	11.0	10.0	(10.0)	0.0	0.0	0.0	(10.0)
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	841,367	817,731	0	817,731	689,098	(689,098)	0	0	0	(689,098)
	FF	0	0	0	0	0	0	0	0	0	0
(5) Office of Information Technology, (D) Statewide Information Technology Services, (3) Statewide IT Management	Total	1,361,482	1,756,683	0	1,756,683	1,782,601	3,315,460	5,098,061	0	5,098,061	3,315,460
	FTE	12.4	26.0	0.0	26.0	26.0	42.9	68.9	0.0	68.9	42.9
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	1,361,482	1,756,683	0	1,756,683	1,782,601	3,315,460	5,098,061	0	5,098,061	3,315,460
	FF	0	0	0	0	0	0	0	0	0	0
(5) Office of Information Technology, (D) Statewide Information Technology Services, (8) Network Services Personal Services	Total	1,527,704	1,586,122	0	1,586,122	1,423,319	6,160,671	7,583,990	0	7,583,990	6,160,671
	FTE	17.0	17.0	0.0	17.0	15.0	75.6	90.6	0.0	90.6	75.6
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	1,527,704	1,586,122	0	1,586,122	1,423,319	6,160,671	7,583,990	0	7,583,990	6,160,671
	FF	0	0	0	0	0	0	0	0	0	0

**Schedule 1,  
Change Request for FY 2010-11 Budget Request Cycle**

Decision Item FY 2010-11  Base Reduction Item FY 2010-11 Supplemental FY 2009-10  Budget Amendment FY 2010-11

**Request Title:** Statewide Information Technology Staff Consolidation  
**Department:** Governor's Office of Information Technology **Dept. Approval by:**  
**Priority Number:** 1 **OSPb Approval:** **Date:**

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
<b>(5) Office of Information Technology, (D) Statewide Information Technology Services, (9) Computer Services Personal Services</b>	<b>Total</b>	3,313,355	2,833,464	0	2,833,464	2,607,234	40,995,174	43,602,408	0	43,602,408	40,995,174
	FTE	38.6	36.3	0.0	36.3	33.3	526.1	559.4	0.0	559.4	526.1
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	2,328	0	0	0	0	0	0	0	0	0
	CFE/RF	3,311,027	2,833,464	0	2,833,464	2,607,234	40,995,174	43,602,408	0	43,602,408	40,995,174
	FF	0	0	0	0	0	0	0	0	0	0
<b>(5) Office of Information Technology, (D) Statewide Information Technology Services, (11) Statewide CBMS Program Costs -<u>New line item beginning in FY 2010-11</u></b>	<b>Total</b>	0	0	0	0	0	4,662,155	4,662,155	0	4,662,155	4,662,155
	FTE	0.0	0.0	0.0	0.0	0.0	58.5	58.5	0.0	58.5	58.5
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	4,662,155	4,662,155	0	4,662,155	4,662,155
	FF	0	0	0	0	0	0	0	0	0	0

**Letternote Revised Text:** N/A  
**Cash or Federal Fund Name and COFRS Fund Number:** COFRS funds 602 (Computer Services Revolving Fund); 603 (Telecommunications Revolving Fund); & 613 (Information Technology Revolving Fund)  
**Reappropriated Funds Source, by Department and Line Item Name:** These amounts are from fees paid by user agencies for statewide information technology services, management, and administration and deposited in the Computer Services Revolving Fund, Telecommunications Revolving Fund & Information Technology Services Revolving Fund respectively.  
**Approval by OIT?** Yes:  No:  N/A:   
**Schedule 13s from Affected Departments:** Agriculture, Corrections, Health Care Policy and Financing, Higher Education, Human Services, Labor and Employment, Local Affairs, Military Affairs, Natural Resources, Personnel, Public Health, Public Safety, Regulatory Agencies, Revenue, Transportation

**CHANGE REQUEST for FY 2010-11 BUDGET REQUEST CYCLE**

Department:	Governor's Office of Information Technology
Priority Number:	1
Change Request Title:	Statewide Information Technology Staff Consolidation

**SELECT ONE (click on box):**

- Decision Item FY 2010-11
- Base Reduction Item FY 2010-11
- Supplemental Request FY 2009-10
- Budget Request Amendment FY 2010-11

**SELECT ONE (click on box):**

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

In accordance with SB 08-155, this request provides for the budgetary transfer of statewide information technology staff resources (i.e. FTE) from all Executive Branch agencies to the Governor's Office of Information Technology. For FY 2010-11, the primary impacts include reducing FTE authority in state agencies, while increasing commensurately the OIT FTE authority in a corresponding amount to reflect the staff consolidation. The funding historically dedicated to the associated information technology staff in specific state agencies and programs will continue to be appropriated to those agencies in order for state agencies to continue to maintain consistency of program, state and federal funding streams and reporting standards; however state agencies will make payments associated with their share of IT staff payroll costs from central OIT Common Policy allocations based on the information technology common policy function that each position should most appropriately align with (i.e. GGCC, MNT/Network, Communications Services, and OIT Management & Administration). The aggregate impact of the request is a transfer of 680.7 FTE from agencies to OIT, a reduction of 10% FTE or 75.7 FTE and a transfer of \$58,786,128 (includes a reduction of nearly \$7 million) to correspond to existing personal services appropriations in agencies.

Background and Appropriation History:

Information technology has come to be regarded as one of the most powerful instruments of growth and development in both the private and public sector. The role of the Office of Information Technology (OIT) is to oversee technology initiatives at the state level, recommending strategies maximizing efficiencies of service delivery in a cost-effective manner through the application of enterprise technology solutions. OIT is established in state law to coordinate and direct the use of information technology resources by state agencies. In this capacity OIT is responsible for oversight, administration and management of centralized information technology in state government in Colorado.

The Office of Information Technology built its strategic plan based upon a review of government and private sector best practices, assessments of Colorado's information technology operations, the vision for information technology from the State Chief Information Officer and the Governor's Colorado Promise. The former decentralized information technology environment resulted in high spending, underperforming information technology projects, and underutilized information technology assets. The scope and duties of OIT were augmented significantly as a result of the statewide information technology consolidation that has been implemented as a result of SB 08-155. The Executive and Legislative branches worked together to pass SB 08-155 primarily to address the challenges noted above and to provide value to Colorado employees and citizens. The legislation itself was approved by both houses of the legislature with near unanimous support (92 affirmative votes, 6 excused, 2 opposed) which provides further evidence of consensus.

In addition to providing statewide information technology oversight, coordination and management functions under the direction of the State Chief Information Officer, OIT includes the Office of Cyber Security which is guided by the Chief Information Security Officer; all Executive branch agency Chief Information Officers; the statewide Geographic Information Systems Coordinator; and the majority of the former Division of Information Technologies, now incorporated in OIT Statewide Information Technology Services, which transferred from the Department of Personnel & Administration pursuant to SB08-155. This was the first phase of this organizational change. In

summary, the current OIT not only provides policy guidance and oversight, but is also a significant provider of network, telecommunications and computing infrastructure utilized by all state agencies to accomplish their respective business functions and program objectives on behalf of the citizens of the State of Colorado. This infrastructure includes the state's primary data center, the Multi-use Network (MNT), the Digital Trunked Radio Network (DTR), and applications systems development and support for statewide financial and human resources systems.

The primary strategic objectives identified by OIT in the FY 2010-11 Strategic Plan for the Office of the Governor include the following:

- Secure and protect information technology assets
- Optimize spending for information technology decisions, projects, and technology
- Effectively manage information technology projects
- Maximize enterprise service delivery
- Improve collaboration and innovation

One of the initiatives that is obviously part of the statewide information technology consolidation and the implementation of and transition to a shared services model is the consolidation of and realignment of information technology staff enterprise-wide. This consolidation, the resulting skills inventory and assessment process and gap analysis across agencies, and finally the strategic operational realignment of information technology staff in the fully consolidated environment will provide efficiencies, enhanced service levels, and a dynamic and flexible information technology workforce in the Executive Branch that will help to address historic shortfalls in provisioning levels, project management, staff expertise, etc in individual agencies.

The Colorado Consolidation Plan (C2P) was commissioned and developed by OIT to provide a comprehensive road map of activities, processes, and structures that will facilitate the success of the information technology consolidation. As identified in the C2P, the State of Colorado has considered the identification and development of various competency centers around the state. Indeed, many of the individual state agency IT

organizations have demonstrated a proficiency in one or more disciplines. It now becomes necessary to adopt their best practices and extend those practices to the enterprise. As such, these should really take the form of enterprise services. That is services which are offered across the enterprise and which are managed, funded, and controlled from an enterprise perspective. The optimal solution includes the implementation of a model which is provisioned and managed centrally and does not reside within the various departments.

As the information technology staff consolidation proceeds to future phases that result in the deployment of a full shared services model as described in the paragraph above, it must be realized that the desired objective of this initiative is not to “downsize” staff. Instead this staff transfer request will facilitate a structural reorganization that will help to appropriately “rightsized” the state’s information technology workforce. Essentially, increases or decreases will occur in terms of the scope of staff resources statewide that are dedicated to a specific function or activity with a goal to realign existing resources to best meet the state’s core technology missions. While centralization and consolidation intuitively result in efficiencies, and allow for existing resources to be better leveraged, it is the contention of OIT that the environment that provides the best benefit to the state allows for the strategic redirection of excess resources from a given function to underserved and understaffed technology functions. An obvious example is cyber security, which is an area that presents multiple and costly risks to public sector entities, but as a result of the dynamic, and evolving nature of cyber threats, has been inadequately funded in the public sector as a general theme nationwide. Efficiencies throughout the enterprise in terms of staff resources will allow for the retooling of existing state personnel resources to address this historic shortfall absent the need for the appropriation of new state FTE or funding.

However, the current budget shortfall has presented a unique set of circumstances under which potential reductions in the current technology workforce along with the state government workforce in aggregate have become a reality. Even in this scenario, the state is best able to position itself to meet it’s obligations with regard to critical systems if even a moderately reduced level of information technology staff resources are able to be

centrally managed, assigned and deployed. As a result, as referenced previously and as reflected in the assumptions and calculations, this request includes a 10% reduction in total personal services.

Some organizational themes noted in the C2P with regard to the information technology staff consolidation must be kept in mind, given the phased approach to the consolidation:

- ❖ The organization will evolve over time, thus the initial organization will not mirror the final organization;
- ❖ The organization should be structured so that it can be easily evolved without large scale reorganizations required;
- ❖ There is a review and potential control point covering all critical information technology decisions including technology selection, security, enterprise architecture, projects undertaken, funding, vendor selection, etc.; and
- ❖ Some functions will be always be physically located within the various departments and as such, an IT representative will remain in each of the departments (roles and titles to be determined); smaller departments cannot over the long term, justify a senior IT official dedicated exclusively to that department.

One of the initial initiatives involved in the staff consolidation that is considered key is the survey and assessment of existing staff resources, skills and disciplines, and the following best practices are identified for this process:

- ❖ Inventory all Information Technology staff positions within all State of Colorado departments including open staff positions, reporting structure, roles and responsibilities, pay, classification, benefits, direct personnel expenses, potential retirement dates, and skills.
- ❖ This activity includes all IT positions that may be resident in program and other departmental areas and how those individuals are allocated (potentially with split responsibilities). This activity will identify any individuals supporting information technology which are on the payroll of the program areas.



Some of the inventory, assessment and analysis processes have been ongoing since the initial development of the OIT fiscal analysis related to SB 08-155. From that time through today, OIT has continued to work in a collaborative fashion with state agency budget officers, controllers, chief financial officers and chief information officers to capture, aggregate, reconcile, and analyze all components of information technology utilization, procurement and expenditures across the entire Executive Branch. The individual positions and FTE statewide who are dedicated to and/or directly support information technology have been identified and validated through quarterly updates with agencies so that the initial budget actions and adjustments included in this Statewide Decision Item can be as accurate as possible.

In addition to confirming which specific positions and FTE should be involved in the transfer of staff to OIT, the most significant output of the collaboration with senior officials in state agencies with expertise in budget, finance/accounting, planning and analysis has been the identification of issues and concerns and the development of remediation strategies necessary to address potential issues related to service delivery, funding models, program chargeback models, federal reporting standards, etc. Some of the issues and concerns consistent with this ongoing interaction are summarized below.

- ❖ How to discern, justify and support service level and program deliverables in a manner that can be reported at the detailed level required to maintain federal and grant fund sources;
- ❖ The impact that current and future IT staff consolidation activities and budgetary adjustments will have on agency and statewide indirect cost plans;
- ❖ How to minimize the impact of year-over-year funding changes such that state cash funds will not be detrimentally impacted. This includes issues related to fee setting methodologies in agencies, fund reserve levels, and statutory limitations on uses of funds. To a significant extent the same holds true for federal and grant funding, often with even more strenuous requirements;
- ❖ How to accurately report activity and expenses in the state's financial reporting system (the Colorado Financial Reporting System, COFRS, and the state's central payroll system, the Colorado Personnel and Payroll System – CPPS).

- ❖ Anomalies associated with enterprise cash funds in agencies (i.e. Division Of Wildlife in the Department of Natural Resources, and the Lottery Division in the Department of Revenue).

In addition to the ongoing collaboration with agencies that has been identified above, OIT has also convened an advisory board (the Information Technology Financial Advisory Committee) to discuss, review, analyze and confer on multiple issues related to the information technology consolidation, with a specific focus on issues that may result from the transfer or realignment of staff, appropriations, assets, and other resources. Members of the committee currently include the Departments of Human Services, Natural Resources, Public Health & Environment, Public Safety, and Transportation. OIT has also continued to consult with the Office of the State Controller for guidance and to mitigate any potential statewide accounting issues throughout the process, while continuing to discuss consolidation plans, strategies, and federal reporting issues with the Federal Division of Cost Allocation in order to ensure that the transfer contemplated in this request is done in the most practical fashion possible.

Finally, OIT has engaged both the Office of State Planning & Budgeting and the Joint Budget Committee staff as well in order to facilitate the ultimate success of this initiative. Some of the questions that have been brought to our attention and some responses, clarification, and mitigation strategies are summarized below at a high level.

Question/Issue/Concern	OIT Response
<p>What is being proposed, and not proposed at this time, and why?</p>	<ul style="list-style-type: none"> <li>• This Decision Item transfers dedicated information technology staff and applicable business services staff (i.e. payroll, accounting, human resources, budget, etc.) who are fully dedicated to information technology in agencies.</li> <li>• Staff in agencies that are only minimally dedicated to information technology functions are not part of the current transfer and these staff resources will be addressed in collaboration with agencies at a later date.</li> <li>• This request addresses only payroll and benefit costs associated with existing classified state FTE. Any new appropriated spending authority in OIT as a result of this request simply corresponds to and mirrors agency expenditures for these same functions as they already exist.</li> </ul>
<p>How and when will traditional IT operating appropriations and expenditures be addressed?</p>	<ul style="list-style-type: none"> <li>• IT Operating expenses and IT professional services expenses are not being addressed in this request. Operating &amp; professional services expenditures will be addressed through a combination of a separate budgetary action and increased controls over IT spend.</li> </ul>
<p>What is the impact to each state department and how will issues be identified and resolved.</p>	<ul style="list-style-type: none"> <li>• The budgetary impact by department is reflected in the “Assumptions for Calculations” and “Calculations for Request” later in this document, and the request has a statewide savings; budgetary adjustments included in this request transfer appropriated FTE authority from state agencies to OIT, and re-appropriate existing revenue streams from agency personal services and POTS appropriations to central IT common policy line items to pay OIT for services provided.</li> <li>• As referenced throughout the request, OIT has maintained an ongoing dialogue and interactive team based process with leaders in agencies along with Executive and Legislative leadership to manage the implementation of this phase of the statewide information technology consolidation.</li> </ul>

<p>What is the impact on indirect costs statewide and on federal programs?</p>	<ul style="list-style-type: none"> <li>• There is no impact on indirect costs or federal programs as a direct result of this request, except that the savings affect all fund sources.</li> <li>• Until FTE are realigned and redeployed in a structure that cross allocates staff amongst agencies, there will be no need to change existing federal reporting.</li> </ul>
<p>How will savings associated with FTE be addressed, including vacancy savings specifically?</p>	<ul style="list-style-type: none"> <li>• In the initial phase of the staff consolidation (FY 2010-11), vacancy savings associated with the transferred staff will be captured in OIT’s budget to the extent that such savings exist, although OIT will exercise its statutory authority related to compensation, hiring and personnel actions for information technology staff statewide.</li> <li>• It is understood that many agencies depend upon vacancy savings to manage limited resources. OIT and agencies will jointly address this dynamic in future phases of the information technology consolidation. For example, although OIT will realize any vacancy savings associated with transferred positions, OIT may be able to utilize realized staff efficiencies along with any associated vacancy savings to absorb some portion of historic professional services needs typically borne by agencies.</li> </ul>
<p>This type of budget change is easier to understand if it created a structure in OIT that looked more like a real “service bureau” (e.g. divisions for mainframe services, communications services, PCs, project management, etc).</p>	<ul style="list-style-type: none"> <li>• This is exactly the type of structure that exists currently within OIT, and this budget action aligns staff transferred with the appropriate OIT program/line item to facilitate enterprise level services and future charge-back models.</li> <li>• A fully shared services model will be the desired future state after the transfer of staff to OIT is completed. Note, however, that infrastructure consolidation efforts of this type must be managed in a deliberative and focused manner to achieve optimal results. This is consistent with the perspective and best practices evident from discussions with other states who have implemented IT consolidation initiatives/strategies previously.</li> </ul>

<p>How will OIT deal with difficult accounting and reporting issues that result from this transition, including those that impact federal programs?</p>	<ul style="list-style-type: none"><li>• OIT is confident that it can handle the transition to a consolidated environment from this perspective. Key members of the OIT leadership team have unique levels of expertise in this area, and OIT has engaged leadership in state agencies, the legislature, and federal agencies throughout the development of the consolidation plan to ensure a process that does not disrupt existing revenue streams.</li></ul>
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As a result of both statewide and agency specific discussions, reviews and analyses, it has become evident that the most proactive and fiscally responsible approach to a statewide information technology staff consolidation is to proceed with the budgetary transfer of staff from agencies to OIT beginning July 1, 2010 and to implement a full shared services model for Executive Branch technology functions.

FY 2009-10 will be dedicated to finalizing internal processes and organizational changes necessary to facilitate the initial implementation of the statewide information technology consolidation. FY 2010-11 will be a transition year, in part, as multiple initiatives mature. Implementation of the statewide information technology staff consolidation budgetarily pursuant to this request ensures transparency without requiring the appropriation of new state moneys or FTE, and allows OIT the ability to facilitate efficiencies in government for the benefit of taxpayers, legislators, and agencies statewide.

General Description of Request:

As discussed previously this Decision Item request facilitates the transfer of statewide information technology staff from agencies to OIT, consistent with and pursuant to SB 08-155. Note that this transfer could have been made effective immediately via SB 08-155, however OIT wanted to ensure that the staff transfer was initiated in the most deliberate and transparent fashion possible to address potential concerns from stakeholders.

IT positions need to be organizationally transferred to OIT so that consolidation strategies for statewide services can be implemented. Appropriate functional structures cannot exist

or be developed either hierarchically or financially when each agency supports only its own IT service needs for desktop support, data center management, network operations, etc. Initiating the transfer of IT staff to OIT via this request will not impact department's revenue streams, historical reporting, etc, because federal, cash and grant requests for agencies will remain consistent with reporting for the same positions and functional activity documented in prior year grant requests, although based on a service charge (i.e. GGCC, MNT, etc) rather than a direct payroll allocation. Going forward, once the consolidated statewide information technology staff is realigned, and in some cases reassigned, OIT will work directly with agencies to ensure that the proper level of detailed reporting (including time and effort tracking) is available and accurate to justify the change from a direct relationship to a shared service expense in agencies, and that further increases or decreases in service costs from agency to agency are fully documented.

In summary, the rate model for the various information technology activities and services to be delivered to agencies will be developed and implemented in accordance with federal and state standards, and in collaboration with agencies, the State Controller's Office and the federal Division of Cost Allocation to ensure that general, cash, and federal funds are not adversely impacted and that billing models are implemented with the necessary integrity to insure no disruption in existing program funding streams and revenue sources.

#### Accounting of the IT Salary Transactions

- Payroll costs for the transferred FTE will be captured in OIT through the appropriate internal service fund using SPS salary and benefits object codes and then will be charged to agencies using the service object code associated with the applicable information technology common policy function. This coding schema is supported by mechanisms already in place through CPPS and COFRS and allows OIT to fully isolate the specific payroll costs of positions and individuals. By doing this, OIT avoids the need to develop separate billing mechanisms for providing detailed accountings of costs to agencies for federal reporting requirements.

Initial Benefits for OIT and Agencies –

- Agencies are supportive because OIT will only make minimal adjustments to the historic funding and reporting mechanism they have used for these staff functions. Additionally, this will simplify federal grant requests for agencies because they will continue to request funding year to year for the same functions documented in prior year grant requests, even if they are now discretely paying for the function and not the specific FTE.
- This methodology allows the greatest flexibility for OIT to expand current service offerings and to develop new enterprise services within existing state personnel resources and with minimal disruption to historic reporting .
- As functional banding occurs for shared services and new managed enterprise services are developed, OIT will produce decision items during the normal budget timeframes to set up new Long Bill appropriations and central allocations to agencies as applicable in order to ensure transparency.
- Payroll costs historically dedicated to technology needs and function in agencies and appropriated in agency personal services line items will instead be appropriated through central IT Common Policy line items. This will allow agencies to pay for these services using appropriate funding streams, including perhaps rolling the costs through their cost allocation cost pools and plans. Given that budget transparency continues to be a goal of this process, appropriate reductions will occur in agencies' personal services and program line items in corresponding amounts.

Consequences if Not Funded:

OIT would like to express two primary concerns that exist in the event that this request is not approved:

- Given the current state budget shortfall and distressed national economy, the information technology consolidation envisioned in SB 08-155 is a significant

opportunity to provide efficiencies, savings and enhance service levels to state agencies, legislators and citizens of Colorado.

- In accordance with SB 08-155, this request is submitted to seek legislative and budgetary authority to initiate the IT staff transfer via the Long Bill process. OIT has submitted this request through the budget process to ensure transparency and facilitate coordination between the Executive and Legislative Branch; however, SB 08-155 did grant the authority for this transfer to occur, therefore OIT could impact the initial phase of the IT staff transfer in collaboration with agencies and the Office of the State Controller under existing statutory authority (please refer to the “Statutory and Federal Authority” at the end of the document for reference). However, this would be a much more complex approach and one which would be difficult to maintain in the long run.

Calculations for Request:

The table below, “summary of request FY 2010-11” reflects the impact of a 10% reduction in base personal services costs and POTs beginning in FY 2010-11. Agency schedule 13s that are provided with this request reduce personal services and program appropriations based upon existing staffing patterns, and reassign these costs to OIT Common Policy allocations in agency budgets, and the 10% reduction is applied to the Common Policy allocations, and to the personal services and POTs appropriations for the OIT. Ultimately, depending on the actual positions, functions and Common Policies that are actually impacted to achieve the 10% reduction the agency common policy allocations and the OIT appropriations will need to be realigned to mirror reality during FY 2010-11.



STATE OF COLORADO FY 2010-11 BUDGET REQUEST CYCLE: Governor's Office of Information Technology

Summary of Request FY 2010-11	FTE	Total Funds	Reappropriated Funds
<b>Total Request – Governor's Office of Information Technology</b>	<b>680.7</b>	<b>\$58,786,128</b>	<b>\$58,786,128</b>
Governor, Lieutenant Governor, State Planning & Budgeting (1) Office of the Governor, (B) Special Purpose, Health, Life & Dental		\$3,911,169	\$3,911,169
Governor, Lieutenant Governor, State Planning & Budgeting (1) Office of the Governor, (B) Special Purpose, Short-term Disability		\$75,901	\$75,901
Governor, Lieutenant Governor, State Planning & Budgeting (1) Office of the Governor, (B) Special Purpose, SB 04-257 AED		\$1,173,020	\$1,173,020
Governor, Lieutenant Governor, State Planning & Budgeting (1) Office of the Governor, (B) Special Purpose, SB 06-235 Supplemental AED		\$857,141	\$857,141
Governor, Lieutenant Governor, State Planning & Budgeting (1) Office of the Governor, (B) Special Purpose, Shift Differential		\$16,721	\$16,721
(5) Office of Information Technology, (C) CIOs in State Agencies, Administration Costs	(12.4)	\$(1,692,186)	\$(1,692,186)
(5) Office of Information Technology, (D) Statewide Information Technology Services, (2) Internal Program Support	(10.0)	\$(689,098)	\$(689,098)
(5) Office of Information Technology, (D) Statewide Information Technology Services, (3) Statewide Information Technology Management	42.9	\$3,315,460	\$3,315,460
(5) Office of Information Technology, (D) Statewide Information Technology Services, (8) Network Services	75.6	\$6,160,671	\$6,160,671
(5) Office of Information Technology, (D) Statewide Information Technology Services, (9) Computer Services	526.1	\$40,995,174	\$40,995,174
(5) Office of Information Technology, (D) Statewide Information Technology Services, (11) Statewide CBMS Program Costs – <b><i>New line item/program in OIT beginning in FY 2010-11</i></b>	58.5	\$4,662,155	\$4,662,155

<b>IT Staff Transfer Decision Item - Impact by Agency</b>			
<b>Department/Allocation</b>		<b>FTE</b>	<b>Costs</b>
<b>Agriculture - TOTAL IT Staff Transfer before 10% reduction</b>		<b>(6.0)</b>	<b>\$ (587,495)</b>
Personal Services Reduction		(6.0)	\$ (526,520)
HLD Reduction			\$ (40,665)
STD Reduction			\$ (731)
AED Reduction			\$ (11,323)
SAED Reduction			\$ (8,256)
Staff Aligned to GGCC Allocation		4.0	\$ 278,280
Staff Aligned to MNT/Network Allocation		2.0	\$ 131,370
Staff Aligned to OIT Management/Administration Allocation		0.0	\$ 119,095
<i>Impact of 10% staff optimization reduction</i>			\$ (58,750)
<b>Corrections - TOTAL IT Staff Transfer before 10% reduction</b>		<b>(69.8)</b>	<b>\$ (5,936,150)</b>
Personal Services Reduction		(69.8)	\$ (5,350,470)
HLD Reduction			\$ (372,486)
STD Reduction			\$ (7,676)
AED Reduction			\$ (118,854)
SAED Reduction			\$ (86,664)
Staff Aligned to GGCC Allocation		54.2	\$ 4,156,106
Staff Aligned to MNT/Network Allocation		14.0	\$ 1,050,367
Staff Aligned to OIT Management/Administration Allocation		1.6	\$ 253,801
<i>Impact of 10% staff optimization reduction</i>			\$ (475,876)
<b>Historical Society - TOTAL IT Staff Transfer before 10% reduction</b>		<b>(3.0)</b>	<b>\$ (226,008)</b>
Personal Services Reduction		(3.0)	\$ (208,663)
HLD Reduction			\$ (9,261)
STD Reduction			\$ (291)
AED Reduction			\$ (4,507)
SAED Reduction			\$ (3,286)
Staff Aligned to GGCC Allocation		1.0	\$ 45,643
Staff Aligned to MNT/Network Allocation		1.0	\$ 57,689
Staff Aligned to OIT Management/Administration Allocation		1.0	\$ 100,074
<i>Impact of 10% staff optimization reduction</i>			\$ (22,602)

<b>IT Staff Transfer Decision Item - Impact by Agency</b>			
<b>Department/Allocation</b>		<b>FTE</b>	<b>Costs</b>
<b>Human Services - TOTAL IT Staff Transfer before 10% reduction</b>		<b>(197.1)</b>	<b>\$ (17,185,766)</b>
Personal Services Reduction		(197.1)	\$ (15,469,058)
HLD Reduction			\$ (1,139,112)
STD Reduction			\$ (20,796)
AED Reduction			\$ (322,008)
SAED Reduction			\$ (234,792)
Staff Aligned to GGCC Allocation		132.1	\$ 10,260,772
Staff Aligned to MNT/Network Allocation		10.0	\$ 866,768
Staff Aligned to OIT Management/Administration Allocation		8.0	\$ 636,437
Staff Aligned to OIT/CBMS Program Allocation		47.0	\$ 3,703,173
<i>Impact of 10% staff optimization reduction</i>			\$ (1,718,616)
<b>Health Care Policy &amp; Financing - TOTAL IT Staff Transfer before 10% reduction</b>		<b>(25.0)</b>	<b>\$ (1,961,697)</b>
Personal Services Reduction		(25.0)	\$ (1,781,568)
HLD Reduction			\$ (111,403)
STD Reduction			\$ (2,475)
AED Reduction			\$ (38,314)
SAED Reduction			\$ (27,937)
Staff Aligned to GGCC Allocation		3.0	\$ 147,184
Staff Aligned to MNT/Network Allocation		2.0	\$ 203,580
Staff Aligned to OIT Management/Administration Allocation		2.0	\$ 141,026
Staff Aligned to OIT/CBMS Program Allocation		18.0	\$ 1,273,735
<i>Impact of 10% staff optimization reduction</i>			\$ (196,172)
<b>Labor &amp; Employment - TOTAL IT Staff Transfer before 10% reduction</b>		<b>(67.0)</b>	<b>\$ (6,060,574)</b>
Personal Services/Program Reduction		(67.0)	\$ (5,485,812)
HLD Reduction			\$ (366,213)
STD Reduction			\$ (7,509)
AED Reduction			\$ (116,264)
SAED Reduction			\$ (84,776)
Staff Aligned to GGCC Allocation		54.0	\$ 4,434,381
Staff Aligned to MNT/Network Allocation		10.0	\$ 769,725
Staff Aligned to OIT Management/Administration Allocation		3.0	\$ 250,409
<i>Impact of 10% staff optimization reduction</i>			\$ (606,058)

<b>IT Staff Transfer Decision Item - Impact by Agency</b>			
<b>Department/Allocation</b>		<b>FTE</b>	<b>Costs</b>
<b>Local Affairs - TOTAL IT Staff Transfer before 10% reduction</b>		<b>(9.9)</b>	<b>\$ (890,997)</b>
Personal Services Reduction		(9.9)	\$ (819,360)
HLD Reduction			\$ (42,504)
STD Reduction			\$ (1,049)
AED Reduction			\$ (16,241)
SAED Reduction			\$ (11,843)
Staff Aligned to GGCC Allocation		8.9	\$ 649,072
Staff Aligned to MNT/Network Allocation		1.0	\$ 95,099
Staff Aligned to OIT Management/Administration Allocation		0.0	\$ 57,726
<i>Impact of 10% staff optimization reduction</i>			\$ (89,100)
<b>Military Affairs - TOTAL IT Staff Transfer before 10% reduction</b>		<b>(2.0)</b>	<b>\$ (199,141)</b>
Personal Services Reduction		(2.0)	\$ (186,588)
HLD Reduction			\$ (5,355)
STD Reduction			\$ (259)
AED Reduction			\$ (4,013)
SAED Reduction			\$ (2,926)
Staff Aligned to GGCC Allocation		2.0	\$ 126,434
Staff Aligned to MNT/Network Allocation		0.0	\$ -
Staff Aligned to OIT Management/Administration Allocation		0.0	\$ 52,792
<i>Impact of 10% staff optimization reduction</i>			\$ (19,915)
<b>Natural Resources - TOTAL IT Staff Transfer before 10% reduction</b>		<b>(64.0)</b>	<b>\$ (5,859,561)</b>
Personal Services Reduction		(64.0)	\$ (5,319,720)
HLD Reduction			\$ (334,632)
STD Reduction			\$ (7,389)
AED Reduction			\$ (114,402)
SAED Reduction			\$ (83,418)
Staff Aligned to GGCC Allocation		53.0	\$ 4,107,073
Staff Aligned to MNT/Network Allocation		9.0	\$ 857,802
Staff Aligned to OIT Management/Administration Allocation		2.0	\$ 308,726
<i>Impact of 10% staff optimization reduction</i>			\$ (585,960)

<b>IT Staff Transfer Decision Item - Impact by Agency</b>			
<b>Department/Allocation</b>		<b>FTE</b>	<b>Costs</b>
<b>Personnel &amp; Administration - TOTAL IT Staff Transfer before 10% reduction</b>		<b>0.0</b>	<b>\$ (792,317)</b>
Personal Services Reduction*		0.0	\$ (684,912)
HLD Reduction**			\$ (77,921)
STD Reduction**			\$ (1,044)
AED Reduction**			\$ (16,440)
SAED Reduction**			\$ (12,000)
Staff Aligned to GGCC Allocation		0.0	\$ 713,085
Staff Aligned to MNT/Network Allocation		0.0	\$ -
Staff Aligned to OIT Management/Administration Allocation		0.0	\$ -
<i>Impact of 10% staff optimization reduction</i>			<i>\$ (79,232)</i>
* DPA IT FTE authority previously transferred to OIT 7/1/09 pursuant to SB 08-155			
** DPA POTs adjustments are reflected as part of the FY 2010-11 Baseline Common Policy Adjustment in DPA Schedule 3			
<b>Public Health - TOTAL IT Staff Transfer before 10% reduction</b>		<b>(65.8)</b>	<b>\$ (6,192,748)</b>
Personal Services Reduction		(65.8)	\$ (5,572,848)
HLD Reduction			\$ (407,916)
STD Reduction			\$ (7,633)
AED Reduction			\$ (118,179)
SAED Reduction			\$ (86,172)
Staff Aligned to GGCC Allocation		55.8	\$ 4,651,692
Staff Aligned to MNT/Network Allocation		6.0	\$ 543,254
Staff Aligned to OIT Management/Administration Allocation		4.0	\$ 378,527
<i>Impact of 10% staff optimization reduction</i>			<i>\$ (619,275)</i>
<b>Public Safety - TOTAL IT Staff Transfer before 10% reduction</b>		<b>(33.0)</b>	<b>\$ (2,995,630)</b>
Personal Services Reduction		(33.0)	\$ (2,679,408)
HLD Reduction			\$ (215,236)
STD Reduction			\$ (3,733)
AED Reduction			\$ (55,080)
SAED Reduction			\$ (42,173)
Staff Aligned to GGCC Allocation		21.0	\$ 1,744,727
Staff Aligned to MNT/Network Allocation		11.0	\$ 761,437
Staff Aligned to OIT Management/Administration Allocation		1.0	\$ 192,392
<i>Impact of 10% staff optimization reduction</i>			<i>\$ (297,075)</i>

<b>IT Staff Transfer Decision Item - Impact by Agency</b>			
<b>Department/Allocation</b>		<b>FTE</b>	<b>Costs</b>
<b>Regulatory Agencies - TOTAL IT Staff Transfer before 10% reduction</b>		<b>(25.5)</b>	<b>\$ (2,076,472)</b>
Personal Services Reduction		(25.5)	\$ (1,870,248)
HLD Reduction			\$ (134,079)
STD Reduction			\$ (2,598)
AED Reduction			\$ (40,220)
SAED Reduction			\$ (29,327)
Staff Aligned to GGCC Allocation		22.5	\$ 1,546,452
Staff Aligned to MNT/Network Allocation		2.0	\$ 131,580
Staff Aligned to OIT Management/Administration Allocation		1.0	\$ 190,794
<i>Impact of 10% staff optimization reduction</i>			\$ (207,646)
<b>Revenue - TOTAL IT Staff Transfer before 10% reduction</b>		<b>(106.2)</b>	<b>\$ (8,721,782)</b>
Personal Services Reduction		(106.2)	\$ (7,783,020)
HLD Reduction			\$ (617,694)
STD Reduction			\$ (10,891)
AED Reduction			\$ (168,635)
SAED Reduction			\$ (122,963)
SHIFT DIFFERENTIAL Reduction			\$ (18,579)
Staff Aligned to GGCC Allocation		95.9	\$ 6,880,397
Staff Aligned to MNT/Network Allocation		5.0	\$ 447,373
Staff Aligned to OIT Management/Administration Allocation		5.3	\$ 521,834
<i>Impact of 10% staff optimization reduction</i>			\$ (872,178)
<b>Transportation - TOTAL IT Staff Transfer before 10% reduction</b>		<b>(82.0)</b>	<b>\$ (8,143,917)</b>
Personal Services Reduction		(82.0)	\$ (7,387,670)
HLD Reduction			\$ (471,266)
STD Reduction			\$ (10,261)
AED Reduction			\$ (158,875)
SAED Reduction			\$ (115,846)
Staff Aligned to GGCC Allocation		66.0	\$ 5,895,643
Staff Aligned to MNT/Network Allocation		11.0	\$ 941,811
Staff Aligned to OIT Management/Administration Allocation		5.0	\$ 492,072
<i>Impact of 10% staff optimization reduction</i>			\$ (814,392)

<b>IT Staff Transfer Decision Item - Impact by Agency</b>			
<b>Department/Allocation</b>		<b>FTE</b>	<b>Costs</b>
<b>Statewide - TOTAL IT Staff Transfer FROM AGENCIES before 10% reduction</b>		<b>(756.35)</b>	<b>\$ (67,830,255)</b>
Personal Services Reduction		(756.35)	\$ (61,125,865)
HLD Reduction			\$ (4,345,743)
STD Reduction			\$ (84,335)
AED Reduction			\$ (1,303,355)
SAED Reduction			\$ (952,379)
SHIFT DIFFERENTIAL Reduction			\$ (18,579)
Staff Aligned to GGCC Allocation		526.06	\$ 45,636,941
Staff Aligned to MNT/Network Allocation		75.60	\$ 6,857,855
Staff Aligned to OIT Management/Administration Allocation		42.91	\$ 3,695,705
Staff Aligned to OIT/CBMS Program Allocation		58.50	\$ 4,976,908
Additional FTE realignment - Internal Application Support Staff to GGCC		(10.00)	\$ (689,098)
Additional FTE realignment - Agency CIOs to OIT Management/Administration		(12.40)	\$ (1,692,186)
<b>Impact of 10% staff optimization reduction</b>		<b>(75.68)</b>	<b>\$ (6,662,847)</b>

Assumptions for Calculations:

- Agency Schedule 13's show FTE reductions to agency line items corresponding to the FTE reported to and reconciled with OIT; additionally agency schedule 13s will reflect a realignment of appropriations representing base payroll costs (annualized salary, PERA & Medicare), which will be moved from agency personal services and/or program line items to central IT Common Policy service line items. This action leaves appropriations and fund sources intact in agencies and this strategy helps provide OIT and agencies with the greatest transparency that can possibly be afforded to satisfy all stakeholders, including federal granting agencies.
- OIT will require increased re-appropriated funding on its side to correspond to the salaries that will now be charged to OIT personal services appropriations. This calculation will ultimately correspond to the amount shifted from agency personal services appropriations to IT common policy appropriations (on a positional and aggregate basis) and will be reconciled with the FY 2010-11 total compensation update (Salary Survey, HLD, PERA, Medicare, AED, SAED, STD, etc.) in order to

capture benefit costs associated with the transferred FTE as implemented and figure set later in the current fiscal year. For the current request, agencies identified FY 11 POTs associated with the IT staff who will transfer and added 90% of the total to the applicable IT Common Policy allocation as with base personal services costs. OIT requested an increase to POTs line items in the budget for the Governor's Office in the same increment (90% of the total).

- Necessary agency FTE authority that will need to be transferred to OIT beginning with FY 2010-11. This reconciles to a position-by-position analysis performed by agencies recently, at OIT's request.
- The aggregate payroll cost detail associated with the staff transferred (this reconciles to the re-appropriated funds spending authority that will technically be required in OIT as a result of this request). To calculate this estimate, OIT worked with agencies to identify current IT staffing and current monthly base salaries, annualized the base salary and added PERA and Medicare. This calculation will ultimately need to correspond to existing agency appropriations (on a positional and aggregate basis) and be reconciled with the annual total compensation update for the budget request year.
- Agencies captured the POTs (HLD, AED, SAED and STD) for the transferring staff on a position by position basis, reduced 100% from the agency budgets and applied 90% to the applicable IT Common Policy allocation. OIT requested increased POTs appropriations equivalent to 90% of the amount reduced from agency budgets.
- This Decision Item does not carry a pay date shift impact as a result of the enactment of HB 09 – 1367, which essentially continues the annual shift of the last fiscal month of General fund payroll for the transferring IT staff, consistent with historical processing in agencies, from FY 2010-11 forward.
- To further address the state obligation associated with the FY 2009-10 paydate shift at the start of FY 2010-11, this Decision Item will transfer any General fund portion of the IT FTE involved in the transfer effective June 1, 2010. The Governor's Office of Information Technology will then have the authority to pay any General fund employee payroll on July 1, 2010 for work performed in agencies in June of 2010.



The following excerpts are from the Legislative Council fiscal note for this legislation:

*“This bill addressed a situation caused by the interaction of 2 existing laws - the pay date shift enacted through Senate Bill 03-197 and the consolidation of state information technology (IT) functions and staffing under OIT enacted through Senate Bill 08-155. The situation arises because SB 08-155 also changed how the state accounts for the payment of IT services, replacing a personal services appropriation for salaries and benefits, which is subject to the pay date shift, with an appropriation to pay for the purchase of services from OIT, which is not. The bill continues the shift of these appropriations from June to July....”*

*“The bill will not affect overall state expenditures, but it allows the state to avoid a one-time increase in General Fund appropriations for FY 2010-11. The exact amount affected by the bill is unknown at this time and will depend on future appropriations, but an estimated \$3 million in General Fund appropriations are currently being shifted from June to July for OIT personnel. This bill requires that they continue to be shifted after the transfer of employees to OIT.”*

Impact on Other Government Agencies:

This request is a statewide Decision Item that impacts Agriculture, Corrections, Health Care Policy and Financing, Higher Education, Human Services, Labor and Employment, Local Affairs, Military Affairs, Natural Resources, Personnel, Public Health, Public Safety, Regulatory Agencies, Revenue, and Transportation. Refer to the “Assumptions for Calculations” above for further detail and estimates by agency.

A schedule 13 has been submitted in each Department's FY 2010-11 budget submission for the following amounts:

FY 2010-11 and FY 2011-12 Impact By Department							
DEPARTMENT	FTE	TF	GF	HUTF	CF	RF	FF
Agriculture **	(6.0)	(\$174,752)	(\$35,177)	\$0	(\$3,241)	(\$116,002)	(\$20,332)
Corrections	(69.8)	(\$475,876)	(\$475,876)	\$0	\$0	\$0	\$0
HCPF	(25.0)	(\$196,172)	(\$46,405)	\$0	\$0	(\$103,363)	(\$46,404)
Higher Education	(3.0)	(\$22,602)	\$0	\$0	(\$22,602)	\$0	\$0
Human Services	(197.1)	(\$1,718,616)	(\$805,545)	\$0	(\$40,451)	(\$198,802)	(\$673,818)
Medicaid Funds from HCPF	0.0	(\$163,341)	(\$77,387)	\$0	\$1	\$1	(\$85,956)
Labor and Employment	(67.0)	(\$606,058)	(\$243,562)	\$0	\$0	(\$11,814)	(\$350,682)
Local Affairs	(9.9)	(\$89,100)	(\$21,592)	\$0	\$0	(\$30,061)	(\$37,446)
Military Affairs	(2.0)	(\$19,915)	(\$19,915)	\$0	\$0	\$0	\$0
Natural Resources	(64.0)	(\$585,960)	(\$96,173)	\$0	(\$312,534)	(\$155,510)	(\$21,743)
Personnel	0.0	\$28,173	\$0	\$0	(\$6,978)	\$35,151	\$0
Public Health	(65.8)	(\$619,275)	(\$27,738)	\$0	(\$72,694)	(\$198,448)	(\$320,395)
Medicaid Funds from HCPF	0.0	(\$14,378)	(\$4,758)	\$0	\$0	\$0	(\$9,620)
Public Safety	(33.0)	(\$297,075)	(\$145,486)	(\$125,482)	(\$5,925)	(\$20,182)	\$0
Regulatory Agencies	(25.5)	(\$207,646)	\$0	\$0	\$0	(\$207,646)	\$0
Revenue **	(106.2)	(\$921,660)	(\$476,021)	(\$37,399)	(\$358,758)	(\$49,482)	\$0
Transportation *	(82.0)	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>(756.3)</b>	<b>(\$6,084,253)</b>	<b>(\$2,475,635)</b>	<b>(\$162,881)</b>	<b>(\$823,182)</b>	<b>(\$1,056,158)</b>	<b>(\$1,566,396)</b>

\* Schedule 13 only includes appropriated transfer.

\*\* The following agencies Schedule 13s (and reported figures above) do not match the "Summary of Request FY 2010-11" table beginning on page 15 of this request because these agencies also will experience indirect cost recovery reductions (which are not passed on to OIT).

Statutory and Federal Authority:

The statutory authority for the Governor's Office of Information Technology is primarily found at 24-37.5-102 through 604 C.R.S 2008. For reference, significant amendments to prior statute occurred pursuant to SB 08 – 155 during the 2008 Legislative session. The most applicable statutory cite associated with this request is outlined below:

24-37.5-110 C.R.S. - 2008 Technology coordination.

*(1) (a) On July 1, 2008, the chief information officer of each state agency and on or after July 1, 2008, but on or before July 1, 2012, the employees of such state agencies designated pursuant to subsection (2) of this section shall be transferred to the office and shall become employees of the office. Each officer transferred to the office pursuant to this subsection (1) and his or her successor may continue to act as the officer for the state agency from which he or she was transferred and shall maintain any duties or responsibilities related to the information technology resources of such agency. Each officer transferred to the office shall report to and be under the immediate supervision of the chief information officer of the office.*

*(b) The employees of an agency that support the information technology functions of such agency shall continue to be under the supervision of the chief information officer of such agency until the chief information officer of the office determines that it is necessary for those positions or functions to come under the control and supervision of the office.*

*(2) The chief information officer of the office and the executive director and chief information officer of each state agency shall jointly identify the positions and functions affiliated with the management and administration of such agency's information technology resources and enterprises that will be transferred to and centralized in the office pursuant to subsection (1) of this section.*

24-37.5-112 C.R.S. 2008 - Information Technology Revolving Fund.

*(1) (a) There is hereby established in the state treasury the information technology revolving fund. Except as otherwise provided in subsection (2) of this section, moneys shall be appropriated to the fund each year by the general assembly in the annual general appropriation act for the direct and indirect costs of the office.*

*(b) The office shall develop a method for billing users of the office's services the full cost of the services, including materials, depreciation related to capital costs, labor, and administrative overhead. The billing method shall be fully implemented for all users of the office's services on or before July 1, 2013*

Performance Measures:

There are no specific performance measures in the OIT FY 2010-11 Strategic Plan that are directly related to this request, although, this request supports several objectives contained in the current Strategic Plan, including the following: Effectively manage IT projects, Maximize enterprise service delivery, and improve collaboration and innovation.

Additionally the two performance measures below are able to be facilitated much more effectively upon implementation of the staff consolidation presented in this request, even though they do not directly reference the staff consolidation.

Performance Measure	Outcome	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10
Maintain MNT network availability above 99.9% through 6/30/09	Benchmark	N/A	99.9%	99.9%	99.9%
	Actual	99.98%	99.97%	99.975%	

Performance Measure	Outcome	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual
Reduce number of state data centers	Benchmark	N/A	N/A	30	<20
	Actual	39	37	32	

**Schedule 13**  
**Change Request for FY 2010-11 Budget Request Cycle**

Decision Item FY 2010-11  Base Reduction Item FY 2010-11  Supplemental FY 2009-10  Budget Amendment FY 2010-11

**Request Title:** Global Business Development  
**Department:** Governor's Office  
**Priority Number:** BRI-1

**Dept. Approval by:** *[Signature]*  
**OSPB Approval:** *[Signature]*

**Date:** 10/14/09  
**Date:** 10-14-09

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
<b>Total of All Line Items</b>	<b>Total</b>	2,034,598	1,792,792	0	1,792,792	1,794,153	(217,049)	1,577,104	0	1,577,104	(217,049)
	FTE	19.2	19.1	0.0	19.1	19.1	(1.5)	17.6	0.0	17.6	(1.5)
	GF	1,981,208	1,722,842	0	1,722,842	1,724,203	(217,049)	1,507,154	0	1,507,154	(217,049)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	53,390	69,950	0	69,950	69,950	0	69,950	0	69,950	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
<b>(4) Economic Development Programs, Global Business Development (new line item)</b>	<b>Total</b>	0	0	0	0	0	1,577,104	1,577,104	0	1,577,104	1,577,104
	FTE	0.0	0.0	0.0	0.0	0.0	17.6	17.6	0.0	17.6	17.6
	GF	0	0	0	0	0	1,507,154	1,507,154	0	1,507,154	1,507,154
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	69,950	69,950	0	69,950	69,950
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
<b>(4) Economic Development Programs, Business Development</b>	<b>Total</b>	1,113,747	878,736	0	878,736	878,736	(878,736)	0	0	0	(878,736)
	FTE	9.2	9.2	0.0	9.2	9.2	(9.2)	0.0	0.0	0.0	(9.2)
	GF	1,113,747	863,736	0	863,736	863,736	(863,736)	0	0	0	(863,736)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	15,000	0	15,000	15,000	(15,000)	0	0	0	(15,000)
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
<b>(4) Economic Development Programs, Grand Junction Satellite Office Business Development</b>	<b>Total</b>	67,664	67,007	0	67,007	67,007	(67,007)	0	0	0	(67,007)
	FTE	1.0	1.0	0.0	1.0	1.0	(1.0)	0.0	0.0	0.0	(1.0)
	GF	67,664	67,007	0	67,007	67,007	(67,007)	0	0	0	(67,007)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
<b>(4) Economic Development Programs, Minority Business Office</b>	<b>Total</b>	169,659	151,274	0	151,274	151,274	(151,274)	0	0	0	(151,274)
	FTE	3.0	2.5	0.0	2.5	2.5	(2.5)	0.0	0.0	0.0	(2.5)
	GF	164,709	146,324	0	146,324	146,324	(146,324)	0	0	0	(146,324)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	4,950	4,950	0	4,950	4,950	(4,950)	0	0	0	(4,950)
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

**Schedule 13  
Change Request for FY 2010-11 Budget Request Cycle**

Decision Item FY 2010-11  Base Reduction Item FY 2010-11  Supplemental FY 2009-10  Budget Amendment FY 2010-11

Request Title: Global Business Development  
 Department: Governor's Office Dept. Approval by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Priority Number: BRI-1 OSPB Approval: \_\_\_\_\_ Date: \_\_\_\_\_

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
(4) Economic											
Development Programs,	Total	683,527	695,775	0	695,775	697,136	(697,136)	0	0	0	(697,136)
International Trade	FTE	6.0	6.4	0.0	6.4	6.4	(6.4)	0.0	0.0	0.0	(6.4)
Office	GF	635,087	645,775	0	645,775	647,136	(647,136)	0	0	0	(647,136)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	48,440	50,000	0	50,000	50,000	(50,000)	0	0	0	(50,000)
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: N/A  
 Letternote Revised Text: N/A  
 Cash or Federal Fund Name and COFRS Fund Number: Minority Business Cash Fund (Fund 248), Business Development (Fund 100-137), International Trade Office Cash Fund (Fund 100-155)  
 Reappropriated Funds Source, by Department and Line Item Name: N/A  
 Approval by OIT? Yes:  No:  N/A:   
 Schedule 13s from Affected Departments: N/A

**CHANGE REQUEST for FY 2010-11 BUDGET REQUEST CYCLE**

Department:	Governor's Office
Priority Number:	BRI-01
Change Request Title:	Global Business Development

**SELECT ONE (click on box):**

- Decision Item FY 2010-11
- Base Reduction Item FY 2010-11
- Supplemental Request FY 2009-10
- Budget Request Amendment FY 2010-11

**SELECT ONE (click on box):**

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

The Governor's Office proposes to consolidate multiple business development line items into a newly created Global Business Development line item. This consolidation of line items will include the appropriation and FTE for the Business Development line item, Grand Junction Satellite Office line item, the Minority Business Office line item, and the International Trade Office line item. This consolidation will also result in an overall reduction of \$217,049 General Fund and 1.5 FTE in FY 2010-11 and FY 2011-12.

This base reduction item is an extension of the budget reduction proposal submitted to the Joint Budget Committee in August 2009. The August budget reduction reduced appropriations for the specified lines. This base reduction item further reduces those lines and requests a consolidation of lines to provide the flexibility to streamline operations and work within a reduced overall appropriation.

Background and Appropriation History:

The current organization of the Office of Economic Development and International Trade includes separate line items for Business Development, Grand Junction Satellite Office, International Trade Office and Minority Business Office.

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

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.

The Business Development Division serves as the primary point of 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 Development Division 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; Division 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 assistance to local organizations; Community Assessment Program; and the Synchronist/State Business Retention and Expansion Program.



The 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 business opportunities. The MBO assists businesses with procurement opportunities and provides information and resource referrals for this targeted business population. The MBO is proactive in reaching out to the minority and women communities by sponsoring events, conferences, and participating in workshops as a facilitator/panelist. 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.

The International Trade Office (ITO) Division promotes the export of Colorado products and services, working extensively with Colorado companies to expand their markets through exporting. The ITO offers low-cost, state-sponsored international trade shows and missions, guidance in the mechanics of exporting, identification of target markets, export troubleshooting (for example, assisting with information on regulatory issues), identifying trade leads, and assistance in arranging meetings between foreign buyers and Colorado companies to increase export sales. The Office also maintains trade relationships between the State and international groups. Additionally, ITO actively promotes Colorado as a place to invest (inward investment), showcasing Colorado to foreign companies. The ITO makes presentations in Colorado and abroad, providing an overview of Colorado's key industries and economic climate and provides specific services to companies.

General Description of Request:

This base reduction item consolidates the specified lines and reduces the overall appropriation for three programs by \$217,049 General Fund and 1.5 FTE in FY 2010-11 and FY 2011-12.

The 1.5 FTE reduction saves \$83,433 General Fund in FY 2010-11. An additional reduction totaling \$133,616 is made on the remaining General Fund for the Business Development, International Trade Office and Minority Business Office line items. This reduction is approximately 8.5 percent of each line.

The proposal requests consolidation of the stated line items to allow restructuring of the remaining resources to provide prioritized services in the most effective manner possible given these changes. With the staff reductions and changes, the scope of services offered will be slightly reduced and impact the following areas:

- reductions in some community assessments and community action planning services;
- reduction in participation in all general economic development planning meetings and functions; and
- a restructuring of staff remaining to provide necessary prioritized services to businesses in Colorado, those looking to locate in Colorado and those with international needs. Other services will be offered as time and resources allow.

The Governor's Office plans to transition to one Division Director for Global Business Development that will provide leadership for the consolidated business development strategies while continuing to focus on the distinct needs of the targeted business populations. Additional training/cross-training for remaining staff will be necessary to ensure the most effective use of resources and provision of services.

This proposal will allow more flexibility to coordinate programs to more effectively and strategically provide services and ensure that the functions are appropriately funded; maintain its outlying field offices in Colorado (Grand Junction, Burlington, and Alamosa) and its business development efforts targeted to business expansion, retention and relocation for all businesses including international, domestic, minority and women-owned; and focus on job creating and job retaining projects as its first priority and then provide additional programs and services as resources allows.

Consequences if Not Funded:

If this request is not approved, OEDIT will not have the flexibility to respond to changing market conditions and use its resources in the most effective and cost efficient manner. The reductions to two of the line items, Business Development and the Minority Business Office, are of such significance that deeper reductions in programs and services will be required if the larger, consolidated reorganization does not occur. The consolidation request will allow for centralization of core support services (which may include

consolidation and coordination of marketing efforts, newsletters, website development and maintenance, and administrative support).

Calculations for Request:

<b>Summary of Request FY 2010-11</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Total Request	(\$217,049)	(\$217,049)	\$0	\$0	\$0	(1.5)
(4) Economic Development Programs, Global Business Development ( <i>new line</i> )	\$1,577,104	\$1,507,154	\$69,950	\$0	\$0	17.6
(4) Economic Development Programs, Business Development	(\$878,736)	(\$863,736)	(\$15,000)	\$0	\$0	(9.2)
(4) Economic Development Programs, Grand Junction Satellite Office	(\$67,007)	(\$67,007)	\$0	\$0	\$0	(1.0)
(4) Economic Development Programs, Minority Business Office	(\$151,274)	(\$146,324)	(\$4,950)	\$0	\$0	(2.5)
(4) Economic Development Programs, International Trade Office	(\$697,136)	(\$647,136)	(\$50,000)	\$0	\$0	(6.4)

<b>Summary of Request FY 2011-12</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Total Request	(\$217,049)	(\$217,049)	\$0	\$0	\$0	(1.5)
(4) Economic Development Programs, Global Business Development ( <i>new line</i> )	\$1,577,104	\$1,507,154	\$69,950	\$0	\$0	17.6
(4) Economic Development Programs, Business Development	(\$878,736)	(\$863,736)	(\$15,000)	\$0	\$0	(9.2)
(4) Economic Development Programs, Grand Junction Satellite Office	(\$67,007)	(\$67,007)	\$0	\$0	\$0	(1.0)
(4) Economic Development Programs, Minority Business Office	(\$151,274)	(\$146,324)	(\$4,950)	\$0	\$0	(2.5)
(4) Economic Development Programs, International Trade Office	(\$697,136)	(\$647,136)	(\$50,000)	\$0	\$0	(6.4)

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2008-09 Expenditures	FY 2008-09 End of Year Cash Balance	FY 2009-10 End of Year Cash Balance Estimate	FY 2010-11 End of Year Cash Balance Estimate	FY 2011-12 End of Year Cash Balance Estimate
Minority Business Cash Fund	248-400	\$4,950	\$3,036	\$3,000	0	0
Business Development Cash	100-137	0	0	0	0	0
ITO Cash Spending Authority	100-155	\$48,440	0	0	0	0

In terms of the Cash Fund Projections, the following assumptions were utilized:

- the Minority Business Office raised additional funds prior to last year end and had a carryforward cash balance. However, MBO expects to use its carryforward cash balance prior to the end of FY 2009-10 and spend funds raised in the same fiscal year in each year thereafter.
- Business Development did not raise funds in the FY08-09; however, Business Development will expend funds in the same year as raised.
- The International Trade Office consistently raises funds and spends the funds in the same fiscal year.

Therefore, the fund is projected to have a \$0 cash fund balance in the respective years as stated. Due to the budget reductions being taken, expectations are that all cash fund balances to be utilized even more quickly and would be interested in increasing its cash fund authority levels for Global Business Development as soon as possible.

Assumptions for Calculations:

This reduction of appropriation is comprised of two components.

First, there is a reduction of 1.5 FTE and \$83,433 General Fund. Of these: 1.0 FTE is reduced from the Business Development program and 0.5 FTE is reduced from the Minority Business Office program.

Second, the remaining General Fund within the Business Development, International Trade, and Minority Business Offices are reduced by \$133,616. This reduction is approximately 8.5 percent of each line.

Affected Lines	General Fund Position Reductions	FTE	FY 2010-11
Business Development	Manager, Communications & External Affairs	1.0	\$51,146
Minority Business Office	Surety Bond Coordinator	0.5	\$32,287
	Total	1.5	\$83,433

Actual salary and benefits paid to Governor's Office staff do not conform to State Common Policies as the positions are exempt from the State Personnel System. Salaries and benefits are based on existing agreements with employees. The FY 2010-11 salaries are annual amounts.

Of the remaining General Fund, a reduction totaling \$133,616 General Fund is applied to the Business Development, International Trade Office and Minority Business Office. These reductions are approximately 8.5 percent of each line and reflect efficiencies which will be gained by consolidating and streamlining processes and modified delivery of services.

FY 2010-11	Existing General Fund	Position Reduction	Remaining et General Fund	Additional Reduction	Total Reductions	FTE	FTE Reductions	Net FTE
Grand Junction Satellite	\$67,007	\$0	\$67,007	\$0	\$0	1.0	0.0	1.0
Business Development	\$863,736	(\$51,146)	\$812,590	(\$69,050)	(\$120,196)	9.2	(1.0)	8.7
International Trade	\$645,775	0	\$645,775	(\$54,875)	(\$54,875)	6.4	0.0	5.4
Minority Business	\$146,324	(\$32,287)	\$114,037	(\$9,690)	(\$41,977)	2.5	(0.5)	2.5
<b>Total</b>	<b>\$1,722,842</b>	<b>(\$83,433)</b>	<b>\$1,639,409</b>	<b>(\$133,616)</b>	<b>(\$217,049)</b>	<b>19.1</b>	<b>(1.5)</b>	<b>17.6</b>

Impact on Other Government Agencies: This request will have no impact on other Government Agencies.

Cost Benefit Analysis: This request will result in OEDIT cost reductions of \$217,049 for FY 2010-11 and subsequent years as previously stated. Benefits of this proposal include that OEDIT will have a more effective coordination approach for business development efforts, will realize resource utilization efficiencies and savings through centralized core support services and will have more flexibility to respond to changing economic conditions and opportunities. Cross-training and restructuring costs, if any, will be minimal.

Implementation Schedule:

<b>Task</b>	<b>Month/Year</b>
This process began development consolidated Global Business Development Strategies, Use of Resources and Planned Budget Expenditures on a prioritized basis	September 2009
Planning Period (work sessions with OEDIT's Director, Deputy Director, Controller, Director of Communication and External Affairs, and BD, MBO and ITO Division Directors)	September 2009-December 2009
Implementation of identified efficiencies	January 2010
Implementation of the Long Bill	July 2010

Statutory and Federal Authority: **24-48.5-101. C.R.S. (2009) Colorado office of economic development - creation.**  
(2) The Colorado office of economic development shall:  
(a) Encourage the expansion and retention of Colorado businesses through business recruitment, retention, and expansion assistance;  
(b) Coordinate the marketing of Colorado as a site for expansion or relocation projects for companies in other states or countries;

- (c) Coordinate job training and management and financial assistance to existing Colorado companies or to out-of-state companies which are considering expansion or relocation in Colorado;
  - (d) Provide services to small businesses in Colorado in order to help them expand or remain in business;
  - (e) Provide technical assistance and research support for business recruitment, retention, and expansion assistance programs supported by local government and private-public partnerships;
  - (f) Foster a positive business climate by advising the governor and the general assembly on issues affecting the business community;
  - (h) In its business recruitment, retention, and expansion assistance activities, provide information on the state's program of tax incentives, state and local government procurement policies, and economic development incentives that are available to business enterprises engaged in recycling and waste diversion activities, including research and development efforts and the development of markets for reusable, source-reduced, recycled, and composted products and materials in all forms.
- (6) It is the intent of the general assembly in enacting this section that the Colorado economy be broadened as a result of a quantifiable increase in the number of Colorado companies receiving technical and job training assistance and other assistance in business development.

**24-47-101. C.R.S. (2009) Colorado international trade office - created - staff.**

(1) There is hereby created within the office of the governor the Colorado international trade office, the head of which shall be the director of the Colorado international trade office, which office is hereby created. The director shall be assisted by an associate director and a staff assistant, which offices are hereby created.

**24-49.5-102. C.R.S. (2009) Creation of the minority business office - director.**

There is hereby created the minority business office within the office of the governor, referred to in this article as the "office". The office shall be in the charge of a director who shall be appointed by the governor. The director and employees of the office shall not be subject to section 13 of article XII of the state constitution.

**24-49.5-104. C.R.S. (2009) Minority business fund - created.**

(1) There is hereby created in the state treasury a fund to be known as the minority business fund, which shall be administered by the director of the minority business office.

Performance Measures:

OEDIT has 5 agency performance measures and all of its programs/services contribute to at least one or more of the agency measures. Below are excerpts from OEDIT's Strategic Plan which include performance contribution numbers from the line items that are being consolidated into Global Business Development. Two of the main objectives are: Increase quality job creation/retention by existing, expanding and relocating businesses and Strengthen regional economies. Specific measures are as follows:

<b>Workload Indicators</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Actual</b>	<b>FY09-10 Estimate</b>	<b>FY10-11 Estimate</b>
Jobs created and retained by businesses receiving assistance	9,923	13,809	9,000	9,000
Assistance provided to strengthen regional economies	27	34	40	25
Business Development Promotion Activities (trade shows, website, advertising)	14	21	12	12
Number of Business Development Division Relocation/Business Expansion Prospects and Business Retention Projects Managed	60	96	80	80
Number of Colorado First/Existing Industry Grants Managed	95	122	95	95
Number of companies receiving substantial international export and foreign direct inward investment assistance	111	196	120	120
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	49/2410	70/2000	70/2000
Number of Outgoing and Incoming Trade Missions Promoting Colorado Exports and Investment Opportunities	8	10	8	8
Number of Women and Minorities (historically underutilized businesses) Receiving Surety Bond Technical Assistance	N/A new program	324	375	375
Number of Minority Business Office Seminars and Trade Fairs Planned & Coordinated	20	24	25	25



**Schedule 13  
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2010-11  Base Reduction Item FY 2010-11  Supplemental FY 2009-10  Budget Amendment FY 2010-11

Request Title: Annual Fleet Vehicle Replacements

Department: Governor's Office

Dept. Approval by: *W. B...*

Date: 10/14/09

Priority Number:

OSPB Approval: *J. M...*

Date: 10-19-09

	Fund	1	2	3	4	5	6	8	9	10	
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
<b>Total of All Line Items</b>	<b>Total</b>	3,375	13,894	0	13,894	13,894	1,407	15,301	0	15,301	1,407
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	3,375	13,894	0	13,894	13,894	1,407	15,301	0	15,301	1,407
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
<b>(4) Economic Development Programs, Vehicle Lease</b>	<b>Total</b>	3,375	13,894	0	13,894	13,894	1,407	15,301	0	15,301	1,407
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	3,375	13,894	0	13,894	13,894	1,407	15,301	0	15,301	1,407
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: N/A  
 Letternote Revised Text: N/A  
 Cash or Federal Fund Name and COFRS Fund Number: N/A  
 Reappropriated Funds Source, by Department and Line Item Name: N/A  
 Approval by OIT? Yes:  No:  N/A:   
 Schedule 13s from Affected Departments: DPA