

***(1) OFFICE OF THE GOVERNOR******(A) GOVERNOR'S OFFICE******ADMINISTRATION OF GOVERNOR'S OFFICE AND RESIDENCE***

This is the primary funding line for the Governor's Office. This line covers operating expenses for the Governor's Office including office supplies and materials, telecommunications, travel, training, printing, information technology updates and equipment maintenance and replacement. This appropriation provides funding to cover personnel and operating expenses in the Governor's Office(s). The offices funded within this line include: the Office of Policy Initiatives, the Legislative Liaison Office, the Legal Office, Press/Correspondence, Accounting and Administration. In addition, this line provides administrative, accounting, budgeting, and human resources support for these offices and for separately appropriated offices: Office of State Planning and Budgeting, the Governor's Energy Office, the Office of Homeland Security, the Office of Information Technology and the Office of Economic Development and International Trade. This line has seen reductions in general funding from FY2008 (\$4,121,131 actual) FY2009 (\$6,607,494 actual) to FY2010 (\$5,034,106 appropriated).

***DISCRETIONARY FUND***

This appropriation funds discretionary funding for the Governor's Office. Traditionally the fund has been used to purchase items like flowers for funerals of dignitaries, cards, official photos and other items not covered in the Administration line of the Governor's Office. This line item has been set at \$20,000 for the last several years but was reduced to \$19,500 in FY2008-09 and FY2009-10

***MANSION ACTIVITY FUND***

This appropriation is made up of cash funds from the renting of the Governor's Residence and Governor's Residence Carriage House. The appropriation was significantly increased in FY2007, from \$90,000 to \$200,000, to reflect the increase use of the Carriage House after the completion of extensive renovations.

***(B) SPECIAL PURPOSE******HEALTH, LIFE, AND DENTAL***

This appropriation covers the cost of the State's share of the employee's health, life and dental insurance as it relates to the number of employees in the Governor's Office that elect to be covered. Rates and premiums are determined by the Department of Personnel and Administration. Every year, employees elect or opt out of coverage during an open enrollment period. Thus, depending on employees' circumstances, more or less may enroll than in a previous year and result in a change in the appropriation.

**SHORT-TERM DISABILITY**

Short-term disability insurance coverage is available for all employees and paid by the State based on payroll that provides partial payment of an employee's salary if that individual becomes disabled and cannot perform his or her work duties. Any changes in the appropriation are based on common policy as approved by the Joint Budget Committee. In 2006, the Department of Personnel and Administration negotiated a new contract for short-term disability. The rate that year was 0.113 percent. Rates for FY 2007-08 and FY 2008-09 are set at 0.130 percent. Any change to the Governor's Office appropriation is based solely on the change in base salaries in the Department and the negotiated rate detailed above.

**S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT**

This appropriation reflects an increase to the effective PERA contribution rates beginning January 1, 2006 to bring the Department into compliance with 24-51-211 C.R.S. (2007). Statutory increases in the contribution rate occur each year on January 1 until the appropriation is equivalent to 3.0 percent of total payroll. Increases in the appropriation are a result of these statutory increases, although H.B. 08-1299 provided a small increase resulting from an expanded internal audit program. The line item is scheduled to reach the cap in January 2012.

**S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT**

This appropriation reflects an increase to the effective PERA contribution rates beginning January 1, 2008 to bring the Department into compliance with 24-51-211 C.R.S. (2007). Statutory increases in the contribution rate occur each year on January 1 until the appropriation is equivalent to 3.0 percent of total payroll. Increases in the appropriation are a result of these statutory increases, although H.B. 08-1299 provided a small increase resulting from an expanded internal audit program. The line item is scheduled to reach the cap in January 2013.

**SALARY SURVEY AND SENIOR EXECUTIVE SERVICE**

This appropriation funds the market adjustments to occupational groups' salaries of employees in the Governor's Office as published by the Total Compensation Report released every August 1 by the Department of Personnel and Administration. All changes in yearly appropriations are based on this common policy and approved by the Joint Budget Committee. No changes/increases were approved for FY2008-09 or FY2009-10.

**PERFORMANCE-BASED PAY AWARDS**

Merit pay for employees based on performance and evaluations is funded by the performance-based pay awards line item. As with salary survey, all changes in yearly appropriations are based on this common policy and approved by the Joint Budget Committee. No changes/increases were approved for FY2008-09 or FY2009-10.

**WORKERS' COMPENSATION**

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

**LEGAL SERVICES FOR 1370 HOURS**

Legal representation for all divisions in the Department of Revenue is provided by the Department of Law. This line item pays for those services. The appropriation is based on the blended hourly rate, as set by the Joint Budget Committee every year, and the number of hours a department requires. The blended rate the Governor's Office is charged has traditionally increased every year.

**PURCHASE OF SERVICES FROM COMPUTER CENTER**

The Governor's Office share of the use of the state's mainframe is funded by this appropriation. The Department of Personnel and Administration bills departments for the use of these services in arrears and is adjusted mid-fiscal year through a supplemental request. Changes in the appropriation are based on department utilization and are adjusted through common policy adopted by the Joint Budget Committee.

**MULTIUSE NETWORK PAYMENTS**

The multiuse network payments appropriation provides funding for the Governor's Office payment to the Department of Personnel and Administration to support the state's telecommunication infrastructure per common policy. The appropriation is adjusted annually through a statewide supplemental change request developed by the Department of Personnel and Administration.

**PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS**

The Governor's Office share of liability and property insurance carried by the Department of Personnel and Administration is appropriated through this line item. The state's liability program is used to pay liability claims and expenses brought against the state.

The state's property program pays for commercial insurance and associated deductibles for insurance coverage to state properties. For property premiums, state agencies pay a portion of the property insurance expense through a formula that allocates property premiums based upon the value of an agency's property holdings. For liability premiums, departments pay a portion of the projected need for cash flow to cover existing and anticipated liability claims based on an allocation formula developed by an actuarial firm retained by the Department of Personnel and Administration. All projections are approved by the Joint Budget Committee. Thus the Governor's Office appropriation and any changes to it are driven by the common policies established by the Joint Budget Committee.

**CAPITOL COMPLEX LEASED SPACE**

The Capitol Complex Leased Space appropriation funds the Governor's Office payment to the Department of Personnel and Administration for leased space within the Capitol Complex per common policy. All changes in the appropriation are a result of the rate increases charged by the Department of Personnel and Administration. Rates are set by Joint Budget Committee common policy.

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

**PROGRAM ADMINISTRATION**

This appropriation reflects the petroleum violation escrow funds as well as other federal grants received by the Governor's Energy Office used to provide primary funding for office energy programs.

**LOW-INCOME ENERGY ASSISTANCE**

The Low Income Home Energy Assistance Program provides weatherization services for low income individuals funded through HB 06-1200 which provides funds (\$7.05 million in 2008-09) toward weatherization services for LEAP eligible clients. The state-financed portion of the program is funded through severance tax funds.

**COLORADO RENEWABLE ENERGY AUTHORITY**

This appropriation reflects cash funds spending authority under SB07-126; providing funding from the Operational Account of the Severance Tax Trust Fund for the development of advanced clear oil technologies, renewable energy and energy conservation.

**CLEAN ENERGY**

This appropriation reflects cash funds spending authority from the Limited Gaming Fund and other sources to provide home energy efficiency improvements for low-income households. The Clean Energy Fund was created in Section 24-75-1201 (1), C.R.S. and provides continuously appropriated funds.

**SCHOOL ENERGY EFFICIENCY**

HB7-1309 dedicated significant resources over three years to conduct performance contracts on all public K-12 school buildings. These funds finance in-house performance contracting experts to evaluate school buildings energy use

**SOLAR INCENTIVES**

This program leverages local dollars to create a fund to incentivize the installation of photovoltaics (solar electricity), and/or solar thermal (a technology that uses the sun to heat water for domestic use and home heating).

**LEGAL SERVICES FOR 230 HOURS**

The Legal Services appropriation provides funding for the cost of purchasing legal services from the Department of Law based on the Governor's Energy Office number of legal services hours and the hourly rate per Common Policy.

**INDIRECT COST ASSESSMENT**

This appropriation shall be for indirect cost recoveries.

**(D) OTHER PROGRAMS AND GRANTS**

This Program Administration appropriation provides spending authority for grants received by the Governor's Office, including Gear Up, SBIRT and other initiatives.

**(E) OFFICE OF HOMELAND SECURITY**

The **Office of Homeland Security** was established by Executive Order D003 08 issued on February 8, 2008.

**PROGRAM ADMINISTRATION**

This appropriation is the primary funding line for the Governor's Office of Homeland Security. This line covers operating expenses including office supplies and materials, telecommunications, travel, training, printing, information technology updates and equipment maintenance and replacement. Funding for this office is entirely from federal grants. The appropriation is an estimate of federal funds to be received by the office.

**GRANTS AND TRAINING**

This appropriation is for the grants funds received by the Office of Homeland Security distributed to cities, counties and other public entities throughout Colorado for homeland security planning and training. Funds are entirely from federal grants. The appropriation is an estimate of federal funds to be received by the office.

**(2) OFFICE OF LIEUTENANT GOVERNOR****ADMINISTRATION**

The Administration appropriation provides funding for personnel and operating expenses in the Lt. Governor's office. This line, after a small increase in general fund in FY2009 (\$391,212) from FY2008 (\$346,209), had its general fund appropriation fall back to \$346,818 in FY2010.

**DISCRETIONARY FUND**

This appropriation funds discretionary funding for the Lt. Governor's Office. Traditionally the fund has been used to purchase items like flowers for funerals of dignitaries, cards, official photos and other items not covered in the Administration line of the Lt. Governor's Office.

**COMMISSION ON INDIAN AFFAIRS**

This appropriation funds expenses for the Commission on Indian Affairs Office including all personnel and operating expenses.

**(3) OFFICE OF STATE PLANNING AND BUDGETING****OPERATING EXPENSES**

The Operating Expenses appropriation provides funding for all operating costs for the Office of State Planning and Budgeting except for POTS and Common Policy expenses which are covered in the Governor's Office

**ECONOMIC FORECASTING EXPENSES**

The Economic Forecasting Subscriptions appropriation provides funding to cover expenses for the Office of State Planning and Budgeting related to Economic Forecasting Subscriptions. This funding is from indirect cost recoveries collected from the State Highway Fund by CDOT pursuant to Section 43-1-113(8)(a).

**(4) OFFICE OF ECONOMIC DEVELOPMENT & INTERNATIONAL TRADE****ADMINISTRATION**

The Administration Division line item provides funding for the oversight of economic development program activities as well as administrative functions within the various programs. This generally includes the Director of the Office of Economic Development and International Trade, accounting, budget, procurement, personnel, information technology (IT) administration, and other administrative functions. Accounting, budget, procurement, and personnel functions ensure the sound fiscal administration of economic development programs.

**VEHICLE LEASE PAYMENTS**

The vehicle lease payments provide funding for the fixed lease costs of vehicles and management fees charged by State Fleet Management (Department of Personnel and Administration). The appropriation is adjusted annually through a statewide vehicle supplemental change request.

**GRAND JUNCTION SATELLITE OFFICE**

This appropriation funds the program responsible for coordination of business development and outreach in western Colorado.

**MINORITY BUSINESS OFFICE**

The Minority Business Office (MBO) Division assists women and minority-owned businesses to take advantage of certified Disadvantage Business Enterprise (DBE) business opportunities. The MBO focuses on assisting these businesses with procurement opportunities thereby, fostering a stronger economy.

**LEADING EDGE PROGRAM GRANTS****SMALL BUSINESS DEVELOPMENT CENTERS**

The Colorado Small Business Development Centers (CSBDC) provide counseling and training services to small business owners and entrepreneurs in the areas of business planning, sources of capital, domestic and international marketing, accounting, and related business disciplines. The CSBDC network consists of 13 service centers located throughout the State and provides coverage to every county in Colorado.

**INTERNATIONAL TRADE OFFICE**

The International Trade Office (ITO) promotes the export of Colorado products and services, working with Colorado companies to expand their export markets. The ITO offers services, including low-cost, state-sponsored international trade shows and missions, guidance in exporting through seminars, 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.

**COLORADO PROMOTION-COLORADO WELCOME CENTERS**

The Colorado Tourism Office promotes the growth of the travel and tourism industry – thereby creating jobs, increasing tax revenues and furthering economic development. Through a comprehensive marketing, advertising and public relations campaign, the CTO

promotes Colorado as a premiere leisure travel destination to out-of-state visitors and in-state travelers. The CTO works with a national research firm to ascertain the impact of visitors to the state economy, including state and local tax revenues derived from travel expenditures.

Welcome Centers: The State has operated highway-based welcome centers for more than two decades to promote tourism and provide vacation guides, maps and other basic guidance and limited services to road travelers. Eight centers are currently in operation at the major highway entrances to the State, receiving nearly 1,000,000 visitors annually. Studies show that visitors who stop at Welcome Centers are influenced to stay 2.5 days longer and spend additional money during their stay.

#### **COLORADO PROMOTION-OTHER PROGRAM COSTS**

Other programs in the OEDIT Colorado Promotion program include:

**Tourism Promotion:** The Colorado Tourism Office and its board promote Colorado as a vacation destination by developing and implementing marketing, public relations and promotional strategies, materials and programs that, in concert with private sector promotional activities.

**Tourism Website:** The Colorado Tourism Office maintains the state's official tourism website, Colorado.com

**Official State Vacation Guide:** The Colorado Tourism Office publishes the Official State Vacation Guide that is distributed domestically and internationally to consumers.

**Official State Map:** The Colorado Tourism Office, with the Colorado Department of Transportation, designs, prints and distributes the Colorado state highway map.

**Heritage Tourism Program:** In collaboration with the Colorado Historical Society, the CTO developed a program to promote heritage tourism throughout Colorado.

#### **ECONOMIC DEVELOPMENT COMMISSION – GENERAL ECONOMIC INCENTIVES AND MARKETING**

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

#### **COLORADO FIRST CUSTOMIZED JOB TRAINING**



**CAPCO ADMINISTRATION**

Certified Capital Companies (CAPCO) Program were created by the legislature to provide an additional source of capital for new and expanding businesses that create jobs in Colorado. The CAPCO legislation motivates insurance companies to provide a low-risk loan to for-profit venture capital firms-CAPCOs. CAPCOs use the tax credits and cash set-aside from the insurance company loan to repay the insurance companies. Insurance policies are also obtained to guarantee the loan structure and reduce risk to the insurance companies. CAPCOs use a portion of funding to invest in eligible Colorado businesses in the form of a loan, equity or some combination.

**COUNCIL ON THE ARTS**

The Colorado Council on the Arts' Division promotes the cultural, educational and economic growth of Colorado through development of its arts and cultural heritage. The Council administers grants and provides services that make the arts more accessible to all 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.

The Council 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.

**FILM INCENTIVES**

HB08-1415, the Colorado Film Commission Operating Funds designated \$300,000 in funds for operating expenses of the Colorado Film Commission. The Film Incentives Cash Fund is administered by OEDIT. The Colorado Film Commission is an independent non-profit entity.

**NEW JOBS INCENTIVES**

HB08-1183 created the New job Creation Incentives. This bill allows for flexibility in the incentive eligibility criteria for businesses in general and business located in rural communities that meet new job creation requirements.

**INDIRECT COST ASSESSMENT**

This appropriation shall be for indirect cost recoveries.

***(5) OFFICE OF INFORMATION TECHNOLOGY***

***(A) ADMINISTRATION***

OIT Administration is responsible for essential duties that impact not only the entire Office, but also a multitude of State agency customers. OIT Administration provides the Office with strategic and operational management direction, policy formulation, serves essentially as the OIT Executive Director's Office, and is especially active in its coordination with all Executive Branch and Legislative Branch agencies.

**PERSONAL SERVICES**

This line item and the associated appropriations of FTE and personal services funding support the OIT Administration staff and management functions. Personal services, as defined by the Office of State Planning & Budgeting (OSPB) include the following:

- All salaries and wages, including salary survey and performance based pay, whether paid to full-time, part-time, or temporary employees of the State, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees.
- Professional services, meaning services requiring advanced study in a specialized discipline that are rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Professional services include but are not limited to accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services. Payments for professional services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.
- Temporary services, meaning clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Payments for temporary services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.

The request column of the Schedule 3 for personal services line items is calculated beginning with existing appropriations and is adjusted based upon the addition of base building salary POTS, the impact of prior year legislation (i.e. special bills), out year annualization or other adjustments associated with prior year change requests, any OSPB adjustments, and also reflects any Decision Items that impact the line item in the budget request year.

During the past three fiscal years, the appropriation has increased above the base level primarily as a result of SB 06 – 63, which added 3.0 FTE and ~\$250,000 to the base appropriation; other adjustments were the result of JBC approved base building salary increases (salary survey/achievement pay), and annual reductions as applicable as a result of OSPB and/or JBC base reductions as part of the “Option 8” calculation. The total appropriation for the current fiscal year is \$1,127,581 total funds and 13.0 FTE, and includes an out year annualization reduction of \$9,000 and .1 FTE associated with SB 08-215 and a reduction of \$68,514 associated with annualization of a prior year supplemental that included a one time FY 2008-09 appropriation of \$68,514 to retire the “pay date shift” for this line item. The FY 2010-11 request is for a continuation of \$1,127,581 total funds and 13.0 FTE, This appropriation had historically been supported by General fund annually prior to FY 2008-09 when it was refinanced to re-appropriated funds similar to the majority of OIT appropriations.

#### **OPERATING EXPENSES**

This line item supports the programmatic operating expenses associated with OIT Administration. The appropriation for the current fiscal year was at a continuation level of \$150,268 General fund, which is continued as the FY 2010-11 request.

#### **LEGAL SERVICES FOR 26 HOURS**

This line item appears in most state departments and offices and funding is appropriated so each department can purchase necessary legal services from the Department of Law including the purchase of services from both attorneys and paralegals. The current year Long Bill appropriation is for \$1,960 based upon the hours approved during FY 2009-10 figure setting and the FY 2010-11 base request for this line item is based upon a continuation level of hours and a continuation rate (as the actual rate will be approved by the JBC during Common Policy figure setting).

#### **INDIRECT COST ASSESSMENT**

Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs.

Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed to them.

There has not historically been an indirect cost assessment calculated by the State Controller's Office for this program, however beginning with FY 2009 – 10 an assessment was made, and the FY 2009-10 assessment in the Long Bill is currently reflected at \$28,321 consistent with the FY 2009-10 Statewide Indirect Cost Plan. For FY 2010-11 the request per the assessment calculated by the State Controller's Office increases to \$41,193.

**IMPLEMENTATION OF SB 08-215 & SB 09-162 "OIT BROADBAND TELCOM MAP" Inventory**

SB 08-215 directs the Office of Information Technology to create an inventory of broadband service areas by April 1, 2009 and shall include:

- An illustrative statewide map to help broadband providers and policymakers better understand the current availability of broadband service throughout the state. The map shall include all available broadband technologies, including wired, wireless, and satellite-delivered services;
- The potential use of enterprise zones in the development of rural broadband service;
- The need for additional infrastructure to reach locations in which potential broadband customers are found; and
- Non-proprietary demographic information.

The legislation initially provided for spending authority of \$21,000 cash funds and .10 FTE to be funded with moneys received from gifts grants and donations to facilitate the objectives in FY 2008-09, and during FY 2008-09 SB 09-162 provided additional supplemental cash funds spending authority of \$352,537 to further facilitate the project implementation and provide the ability for OIT to accept public funds to complete the project. The FY 2010-11 base request reflects out year annualization and is reduced to \$0.

***(B) OFFICE OF THE CHIEF INFORMATION SECURITY OFFICER***

The Office of the Chief Information Security Officer (CISO), often referred to as the Office of Cyber Security (OCS), was created as a result of HB 06 – 1157 and is tasked with enterprise-wide information technology related cyber security functions including assessment, monitoring and process implementation. In addition, the OCS develops information security policies, standards, and guidelines for public agencies and deploys risk mitigation strategies, processes and procedures. Although it was a standalone Office of the Governor prior to the current fiscal year, pursuant to SB 08-155 the Office of the Chief Information Security Officer (CISO) and the Office of Cyber Security (OCS) were transferred to the Governor's Office of Information Technology (OIT).

**PROGRAM COSTS**

This line item supports both the personal services and operating needs of the Office of Cyber Security, and the programs and functions identified above. When this program was initiated in FY 2006 - 07, the appropriation was funded with \$4.2 million in federal flexible funds, but since that point has been at a continuation level of ~\$2.4 million of cash funds exempt/re-appropriated funds, although the FY 2008-09 appropriation included a one-time \$350,000 General fund allotment associated with cyber security perimeter implementation.

The FY 2009 - 10 appropriation is for \$2,458,615 total funds (all re-appropriated funds) and 2.0 FTE, and the FY 2010-11 base request is at a continuation level with no year over year adjustment for base building salary survey, and performance based pay included in the base request as reflected in the Schedule 3 submission.

***(C) CHIEF INFORMATION OFFICERS IN STATE AGENCIES***

Pursuant to SB 08-155, and in order to facilitate the effective implementation of the Colorado Consolidation Plan, Chief Information Officers in state agencies were transferred to OIT. Although the approximately one dozen Executive branch CIOs will still maintain responsibility for and provide information technology leadership for the specific agency/department that they were historically dedicated to, the FTE were transferred to OIT, with funding re-appropriated from agencies.

**PERSONAL SERVICES**

This appropriation should be consistent with the appropriations for state agency Chief Information Officers in agency budgets in amount, individually and in aggregate, and should be annually reconciled so that it accurately reflects personal services costs for agency CIOs. The current appropriation is \$1,692,186 re-appropriated funds and 12.4 FTE, and the FY 2010-11 base request is at the same level. Additionally, a FY 2010-11 Statewide Decision Item (OIT Decision Item #1, "Statewide Information Technology Staff Consolidation") eliminates this line item fully for FY 2010-11 and future fiscal years. Note that the agency CIOs will henceforth be included in the Statewide IT Management line item below.

***(D) STATEWIDE INFORMATION TECHNOLOGY SERVICES***

Statewide Information Technology Services (including the former Division of Information Technologies - DoIT) operates the computing and network infrastructure utilized by all State agencies to accomplish their respective business functions and program objectives for the State of Colorado and its citizens. This includes the State's data center, network, and telecommunications infrastructure (including the Multi-Use Network {MNT} and the Digital Trunked Radio {DTR} system), and application systems

support for statewide systems through the Technology Management Unit. This group of programs and resources also provides and contributes to statewide planning efforts related to telecommunications, common IT/network infrastructure and all other information technology oriented agencies and programs in the State in an effort to provide statewide information technology solutions for citizen-centric business initiatives. OIT, is proactively working on several projects, proposals, enterprise and risk based analyses that are intended to ensure that the common IT infrastructure shared by many State agencies is secure, robust and efficient enough to meet evolving standards, challenges, and best practices. In addition, this group of programs includes a unit that provides OIT back-office functions for the Office and the State information technology environment, including accounting, budgeting, human resources, contract management, procurement and project management; the statewide Geographic Information Systems Coordinator, and an appropriation to support personal services costs for several information technologies staff who support programs specific to the Department of Personnel & Administration.

***(1) ADMINISTRATION***

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

**PERSONAL SERVICES**

This line item and the associated appropriations of FTE and personal services funding support staff and management functions for the Statewide Information Technology Services Administration unit. Personal services, as defined by the Governor's Office of State Planning & Budgeting (OSPB) include the following:

- All salaries and wages, including salary survey and performance based pay, whether paid to full-time, part-time, or temporary employees of the State, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees.
- Professional services, meaning services requiring advanced study in a specialized discipline that are rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Professional services include but are not limited to accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services. Payments for professional services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.

- Temporary services, meaning clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Payments for temporary services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.

The request column of the Schedule 3 for personal services line items is calculated beginning with existing appropriations and is adjusted based upon the addition of base building salary POTS, the impact of prior year legislation (i.e. special bills), out year annualization or other adjustments associated with prior year change requests, any OSPB adjustments, and also reflects any Decision Items that impact the line item in the budget request year.

During the past several fiscal years, this appropriation has increased only as a result of JBC approved base building salary increases (salary survey/achievement pay), and was reduced as a result of OSPB and/or JBC base reductions as part of the “Option 8” calculation. The total appropriation for the current fiscal year is \$444,303 total funds and 5.0 FTE, and the FY 2010-11 request is at a continuation level with no year over year adjustment for base building salary survey, and performance based pay included in the base request as reflected in the Schedule 3 submission.

### **OPERATING EXPENSES**

This line item supports the operating expenses associated with the Administration unit. The appropriation has been at a continuation level for several fiscal years, and the current appropriation of \$6,450 is also continued as the FY 2010-11 request.

### **(2) INTERNAL PROGRAM SUPPORT**

This includes the IT staff in the Department of Personnel & Administration (11 FTE) that are specific to certain DPA divisions, programs and applications were transferred to OIT pursuant to SB 08 – 155. The actual personal services appropriations associated with this block of staff will remain in DPA as they will continue to be funded from the DPA internal services funds associated with the activities and functions that they perform; however the associated funds are reflected as re-appropriated in the OIT budget.

### **PERSONAL SERVICES**

This line item should be consistent with the appropriations for information technology staff in the Department of Personnel & Administration’s budget, and should be annually reconciled so that it accurately reflects personal services costs for information technology staff that solely support DPA specific applications. The current appropriation is \$817,731 re-appropriated funds and 11 FTE, and the FY 2010-11 base request is at the same level. Additionally, OIT and the Office of State Planning and Budgeting presented a FY 2009-10 budget reduction initiative to the JBC to reduce this line item by \$63,466 and .7 FTE in FY 2009-10. This

reduction annualizes to \$128,633 and 1.0 FTE beginning with FY 2010-11, which reduces the base request to \$689,098 re-appropriated funds and 10.0 FTE. Finally, a FY 2010-11 Statewide Decision Item (OIT Decision Item #1, "Statewide Information Technology Staff Consolidation") eliminates this line item fully for FY 2010-11 and future fiscal years. Note that the Internal Program Support staff will henceforth be included in the Computer Services personal services appropriation pursuant to the above referenced Decision Item.

### ***(3) STATEWIDE INFORMATION TECHNOLOGY MANAGEMENT***

As a result of the information technology consolidation implemented pursuant to SB 08 – 155, OIT required an adequate support staff to facilitate effective implementation of the legislation and central management of the enterprise including oversight, control and management associated with procurement, accounting, budgeting, project management, human resources and other necessary oversight and back-office functions. This statewide information technology management function directly supports the State CIO and state agencies and is supported through allocated billings to state agencies.

### **PROGRAM COSTS**

This line item was a new appropriation in FY 2008-09 pursuant to SB 08-155 and supports both the personal services and operating needs of the Statewide Information Technology Management unit and the associated functions identified above. The current appropriation is for \$1,756,683 re-appropriated funds and 26.0 FTE and reflects a \$25,918 reduction associated with JBC action to reduce personal services line items with more than 20 FTE in the current fiscal year by ~1.8%. The FY 2010 - 11 base request of \$1,782,601 and 26.0 FTE includes no year over year adjustment for base building salary survey and performance based pay but does include a reversal of the FY 2009-10 personal services reduction referenced above per OSPB Budget Instructions and as reflected in the Schedule 3 submission. Additionally, a FY 2010-11 Statewide Decision Item (OIT Decision Item #1, "Statewide Information Technology Staff Consolidation") increases this line item by \$3,315,460 and 42.9 FTE beginning in the budget request year; the final request for the line item with the above referenced Decision Item included is \$5,098,061 and 68.9 FTE.

### ***(4) GEOGRAPHIC INFORMATION SYSTEM***

SB 08 – 155 transferred the duties and responsibilities for Statewide Geographic Information Systems (GIS) coordination from its prior affiliation budgetarily with the Department of Local Affairs and the Office of Homeland Security to OIT. This resulted in the transfer of 1.0 FTE to OIT, and similar to the funding associated with CIOs in state agencies above, funding is re-appropriated in OIT.



**PERSONAL SERVICES**

This line item should be consistent with the appropriation for personal services costs for statewide GIS coordination in the Department of Local Affairs and/or the Office of Homeland Security, and should be annually reconciled so that it accurately reflects personal services costs for the statewide GIS Coordinator. The current appropriation is \$108,057 re-appropriated funds and 1.0 FTE, and the FY 2010-11 base request is at the same level. Additionally, OIT and the Office of State Planning and Budgeting presented a FY 2009-10 budget reduction initiative to the JBC to reduce this line item by \$56,397 and .7 FTE in FY 2009-10. This reduction annualizes to eliminate the appropriation and the FTE beginning with FY 2010-11.

**(5) CUSTOMER SERVICES**

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

**PERSONAL SERVICES**

This line item and the associated appropriations of FTE and personal services funding support staff and management functions for the Customer Services section. Personal services, as defined by the Governor's Office of State Planning & Budgeting (OSPB), includes:

- All salaries and wages, including salary survey and performance based pay, whether paid to full-time, part-time, or temporary employees of the State, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees.
- Professional services, meaning services requiring advanced study in a specialized discipline that are rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Professional services include but are not limited to accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services. Payments for professional services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.
- Temporary services, meaning clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Payments for temporary services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.

The request column of the Schedule 3 for personal services line items is calculated beginning with existing appropriations and is adjusted based upon the addition of base building salary POTS, the impact of prior year legislation (i.e. special bills), out year annualization or other adjustments associated with prior year change requests, any OSPB adjustments, and also reflects any Decision Items that impact the line item in the budget request year.

During the past several fiscal years, this appropriation has increased only as a result of JBC approved base building salary increases (salary survey/achievement pay), and was reduced as a result of OSPB and/or JBC base reductions as part of the "Option 8" calculation. The total appropriation for the current fiscal year is \$955,129 total funds and 12.0 FTE, and the FY 2010-11 base request is at a continuation level with no year over year adjustment for base building salary survey, and performance based pay included in the base request as reflected in the Schedule 3 submission. Additionally, OIT and the Office of State Planning and Budgeting presented a FY 2009-10 budget reduction initiative to the JBC to reduce this line item by \$60,363 and .7 FTE in FY 2009-10. This reduction annualizes to \$122,002 and 1.0 FTE beginning with FY 2010-11.

### **OPERATING EXPENSES**

This line item supports the operating expenses associated with the Customer Services section. The appropriation has been at a continuation level for several fiscal years, and the current appropriation of \$14,625 is also continued as the FY 2010-11 request.

#### ***(6) ORDER BILLING***

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

### **PERSONAL SERVICES**

This line item and the associated appropriations of FTE and personal services funding support staff and management functions for the Order Billing unit. Personal services, as defined by the Office of State Planning & Budgeting (OSPB), includes:

- All salaries and wages, including salary survey and performance based pay, whether paid to full-time, part-time, or temporary employees of the State, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees.

- Professional services, meaning services requiring advanced study in a specialized discipline that are rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Professional services include but are not limited to accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services. Payments for professional services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.
- Temporary services, meaning clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Payments for temporary services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.

The request column of the Schedule 3 for personal services line items is calculated beginning with existing appropriations and is adjusted based upon the addition of base building salary POTS, the impact of prior year legislation (i.e. special bills), out year annualization or other adjustments associated with prior year change requests, any OSPB adjustments, and also reflects any Decision Items that impact the line item in the budget request year.

During the past several fiscal years, this appropriation has increased only as a result of JBC approved base building salary increases (salary survey/achievement pay), and was reduced as a result of OSPB and/or JBC base reductions as part of the “Option 8” calculation. The total appropriation for the current fiscal year is \$689,205 total funds and 10.0 FTE, and the FY 2010-11 base request is at a continuation level with no year over year adjustment for base building salary survey, and performance based pay included in the base request as reflected in the Schedule 3 submission. Additionally, OIT and the Office of State Planning and Budgeting presented a FY 2009-10 budget reduction initiative to the JBC to reduce this line item by \$31,672 and .7 FTE in FY 2009-10. This reduction annualizes to \$74,677 and 1.0 FTE beginning with FY 2010-11.

### **OPERATING EXPENSES**

This line item supports the operating expenses associated with the Customer Services section. The appropriation has been at a continuation level for several fiscal years, and the current appropriation of \$10,750 is also continued as the FY 2010-11 request.

### ***(7) COMMUNICATIONS SERVICES***

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

the Federal Communications Commission to assist in formulating current and long-range telecommunications plans involving radio, microwave, wireless data, and public-safety radio communications systems. Since the beginnings of the Digital Trunked Radio project in 1998, the State has partnered with local government to purchase, build and maintain the Digital Trunked Radio System (DTR). The development and construction of DTR is consistent with the intent and requirements stated in HB 98-1068. The primary sources of funding for this unit are user charges associated with the Communications Services Common Policy and annual transfers per Long Bill annotation from the Public Safety Trust fund.

### **PERSONAL SERVICES**

This line item and the associated appropriations of FTE and personal services funding support staff and management functions for Communications Services. Personal services, as defined by the Governor's Office of State Planning & Budgeting (OSPB), includes:

- All salaries and wages, including salary survey and performance based pay, whether paid to full-time, part-time, or temporary employees of the State, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees.
- Professional services, meaning services requiring advanced study in a specialized discipline that are rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Professional services include but are not limited to accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services. Payments for professional services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.
- Temporary services, meaning clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Payments for temporary services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.

The request column of the Schedule 3 for personal services line items is calculated beginning with existing appropriations and is adjusted based upon the addition of base building salary POTS, the impact of prior year legislation (i.e. special bills), out year annualization or other adjustments associated with prior year change requests, any OSPB adjustments, and also reflects any Decision Items that impact the line item in the budget request year.

During the past several fiscal years, this appropriation has increased only as a result of JBC approved base building salary increases (salary survey/achievement pay), and was reduced as a result of OSPB and/or JBC base reductions as part of the "Option 8" calculation. The total appropriation for the current fiscal year is \$3,618,822 total funds and 46.0 FTE, and reflects a \$66,986 reduction associated with JBC action to reduce personal services line items with more than 20 FTE in the current fiscal year by ~1.8%. The FY 2010 - 11 base request of \$3,685,808 and 46.0 FTE includes no year over year adjustment for base building salary survey and performance based pay but does include a reversal of the FY 2009-10 personal services reduction referenced above per OSPB Budget Instructions and as reflected in the Schedule 3 submission.

### **OPERATING EXPENSES**

This line item supports the operating expenses associated with the Communications Services section. The current appropriation of \$134,631 has been the continuation level in recent fiscal years, and the FY 2010-11 base request is at a continuation level.

### **TRAINING**

This line item is for the on-going training of telecommunications staff and to comply with OSHA regulations. The training includes winter survival training and Sno-Cat maintenance. The appropriation has been at a continuation level of \$22,000 for several fiscal years and the current appropriation and the FY 2010-11 request are at the same level.

### **UTILITIES**

This appropriation supports utilities costs associated with the provision of communications services to State agencies. Prior to FY 2004-05, the annual appropriation was \$98,957. For FY 2004-05 and FY 2005-06 the appropriation was increased to \$140,352 based upon a JBC approved FY 2004-05 Supplemental and FY 2005-06 Budget Amendment which sought an increase to address rising utilities costs. The FY 2005-06 and FY 2006-07 appropriations were further adjusted based upon a FY 2005-06 Supplemental and FY 2006-07 Budget Amendment that increased the appropriation to \$165,002. The current appropriation and the FY 2010-11 request are for a continuation at the same level, \$165,002 total funds.

### **SNOCAT REPLACEMENT**

This line item was initiated in the FY 2005-06 Long Bill in order to facilitate the replacement of Sno-Cats, which are used to access telecommunications towers in remote locations throughout the state. So far, the Department has replaced several of the oldest machines; the two oldest machines were over forty years old when replaced. The Department has a fleet of 10 Sno-cats, the "youngest" of which was 14 years old prior to implementation of the replacement cycle. The current Long Bill appropriation remained at the continuation level of \$230,520 in order for OIT to continue the approved replacement cycle for its fleet of Sno-Cats, however

OIT and the Office of State Planning and Budgeting presented a FY 2009-10 budget reduction initiative to the JBC to fully eliminate this line item in current and future fiscal years as a current year supplemental action. The final request for FY 2010-11 and future fiscal years will be \$0 as a result.

**LOCAL SYSTEMS DEVELOPMENT**

This appropriation supports preventative maintenance needs for local governments, State agencies, and the Federal Government associated with legacy radio systems, DTR and microwave communication towers. The appropriation has been at a continuation level of \$121,000 (all federal funds) in recent fiscal years with the federal funds received from the National Oceanic and Atmospheric Administration (NOAA). The current appropriation and the FY 2010-11 request remain at that same level of \$121,000 federal funds.

**INDIRECT COST ASSESSMENT**

Indirect costs are the overhead costs for the operation of general government functions and department administrative duties. Indirect cost recoveries are intended to offset these overhead costs that otherwise would be supported by the General Fund, cash-and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs.

Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the JBC. Annual changes in the allocation of costs may result in a department increase or a decrease in indirect costs assessed to them.

The current year indirect cost assessment for Communications Services is \$431,076, and the FY 2010-11 assessment increased slightly to \$447,480 consistent with the FY 2010-11 Statewide Indirect Cost Plan.

**(8) NETWORK SERVICES**

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

**PERSONAL SERVICES**

This line item and the associated appropriations of FTE and personal services funding support staff and management functions for Network Services. Personal services, as defined by the Office of State Planning & Budgeting (OSPB) include the following:

- All salaries and wages, including salary survey and performance based pay, whether paid to full-time, part-time, or temporary employees of the State, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees.
- Professional services, meaning services requiring advanced study in a specialized discipline that are rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Professional services include but are not limited to accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services. Payments for professional services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.
- Temporary services, meaning clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Payments for temporary services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.

The request column of the Schedule 3 for personal services line items is calculated beginning with existing appropriations and is adjusted based upon the addition of base building salary POTS, the impact of prior year legislation (i.e. special bills), out year annualization or other adjustments associated with prior year change requests, any OSPB adjustments, and also reflects any Decision Items that impact the line item in the budget request year.

During the past several fiscal years, this appropriation has increased only as a result of JBC approved base building salary increases (salary survey/achievement pay), and was reduced as a result of OSPB and/or JBC base reductions as part of the "Option 8" calculation. The appropriation for the current fiscal year is \$1,586,122 total funds and 17.0 FTE, and the FY 2010-11 base request is at a continuation level with no year over year adjustment for base building salary survey, and performance based pay included in the base request as reflected in the Schedule 3 submission. Additionally, OIT and the Office of State Planning and Budgeting presented a FY 2009-10 budget reduction initiative to the JBC to reduce this line item by \$76,663 and 1.3 FTE in FY 2009-10. This reduction annualizes to \$162,803 and 2.0 FTE beginning with FY 2010-11. Finally, a FY 2010-11 Statewide Decision Item (OIT Decision Item #1, "Statewide Information Technology Staff Consolidation") increases this line item by \$6,160,671 and 75.6 FTE beginning in the budget request year; the final request for the line item with the above referenced Decision Item included is \$7,583,990 and 90.6 FTE.

**OPERATING EXPENSES**

This line item supports the operating expenses associated with the provision of network and telecommunications services, including MNT. The appropriation has fluctuated in several fiscal years ago based upon the impact of the annual MNT statewide Decision Item and JBC figure setting action(s) that sought to realign the appropriation more closely to need in order to eliminate significant reversions. However, both the Department and JBC staff have historically been in agreement that reversions from this line item are not inherently negative, since the line item requires significant capacity to provision services annually based on customer need. For reference, the appropriation has been at a continuation level of \$16,200,371 for the past three fiscal years, and the current year Long Bill appropriation is at the same level; however, OIT and the Office of State Planning and Budgeting have contemplated a FY 2009-10 budget reduction initiative to reduce spending authority for this line item in current and future fiscal years by \$804,000 to capture available long distance and audio conferencing savings. As a result, it is likely that the FY 2009-10 appropriation, and the request for FY 2010-11 and future fiscal years will be reduced by this amount through supplemental and other budget action(s).

**TOLL-FREE TELEPHONE ACCESS TO MEMBERS OF THE GENERAL ASSEMBLY**

This line item supports toll-free telephone access by private citizens outside the metropolitan area to members of the General Assembly. The appropriation has been at a continuation level of \$25,000 for several fiscal years, and the current appropriation, and the FY 2010-11 request, are at the same level.

**INDIRECT COST ASSESSMENT**

Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs.

Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed to them. The FY 2009-10 indirect cost assessment for Network Services is \$194,974, and the FY 2010-11 assessment is decreased slightly to \$176,388 consistent with the FY 2010-11 Statewide Indirect Cost Plan.

***(9) COMPUTER SERVICES***



The Computing Services Unit is responsible for management and delivery of computing infrastructure to participating customer agencies through the operation of the state's central data center (sometimes known as 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 data center provides operational and technical support and assistance to State agencies and this unit is responsible for the maintenance and operation of the data center on a 24-hour basis, 365 days a year to accomplish its functions.

### **PERSONAL SERVICES**

This line item and the associated appropriations of FTE and personal services funding support staff and management functions for Computer Services. Personal services, as defined by the Governor's Office of State Planning & Budgeting (OSPB) includes:

- All salaries and wages, including salary survey and performance based pay, whether paid to full-time, part-time, or temporary employees of the State, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees.
- Professional services, meaning services requiring advanced study in a specialized discipline that are rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Professional services include but are not limited to accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services. Payments for professional services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.
- Temporary services, meaning clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Payments for temporary services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.

The request column of the Schedule 3 for personal services line items is calculated beginning with existing appropriations and is adjusted based upon the addition of base building salary POTS, the impact of prior year legislation (i.e. special bills), out year annualization or other adjustments associated with prior year change requests, any OSPB adjustments, and also reflects any Decision Items that impact the line item in the budget request year.

During the past several fiscal years, this appropriation has increased only as a result of JBC approved base building salary increases (salary survey/achievement pay), and was reduced as a result of OSPB and/or JBC base reductions as part of the "Option 8"

calculation. The appropriation for the current fiscal year is \$2,833,464 total funds and 36.3 FTE, and reflects a \$52,449 reduction associated with JBC action to reduce personal services line items with more than 20 FTE in the current fiscal year by ~1.8%. The FY 2010 - 11 base request of \$2,885,913 and 36.3 FTE includes no year over year adjustment for base building salary survey and performance based pay but does include a reversal of the FY 2009-10 personal services reduction referenced above per OSPB Budget Instructions and as reflected in the Schedule 3 submission. Additionally, OIT and the Office of State Planning and Budgeting presented a FY 2009-10 budget reduction initiative to the JBC to reduce this line item by \$125,100 and 2 FTE in FY 2009-10. This reduction annualizes to \$278,679 and 3.0 FTE beginning with FY 2010-11. Finally, a FY 2010-11 Statewide Decision Item (OIT Decision Item #1, "Statewide Information Technology Staff Consolidation") increases this line item by \$40,995,174 and 526.1 FTE beginning in the budget request year; the final request for the line item with the above referenced Decision Item included is \$43,602,408 and 559.4 FTE.

#### **OPERATING EXPENSES**

This line item supports the operating expenses associated with Computer Services. The appropriation has been at a continuation level for several fiscal years, and the current base appropriation of \$6,181,350 is also continued as the FY 2010-11 base request. However, OIT and the Office of State Planning and Budgeting presented a FY 2010-11 budget reduction initiative to the JBC to reduce spending authority for this line item beginning with FY 2010-11 and future fiscal years by \$168,000 to capture available savings associated with an annual reduction in mail/delivery costs, and an additional base reduction of \$545,201 associated with the migration of mainframe and network printing to the Division of Central Services. As the result, the adjusted FY 2010-11 request is for \$5,468,149 total funds.

#### **RENTAL, LEASE, OR LEASE/PURCHASE OF CENTRAL PROCESSING UNIT**

This line item supports the lease payments for the mainframe computer located at the Data Center at 690 Kipling Street in Lakewood. The appropriation has been constant for several fiscal years. The current appropriation remains at that level of \$336,034, and the FY 2010-11 request is at the same level.

#### **INDIRECT COST ASSESSMENT**

Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an

increase or a decrease in indirect costs assessed to them. The FY 2009-10 indirect cost assessment for Computer Services is \$282,306, and the FY 2010-11 assessment is for a substantial increase to \$1,193,201 consistent with the FY 2010-11 Statewide Indirect Cost Plan.

***(10) TECHNOLOGY MANAGEMENT UNIT***

The mission of the Technology Management Unit (TMU) is to provide application development and ongoing software support for the State's cross-departmental administrative systems. These applications include the Colorado Financial Reporting System (COFRS), the statewide Financial Data Warehouse (FDW), the statewide timekeeping system (Kronos), and human resource systems including the Applicant Data System (ADS) and the Colorado Payroll and Personnel System (CPPS). The funding source for the program has historically been all, or primarily, General fund, however, as a result of JBC action on FY 2008 – 09 Statewide Budget Amendment #1 the program was refinanced to re-appropriated funds and will be billed to state agencies via the allocation of user charges.

**PERSONAL SERVICES**

This line item and associated FTE appropriations and personal services funds support staff and management functions for the Technology Management Unit. Personal services, as defined by the Governor's Office of State Planning & Budgeting (OSPB), include:

- All salaries and wages, including salary survey and performance based pay, whether paid to full-time, part-time, or temporary employees of the State, including the State's contribution to the Public Employees' Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees.
- Professional services, meaning services requiring advanced study in a specialized discipline that are rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Professional services include but are not limited to accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services. Payments for professional services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.
- Temporary services, meaning clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Payments for temporary services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.

The request column of the Schedule 3 for personal services line items is calculated beginning with existing appropriations and is adjusted based upon the addition of base building salary POTS, the impact of prior year legislation (i.e. special bills), out year

annualization or other adjustments associated with prior year change requests, any OSPB adjustments, and also reflects any Decision Items that impact the line item in the budget request year.

In recent fiscal years, this appropriation has increased annually as a result of JBC approved base building salary increases (salary survey/achievement pay), and was reduced as a result of OSPB and/or JBC base reductions as part of the "Option 8" calculation. In addition, the FY 2006-07 appropriation included a one time increase of \$93,750 associated with HB 06S-1015. This increase was eliminated for FY 2007-08 however, the FY 2007-08 appropriation was further augmented by an additional \$106,099 and 1.0 FTE associated with SB 07-228. The current appropriation is \$3,096,269 (all re-appropriated funds) and 35.5 FTE, and reflects a \$57,314 reduction associated with JBC action to reduce personal services line items with more than 20 FTE in the current fiscal year by ~1.8%. The FY 2010 - 11 base request of \$3,153,583 and 35.5 FTE includes no year over year adjustment for base building salary survey and performance based pay but does include a reversal of the FY 2009-10 personal services reduction referenced above per OSPB Budget Instructions and as reflected in the Schedule 3 submission. Additionally, OIT and the Office of State Planning and Budgeting presented a FY 2009-10 budget reduction initiative to the JBC to reduce this line item by \$165,310 and 2.6 FTE in FY 2009-10. This reduction annualizes to \$373,020 and 4.0 FTE beginning with FY 2010-11.

### **OPERATING EXPENSES**

This line item supports the operating expenses associated with the Technology Management Unit. The appropriation had been at a continuation level of \$295,871 for several fiscal years, until FY 2007-08 when an additional \$201,505 of General fund was added based on SB 07-228. The FY 2008-09 appropriation increased to \$529,371 based upon the out year impact of SB 07-228, and the FY 2009-10 appropriation was reduced by \$165,000 based upon annualization associated with the same legislation. The FY 2010-11 base request is for \$364,371 consistent with the current year Long Bill appropriation.

### ***(11) COLORADO BENEFITS MANAGEMENT SYSTEM***

For general background, the Colorado Benefits Management System (CBMS) is an eligibility system that is jointly managed by the Department of Health Care Policy & Financing and the Department of Human Services. The Colorado Benefits Management System tracks client data, determines eligibility, and calculates benefits for medical, food, and financial assistance programs in the State of Colorado. The Colorado Benefit's Management System (CBMS) distributes approximately \$3 billion annually in benefits to approximately 1 out of 9 Coloradoans. The system supports interactive interviews with clients, assesses the eligibility of applicants, calculates benefits for clients, and provides on-going case management and history tracking. The CBMS determines eligibility for many types of public assistance including TANF, Food Stamps, Medicaid, and children's health insurance.

Technology optimization will be critical for future improvements and enhancements to CBMS but they need to be managed effectively to be fully realized. While both HCPF and DHS are quite skilled in program administration, policy interaction, etc., OIT is more appropriately positioned to support the technology infrastructure and applications components of the program. As a result, OIT Statewide Decision Item #1 (“Statewide Information Technology Staff Consolidation”) included information technology and support staff resources associated with CBMS as part of the transfer of information technology staff throughout the Executive Branch to OIT.

**STATEWIDE CBMS PROGRAM COSTS**

As referenced above, a FY 2010-11 Statewide Decision Item (OIT Decision Item #1, “Statewide Information Technology Staff Consolidation”) budgetarily initiates this line item beginning in the budget request year by transferring \$4,662,155 (re-appropriated funds in the OIT budget) and 58.5 FTE from the Departments of Human Services and Healthcare, Policy and Financing.

This line item and the associated appropriations of FTE and personal services funding will support staff and management functions for the technical aspects of the CBMS program. In future fiscal years it is anticipated that this appropriation will be a “program” line item, which means that it will include both personal services and operating expenses, although the above referenced Decision Item only captures personal services costs. (Note that any actions that result in the inclusion of operating or other program costs to the appropriation will occur via future budget change requests.) Personal services, as defined by the Governor’s Office of State Planning & Budgeting (OSPB) include the following:

- All salaries and wages, including salary survey and performance based pay, whether paid to full-time, part-time, or temporary employees of the State, including the State’s contribution to the Public Employees’ Retirement Association (PERA), the amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State’s share of federal Medicare tax paid for state employees.
- Professional services, meaning services requiring advanced study in a specialized discipline that are rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Professional services include but are not limited to accounting, consulting, architectural, engineering, physician, nurse, specialized computer, and construction management services. Payments for professional services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.
- Temporary services, meaning clerical, administrative, and casual labor rendered or performed by firms or individuals for the State other than for employment compensation as an employee of the State. Payments for temporary services shall be in compliance with Section 24-30-202(2) and (3), Colorado Revised Statutes.