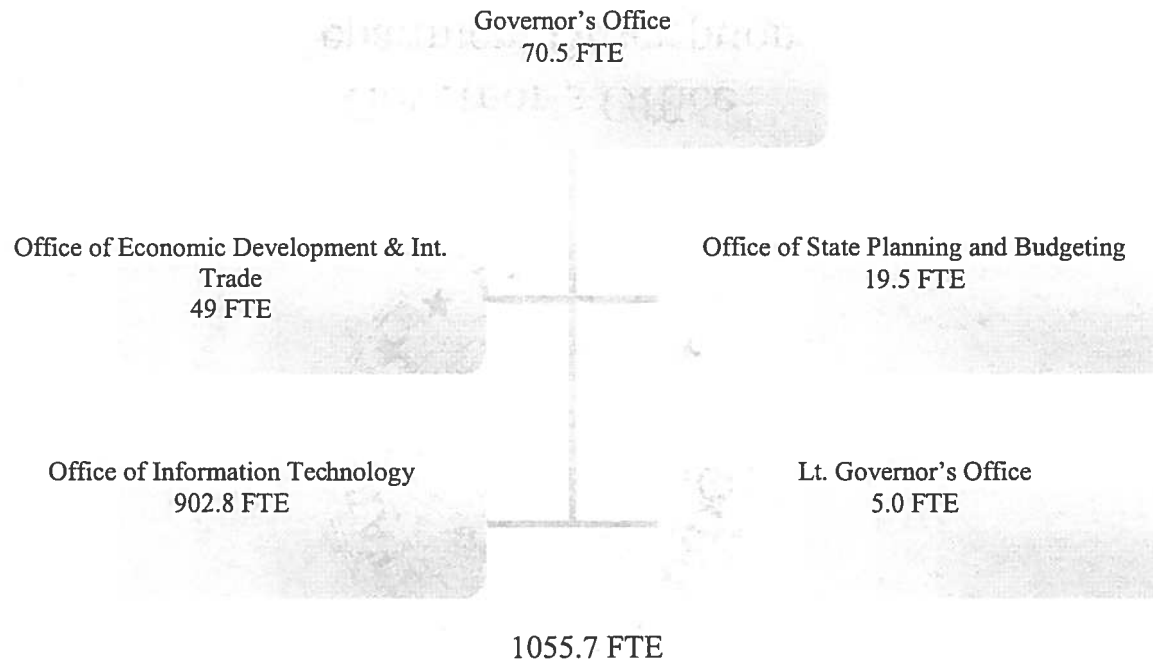




Governor's Office  
Department Description  
FY 2012-13 Budget Request

November 1, 2011



FY2011-12 Totals \$183,734,940-TF \$11,175,194-GF \$23,643,160-CF \$125,124,833-Re-appropriated \$12,791,753-FF

### **GOVERNOR'S OFFICE - BACKGROUND INFORMATION**

The Governor's Office is the administrative head of the executive branch of Colorado State Government. As Chief Executive, the Governor works to deliver services to the citizens of Colorado and to ensure effective agency operations in the Executive Branch. The Office acts as liaison with local governments, with the legislative and judicial branches of state government, and with the Federal government and otherwise executes the Executive power of the State. The Governor's Office consists of offices funded under the Governor's Office proper: the Legal Office, the Office of Policy and Research, the Office of Boards and Commissions, the Citizens' Advocate Office and Press/Correspondence; as well as offices funded separately by the legislature in the Long bill: the Lieutenant Governor's Office, the Office of State Planning and Budgeting (OSPB), the Governor's Office of Information Technology (OIT), the Office of Economic Development and International Trade (OEDIT), the Governor's Energy Office (GEO) and the Governor's Office of Homeland Security (HLS). In the 2008 legislative session, the JBC created separate appropriations for Homeland Security and the Governor's Energy Office. Prior to that session these functions were included in the Governor's Office under "Other Programs and Grants." Article IV, Section 2, of the Colorado Constitution states, "*The supreme executive power of the state shall be vested in the governor who shall take care that laws be faithfully executed.*" The Governor is responsible for the enforcement of state law. The Governor's Office consists of seven statutorily created offices; the Governor's Office, the Lt. Governor's Office, the Office of State Planning and Budgeting (OSPB), the Governor's Office of Information Technology (OIT), the Office of Economic Development and International Trade (OEDIT), the Governor's Energy Office (GEO) and the Office of Homeland Security (HLS). In addition to these statutorily-created offices, the Governor's Office has six administratively-created offices: the Office of Policy and Research, the Legislative Office, the Legal Office, Press/Correspondence, the Citizen Advocates' Office and the Office of Boards and Commissions. The administrative offices of the Governor, as well as the Lt. Governor and OSPB, are located in the Colorado State Capitol building, 200 East Colfax Ave., Denver. The 75.4 FTE's noted in the organizational chart include employees in the Governor's administratively-created offices as well as the Governor's Energy Office and the Office of Homeland Security.

**The Governor's Office of Policy and Research** works on behalf of the Governor to develop his policy agenda through the legislature, state agencies, citizen groups, and others. The Policy Office both advises the governor on policy issues and provides policy research when and where needed. Specific policy areas include, among other topics, transportation, health care, education, child and family issues, and economic development. The **Office of Legislative Relations** assists the Governor in developing his legislative agenda, tracking bills during the legislative session and providing a liaison between the Governor's Office and the state legislature. The **Legal Office** provides legal counsel to the Governor including addressing the legality of legislation, the requirements of boards or commission members, vetting of judicial appointments and representing the Governor. The **Citizen Advocate Office** responds to citizens inquiries about concerns. Cases are forwarded to the appropriate state department to determine whether and how the issue can be addressed by the agency. The

**Press/Correspondence** Office handles communications and media relations for the Governor. Duties in this office include preparing press releases, assisting with the Governor's speeches, managing governor's office web pages and e-newsletters, and responding to media requests for information and interviews. The **Office of Boards and Commissions** is responsible for advertising, screening and making recommendations to the Governor on the filling of over 2000 gubernatorial appointments. Boards and commissions appointments include everything from the State Board of Accountancy to the Wine Industry Development Board of Colorado. In addition to these offices the Governor's Office handles administrative, accounting and human resources functions.

The **Office of Homeland Security** was established by Executive Order D003 08 issued on February 8, 2008. The Governor's executive order noted, "Since 2001, Colorado has received over \$150 million in federal funds to augment state and local initiatives to prevent, detect, and respond to terrorism and natural disasters. To date, the State has: made significant improvements in its public safety interoperable communications capabilities; hardened potential targets; enhanced first responder training and exercise programs; and significantly improved the ability to aggregate and analyze sensitive information. While the State has continually improved its capability to detect, prevent, protect against, respond to, and recover from terrorist attacks and natural disasters, efforts have been hindered by: the lack of focus at the State level; duplicate and often fragmented organizational initiatives; inadequate staffing; and limited resources. There is no single agency that provides oversight and coordination for the entire mission." With that explanation, the Governor created a separate Office of Homeland Security within the Governor's Office. In FY12 the Office of Homeland Security (HLS) will remain funded exclusively through federal grants. A total of 14 FTE are in the HLS when fully staffed.

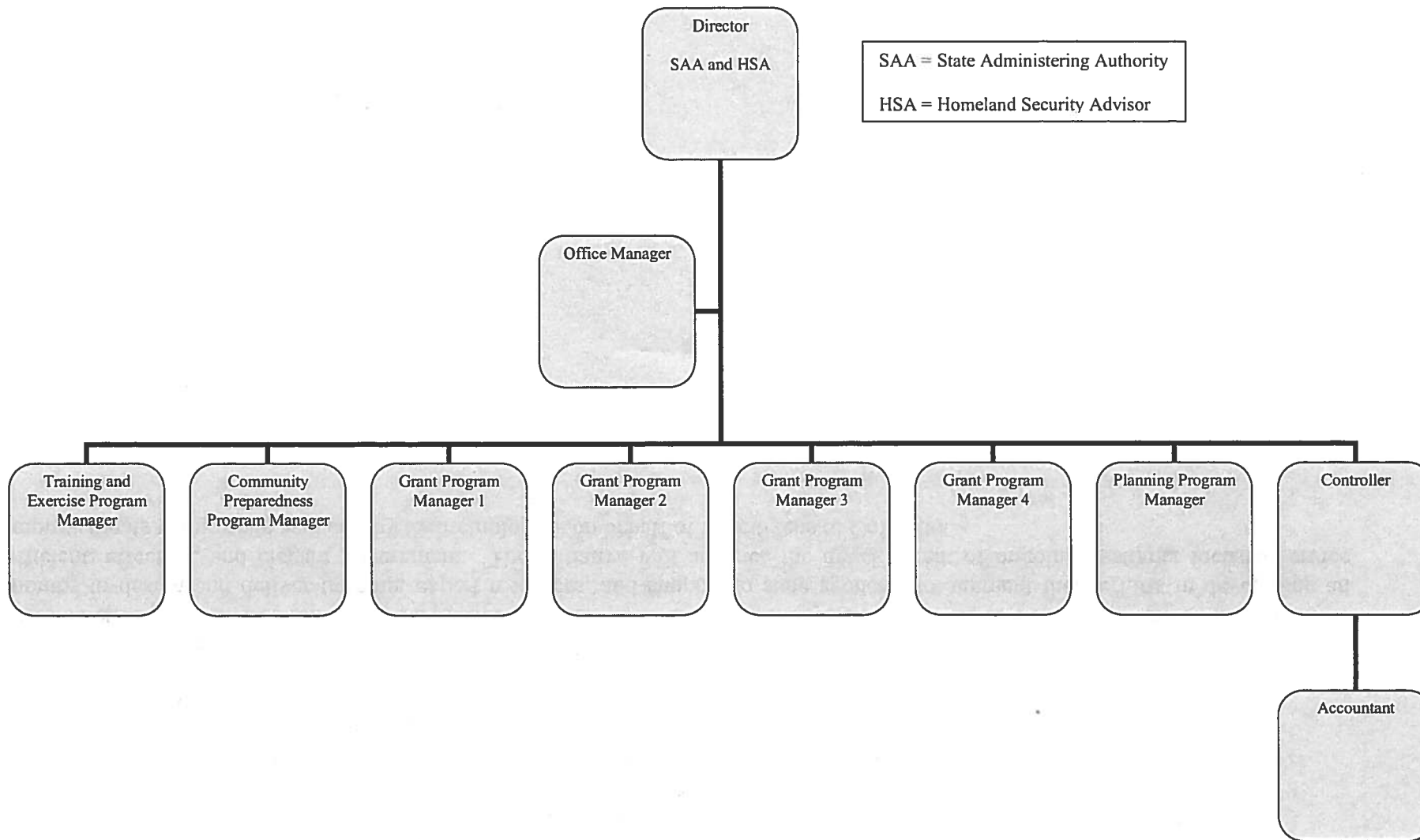
The **Office of the Lieutenant Governor** is defined in the Colorado Constitution. The Lieutenant Governor acts in the capacity of the Governor when the Governor is out of the state or is otherwise unable to perform his constitutional responsibilities. In 1976, the Colorado General Assembly created (See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

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

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

Additionally, OSPB is currently coordinating a statewide initiative to introduce a systematic approach to continuously improve the State's delivery of services following the principles of the Lean management system. The Office will be working over the next 18 months to design and deliver training, expert resources, and support to state agencies to augment their efforts in developing an efficient, effective, and elegant government. The initiative will advance the development of ongoing customer-focused service improvements within state agencies by their employees on behalf of the citizens of Colorado.

### GOVERNOR'S OFFICE OF HOMELAND SECURITY



11 FTE, \$893,310 FF - 100% Federal Grant Funded

### **GOHS - BACKGROUND INFORMATION**

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

**Director's Office** The Director of the Governor's Office of Homeland Security is a cabinet level official reporting to the Governor and is responsible for the essential duties of the entire office as well as the coordination with the nine AHEMRs and Denver UASI. He also performs duties as the Governor's Homeland Security Advisor (HSA) and the lead authority for the State Administering Agency (SAA). In the HSA capacity, the Director provides advice and counsel to the Governor on all matters relating to the homeland security mission within Colorado and coordinates state efforts in executing the State Homeland Security Strategy. As the lead authority for the SAA, the Director is responsible for the administration of all federal homeland security grant programs awarded to Colorado. The Director serves as the Chair of the Governor's Homeland Security All Hazards Senior Advisory Committee (SAC). The GOHS office is managed by the Office Manager. This position has broad responsibility for ensuring that there are structures and processes for operational functions within the department, including knowledge of Human Resources, Performance Management and Procurement, Travel and Logistics, internal and external support resources (such as Information Technology and Central services) are managed effectively, the GOHS office maintains effective working relationships

with related local, state and federal agencies, the GOHS office procedures comply with all State policies, and State/Federal laws, and GOHS operational efficiencies are evaluated on an annual basis.

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

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

- There is a structure and a process for ongoing collaboration between government and nongovernmental organizations at all levels.
- Volunteers and nongovernmental resources are incorporated in plans and exercises.
- The public is educated, trained, and aware; citizens participate in volunteer programs and provide surge capability support.
- Nongovernmental resources are managed effectively in disasters.
- Statewide progress in achieving community preparedness and participation is evaluated on an annual basis.

The position represents the Governor's Office at various meetings around the state, providing assistance and responding to inquiries on a variety of community preparedness topics.

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

- All activities necessary to plan and apply for applicable grants are completed on time and accurately.
- Supervision is provided for the three Grant Managers and Grants Contract Specialist in administering GOHS grants.
- Coordination of grant requirements with the nine All Hazards Regions, Denver UASI, and state agencies is maintained.
- Management oversight for all GOHS grants is provided through monitoring visits to the nine All Hazards Regions, Metropolitan Medical Response System (MMRS) jurisdictions, Denver UASI, and state agency sub-grantees.

The office administers nine different grant programs for eight state agencies, nine AHEMRs, three MMRS jurisdictions, six non-profits, Denver Regional Transportation District and Denver UASI. The nine grant programs have



periods of performance from two to three years each. As a result, the office is managing over one hundred and twenty grant awards as the SAA for the state of Colorado every year. The dollar amount of these cumulative grants averages approximately \$30 million annually in transactions throughout the state. The Grant Program Supervisor also represents the Governor's Office of Homeland Security at various meetings around the state, providing assistance and responding to inquiries on a variety of grant topics.

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

- All activities necessary to develop, implement, and evaluate the State Homeland Security Strategy are accomplished.
- The State Improvement Planning Conference (IPC) is effectively planned for, is effectively conducted, and reports produced are disseminated to required users.
- Coordination of the DHS Integrated Planning System and the Comprehensive Preparedness Guide 101 with Federal, State, Local, and Tribal entities is accomplished.
- The State agencies Continuity of Operations/Continuity of Government Plans are developed, maintained, exercised, and evaluated.

The position represents the Governor's Office of Homeland Security at various meetings around the state, providing assistance and responding to inquiries on a variety of planning topics.

**Controller's Office** This office manages the financial activities of the GOHS, including accounting for federal grants and the financial reporting requirements for those grants, development of financial, budgetary, administrative policies and procedures, and preparation of state and federal financial reports. The controller also develops and tracks the budget for the GOHS and all related expenses incurred in accordance with the federal grant guidance associated with the funds being utilized, to include internal payroll processing and purchase of office space and equipment. The office manages approximately \$30 million in federal grant transactions annually.

#### **GOHS - PRIOR YEAR LEGISLATION**

No legislation was enacted that affected the Governor's Office of Homeland Security during the past state legislative session.

#### **GOHS - HOT ISSUES**

- The current Colorado State Homeland Security Strategy was approved by the Governor in March of 2008. The strategy tasks specific state departments and agencies with assigning subject matter experts to each Goal and Objective in the

Strategy. GOHS has been training and facilitating these goal leaders in executing the capabilities based planning process for their assigned goal or objective for the past year. Each AHEMR has submitted names from their regions that can be used as subject matter experts for those goals and objectives when determining the membership of the Goal Working Groups. These Goal Working Groups are designed to be multi-jurisdictional and cross-function with broad representation from all sectors, both private and government. The thirty-seven Goal Working Groups are developing tools that will improve the thirty-seven target capabilities from the National Preparedness Guidelines for the five major goals in the strategy. These tools are in the form of plans, organizations, equipment, training, and exercises (POETEs) prioritized at the annual Improvement Planning Conference for placement in investment plans for targeted resources. The resources could come from federal grants, state general funds, or local jurisdiction funds. This entire process requires the concurrence and collaboration of all state departments and agencies in implementing this strategy. It also requires every AHEMR align their regional strategies with the state strategy to ensure a common language is used when developing priorities for state preparedness initiatives.

- The Governor's Office of Homeland Security is funded by federal grants. If these grants are reduced below the capability to support the office at the current levels, state general funds may be required in the future to adequately fund GOHS. At the present rate of expenditures per state fiscal year, it is forecast that the office can be sustained until the 2013-2014 state fiscal year using federal grant funds. Beyond that depends on the funding from the federal grant programs supporting the office in future years. As most homeland security grant award periods of performance are for three years, the office should be able to predict at least two years prior to any state general funds being needed.
- Community Preparedness is a force multiplier for any natural or man-made disaster. Only 1% of Colorado citizens are first responders who are organized, trained, and equipped to prevent, protect, respond, and recover from natural or man-made disasters. That leaves approximately 99% of our communities that would require help from these first responders if a disaster occurs. The outcome of these numbers would be a lengthy time required to provide help to the 99% of our communities who would be possible victims in case a major disaster strikes Colorado. In order to ensure that our first responders aren't overwhelmed with victims after a major disaster, our citizens must be prepared to sustain themselves for at least 72 hours after any incident without support from government services. This means every Colorado family should have an emergency preparedness kit that could be used in case of a major disaster. Information is available on the internet at [www.readycolorado.com](http://www.readycolorado.com) or [www.ready.gov](http://www.ready.gov) that will guide every citizen in preparing a kit to ensure every Colorado family is prepared in case of a disaster. The challenge for those who are responsible for preparing Colorado for any disaster is how to create a culture of preparedness without creating unnecessary fear or panic in our communities. If the message is sent from state or local government that a disaster is imminent so preparation is mandatory, those authorities run the risk of being ignored in the future when no disaster immediately occurs. Even after

Hurricane Katrina and the lessons of poor community preparedness learned in that disaster, surveys show fewer of our citizens have emergency preparedness kits now than before Katrina. Disasters are usually no-notice, so advance preparation is critical. Help is needed from all levels of government and community leadership to send the message of community and individual responsibility for preparedness. Public Service Announcements on community preparedness from community leaders are vital in creating a culture of preparedness in Colorado. Community preparedness also means businesses that provide critical community services or products must be prepared to recover from a disaster as soon as possible and continue operating. The Colorado Emergency Preparedness Partnership (CEPP) is one initiative that brings government and businesses together to coordinate and leverage their efforts in community preparedness. More of these initiatives should be encouraged throughout Colorado. Federal grant funds are being used almost exclusively to support these programs in Colorado. State and local government leadership must consider whether we are willing to accept the risks associated with poor community preparedness or determine if more state and local resources or programs are needed to supplement preparedness efforts throughout the state.

**GOHS - WORKLOAD INDICATORS**

Amount of Homeland Security Federal Grant Funds administered annually over 7 Years

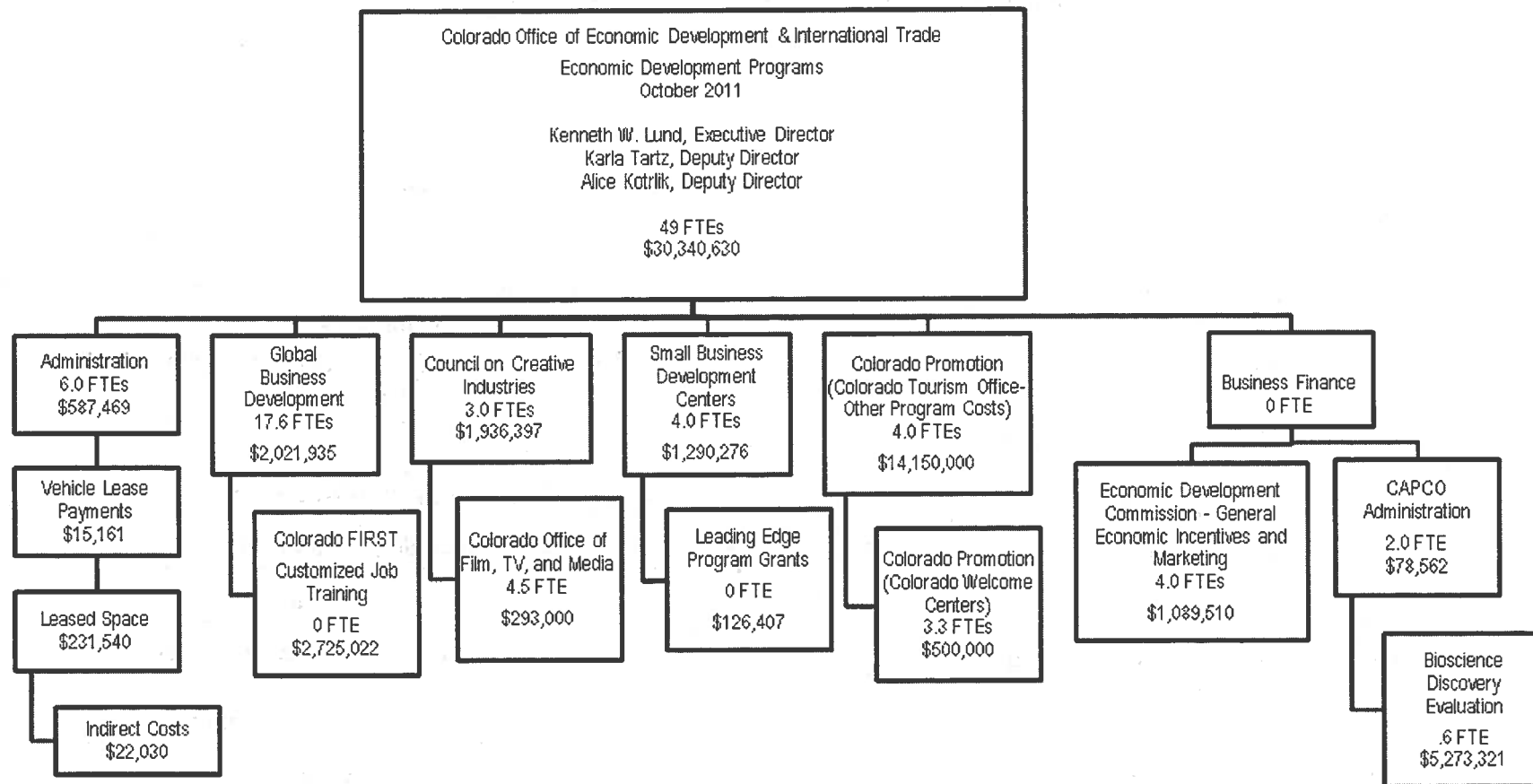
Program	2005	2006	2007	2008	2009	2010	2011	7 Year Total
<b>State Homeland Security Program (SHSP)</b>	\$17,796,658	\$8,080,000	\$6,430,000	\$11,880,000	\$10,925,000	\$10,979,859	5,489,930	\$71,581,447
<b>Law Enforcement Terrorism Prevention Program (LETPP)</b>	\$6,471,512	\$7,600,000	\$4,600,000	0	0	0	0	\$18,671,512
<b>Citizen Corps Program (CCP)</b>	\$225,929	\$322,819	\$244,560	\$249,368	\$248,204	\$213,523	\$172,251	\$1,676,654
<b>Urban Area Security Initiative (UASI)</b>	\$8,718,395	\$4,380,000	\$7,850,000	\$7,614,500	\$7,053,050	\$7,064,120	\$4,968,954	\$47,649,019
<b>Metropolitan Medical Resource System (MMRS)</b>	\$682,776	\$696,990	\$774,435	\$963,663	\$963,663	\$952,257	\$845,079	\$5,878,863

<b>Public Safety Interoperable Communications (PSIC)</b>	0	0	\$14,336,638	0	0	0	0	\$14,336,638
<b>Transit Security Grant Program (TSGP)</b>	\$1,225,000	\$1,150,000	0	\$831,648	\$0	0	0	\$3,206,648
<b>Interoperable Emergency Communications Grant Program (IECGP)</b>	0	0	0	\$609,616	\$689,951	\$621,000	0	\$1,920,567
<b>Buffer Zone Protection Program (BZPP)</b>	\$1,450,000	\$189,000	0	\$1,597,000	\$600,000	\$400,000	0	\$4,236,000
<b>Nonprofit Security Grant Program (NSGP)</b>	0	0	\$170,875	\$55,843	\$99,538	\$75,000	\$150,000	\$551,256
<b>TOTAL</b>	<b>\$36,570,270</b>	<b>\$22,418,809</b>	<b>\$34,406,508</b>	<b>\$23,801,638</b>	<b>\$20,579,406</b>	<b>\$20,305,759</b>	<b>\$11,626,214</b>	<b>\$169,708,604</b>

Workload Measure	Unit	FY-09 Actual	FY-10 Actual	FY-11 Actual	FY-12 Est
Grant Awards Managed	# of Awards	122	147	122	125
Financial Transactions Completed	# of PV, IT, JV, & CR	756	803	848	850
Grant Projects Submitted and Reviewed	# of Projects	198	243	210	210
Grant Monitoring Visits Performed	# of visits	5	11	7	7
Individual Training Applications Processed	# of Applications	596	450	500	500
Training Courses requested for HSEEP, MTT & MCR	# of Requests Processed	44	35	40	40
Community Preparedness Outreach Events and Presentations	# of events and presentations	27	30	55	75
Staff Visits to AHEMR for Planning & Capability Assessments	# of visits	11	20	18	18
State Strategy Goal Working Groups Trained, Formed & Operating	# of Groups	4	15	37	37
Exercise Program Support and Technical Assistance	# of visits & exercises	N/A	23	35	35

PV = Payment Vouchers  
 IT = Interagency Transactions  
 JV = Reallocation of Expenditure  
 CR = Cash Received  
 HSEEP = Homeland Security Exercise and Evaluation Program  
 MTT = Mobile Training Teams  
 MCR = Mobile Course Requests  
 AHEMR = All Hazards Emergency Management Regions (nine total in Colorado)

Office of Economic Development and International Trade



FY 11-12 Totals:      \$30,340,630 TF      \$6,098,778 GF      \$21,786,683 CF      \$123,704 Re-Appropriated      \$2,331,465 FF

**OEDIT - BACKGROUND INFORMATION**

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 various 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 appropriation from the Colorado legislature is \$30,340,630, of which approximately 71.8% or \$21,786,683 is from cash funds provided from limited gaming fund distributions. The remaining appropriation consists of 20.1% or \$6,098,778 from general funds; 7.7% or \$2,331,465 from federal funds for which the Colorado legislature may provide required matching funds; and .4% or \$123,704 from reappropriated funds. OEDIT's primary location is at 1625 Broadway, Suite 2700, Denver, Colorado. In addition to the Denver office location, OEDIT provides services and resources utilizing a number of partners located throughout Colorado and for which OEDIT has certain oversight responsibilities, including but not limited to its Small Business Development Centers network, Enterprise Zone Administrators and regional Business Loan Funds.

OEDIT is in the process of implementing significant new strategies for economic development. Starting with the Bottom-up process initiated by Governor Hickenlooper to solicit regional collaboration and input statewide and which resulted in 6 Core Objectives being reflected in a blueprint document, OEDIT is now developing and implementing a new comprehensive and cross-cutting business plan for creating jobs across the state. A three-dimensional strategy will focus on the State, Regions and Industry Clusters and OEDIT is in the process of aligning its organizational structure and resources accordingly. The blueprint document can be found at [www.colorado.gov/coloradoblueprint](http://www.colorado.gov/coloradoblueprint) and information on OEDIT's current program and services can be found at [www.advancecolorado.com](http://www.advancecolorado.com).

**OEDIT's Administration** provides the organization with strategic and operational management direction, policy formulation, accounting, budgeting, procurement, limited personnel functions and other administrative functions. OEDIT's Executive Director is Kenneth W. Lund; Deputy Director, Strategy and Operations is Karla Tartz; and Deputy Director, Budget and Business Finance is Alice Kotrlík.

**OEDIT's** business development efforts, within **Global Business Development**, serves as the primary point of contact for the state's significant business development retention, recruitment and growth activities by providing leadership, assistance, technical support and referrals for local economic development initiatives. Business programs and services offered include: Business Retention, Attraction, and Expansion; Project Management and Site Selection Assistance; Data Analysis, Data Dissemination, and Monitoring of Economic Indicators; Customized Industry Training (Colorado First and Existing Industry Program) jointly administered with the Colorado Community College System; Colorado Marketing and Promotions; Trade Shows and Targeted Advertising; Various Industry Initiatives; and Aviation Development Zone Registration by Airports. **OEDIT's International Trade Office (ITO)**, within Global Business Development, promotes the export of Colorado products and services through its export counseling services and trade promotion events, and markets Colorado to potential foreign investors. The ITO organizes low-cost, state-sponsored international trade missions, provides guidance in the mechanics of exporting through seminars and one-on-one counseling, helps companies identify target markets, trade leads and assists in arranging meetings with foreign buyers and distributors. ITO also provides support for export troubleshooting, for example assisting with regulatory issues or advocating to remove trade barriers. It also maintains a network of international private and government organizations. ITO actively promotes Colorado as a place to invest (inward foreign direct 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. ITO has an office in Mexico City run by a contract representative and an Honorary Trade and Investment Representative in Japan. The foreign office representation provides on the ground presence in key world markets for assisting Colorado companies and promoting Colorado to investors. ITO is also the State's point of contact to the U.S. Trade Representative's Office on trade policy. The **Minority Business Office**, within Global Business Development, is described below. OEDIT's Global Business Development Division Director is David Thomson.

**OEDIT's Creative Industries Division** was established as a result of the merger of the former Colorado Council on the Arts, the Office of Film, Television and Media, and the state's Art in Public Places program. A 2008 study of Colorado's Creative Economy showed that the state has become a magnet for creative enterprises and creative workers. Colorado is 5th in the nation in concentration of artists, including architects, designers, writers and authors, photographers, producers, directors and musicians. With more than 186,000 jobs, the creative sector is Colorado's 5th largest employment cluster. Colorado's creativity extends beyond the conventional artistic fields to include new media technologies, outdoor equipment design, green products, and craft food and beverages.



November 1, 2011  
Department Description

FY2012-13

The new Creative Industries Division was established in July 2010 to capitalize on the immense potential for the creative sector to drive economic growth in Colorado. The division will continue to focus on five program priorities to support and expand the creative sector: increase access to direct financial support, create and expand professional development and networking opportunities, promote Colorado as a premiere creative hub, increase access to arts and creativity skills in preschool through college education and workforce development, and stimulate increased support by local governments and coalitions. OEDIT's Creative Industries Division Director is Elaine Mariner.

**OEDIT's Small Business Development Center Division**, the Lead Center, has oversight responsibility for Colorado's Small Business Development Center network. Colorado's Small Business Development Centers (CSBDC) provide counseling and training services to small business owners and entrepreneurs for business planning, sources of capital, domestic and international marketing, accounting, related business disciplines and targeted services for veterans. The CSBDC network consists of 14 full-service centers located throughout the State providing coverage to every county in Colorado. The Division and its network provide service to existing businesses and start-up entrepreneurs. The SBDC produces the Colorado Business Resource Guide, which is a comprehensive guide for starting and operating a business in Colorado. The CSBDC also administers the Colorado Leading Edge Training Program, which provides intensive entrepreneurial training with a minimum of 35 classroom hours and five (5) one-on-one counseling hours at sites across Colorado.

The CSBDC works in conjunction with the Minority Business Office (MBO), within Global Business Development, to assist women and minority-owned businesses (the fastest growing small business segments in Colorado) in accessing certified Disadvantaged Business Enterprise (DBE) business opportunities and other services. Throughout the year, the CSBDC and MBO take a proactive and partnership approach in reaching out to veteran, minority and women-owned business communities by sponsoring events, conferences, and participating in workshops. In addition, the MBO provides surety bond technical assistance to historically underutilized businesses and has established a database with information on bonded women and minority businesses in Colorado. OEDIT's Small Business Development Center Division Director is Kelly Manning and the Minority Business Office Director is LeRoy Romero.

**OEDIT's Colorado Tourism Office (CTO) Division** 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 premier leisure travel destination to international and domestic travelers (including out-of-state and in-state travelers). The CTO engages Colorado's tourism industry through partnership opportunities, as well as receives input on its programs from the industry. The CTO works with a national research firm to ascertain the impact of visitors to the state economy, including the effectiveness of its advertising campaign, visitor spending and state and local tax revenues derived from travel expenditures.

The Office promotes tourism in Colorado in a variety of ways, including: Welcome Centers, Tourism Promotions, a Tourism Website, the Official State Vacation Guide, distribution of the Official State Map, and the Heritage and Agritourism Tourism Programs. OEDIT's Colorado Tourism Office Division Director is Al White.

**OEDIT's Business Finance Division** serves as the primary contact for the State's business financing, business incentive and grant programs. The Business Finance Division includes the following programs: the Economic Development Commission's (EDC) General Economic Incentives and Marketing Program (Strategic Funds), the EDC's Job Growth Incentive Tax Credit Program, the EDC's Enterprise Zone Program, EDC's Colorado Credit Reserve Program which is managed by the Colorado Housing and Finance Authority, the EDC's Regional Tourism Act Program, the EDC's States Small Business Credit Initiative funds (targeted to fund two programs that will be available in January 2012 and managed by the Colorado Housing and Finance Authority), the Bioscience Discovery Evaluation Grant Program, the Certified Capital Companies (CAPCO) Program, the Venture Capital Authority (VCA) and in 2014, the Colorado Bioscience and Clean Technology Innovation Reinvestment Act. In addition, the OEDIT's Business Finance Division has administration and oversight responsibilities for the economic development portion of the federal Community Development Block Grant (CDBG) Program (which includes regional business loan funds, infrastructure assistance and planning/feasibility study funding) available in primarily rural areas of the state. The Business Finance Division also provides financial underwriting services for the Colorado Existing Industry Customized Job Training Program and for the Department of Local Affairs' Private Activity Bond Program. The Business Finance Division also assists businesses by referring entities to potential financing options offered by other sources of local, state, federal and private funding. OEDIT's Business Finance Division Director is Alice Kotrlik.

**OEDIT - PRIOR YEAR LEGISLATION**

**SB11-47, (Heath/Gerou and Riesberg), Bioscience & Clean Tech Reinvestment**

The bill establishes a funding mechanism to support innovative industries, and, in connection therewith, creates the Colorado Bioscience and Clean Technology Innovation Reinvestment Act. The bill provides a long-term funding stream for ten years, beginning in 2014 through 2024 to be used to enable the growth of the bioscience and clean technology industries in the state and to support Colorado's Higher Education Research Institutions. *This program will be administered by OEDIT's Business Finance Division.*

**SB11-076, (Steadman, Becker), PERA Contribution Rates**

The bill designates the amount of employer and member contributions, for employers and members in the state and judicial divisions of PERA, that shall be calculated using rates for the appropriate division as set forth in the bill multiplied by the salary as further defined in it.

**SB11-138, (Hodge, Gerou), Supplemental Appropriations Department of Governor, Lt. Governor and OSPB**

This bill amends the appropriation for the Department of the Governor, Lt. Governor and OSPB (and related offices as stated).

**SB11-159, (Steadman, Ferrandino), Distribution of State Share of Limited Gaming Revenue**

This bill directs the distribution of the state share of limited gaming revenues (and makes related appropriations), including but not limited to the following: the Colorado Travel and Tourism Promotion Fund; the Creative Industries Cash Fund for purposes of the Council on Creative Industries, including the administration of the Council; the Creative Industries Cash Fund for the operation of the Colorado Office of Film, Television, and Media and for the performance-based incentive for film production in Colorado; and the Bioscience Discovery Evaluation Grant Program – *all of which are within OEDIT.*

**SB11-160, (Steadman-Gerou), Clarify Total Film Incentives Issued**

This bill clarified the amount of performance-based incentives available for issuance by the Colorado Office of Film, Television and Media, to include the amount appropriated in the applicable fiscal year and any moneys not expended or encumbered from previous fiscal years that were appropriated for these purposes. *This program is administered by the Office of Film, Television and Media in OEDIT's Creative Industries Division.*

**SB11-209, (Hodge, Gerou), Long Appropriation Bill**

The bill contains the provision for payment of the expenses of the Executive, Legislative and Judicial Departments of the State of Colorado and of its agencies and institutions, for and during the fiscal year beginning July 1, 2011, except as otherwise noted.

**HB11-1006, (Coram, Schwartz), Regional Tourism Authority Boards**

This bill specifies the composition of a Regional Tourism Authority Governing Board when the board will be comprised of more than two local governmental entities and if comprised of more than two local governmental entities that are counties. *The Regional Tourism Act program is administered by OEDIT's Business Finance Division.*

**HB11-1031, (Miklosi-Foster), Creative Districts**

This bill authorized the creation of Creative Districts, and, in connection with, authorized specified local governments to designate a portion of their territory as a Creative District subject to certification by the Creative Industries Division with OEDIT. *This program is administered by OEDIT's Creative Industries Division.*

**HB11-1045, (Kefalas, Newell), Colorado Innovation Investment Tax Credit**

This bill amended certain statutory requirements governing the program, created a framework for future expansion of the program contingent on additional moneys being available to backfill lost income tax revenue for state income tax credits issued under the program and provided an appropriation for administrative expenses and a .50 FTE. *This bill is administered by OEDIT's Business Finance Division.*

**HB11-1209, (Jones, Heath), OED Small Business Navigator**

This bill created a Small Business Navigator in the Small Business Assistance Center within OEDIT to provide a single point of contact for small businesses in order to facilitate and assist small businesses as specifically defined in the bill. *This bill is administered by OEDIT's Small Business Development Centers Division.*

**HB11-1283, (Gerou and Riesberg, Steadman), Extend Bioscience Grant Program**

This bill extended the program's current sunset date from July 1, 2013 through July 1, 2018.

**HB11-1311, (Swerdfeger and Kerr A., Giron), Increase Number of Regional Tourism Projects**

The bill increased the number of regional tourism projects that can be approved by the Colorado Economic Development Commission from 2 to 6 over timeframes further specified in the statute. *This bill is administered by OEDIT's Business Finance Division.*

**OEDIT - HOT ISSUES/KEY INITIATIVES**

The condition of the U.S. economy remains a key hot issue for economic development programs. Second Quarter 2011 data indicates the recovery has slowed dramatically and is raising new fears of another recession. Job growth has been very anemic nationwide, though most new job creation is coming from the private sector as government employment declines. As of July 2011, Economy.com projects that the U.S. will return to net positive job growth, although it is just a 1.1% increase. The Economy.com regional outlook projected Colorado will also see positive job growth in 2011, though less than 1%, and below the national average, predicting just 0.9% net new jobs. With a 2.2% rate of growth in jobs projected for 2012, Colorado will again join the top ten states in job growth

performance and OEDIT's vision is for Colorado to be the leader.

**Bottom-Up Initiative** – The first and only priority is the retention and creation of jobs across the state. To that end since January 11, 2011, the Hickenlooper Administration has engaged more than 5,000 Coloradans from all 64 counties in developing a comprehensive and collaborative approach to economic development. A state team composed of representatives of a dozen state agencies and statewide organizations traveled more than 6,000 miles to gather input from every corner, valley and plain that makes up Colorado.

Every county put together a summary expressing the needs, priorities, vision, strengths and weaknesses of its local economy. These county summaries were rolled up into 14 regional statements, which formed the basis for the six core objectives identified below:

- Build a Business-Friendly Environment
- Retain, Grow and Recruit Companies
- Increase Access to Capital
- Create and Market a Stronger Colorado Brand
- Educate and Train the Workforce of the Future
- Cultivate Innovation and Technology

The six core objectives are not a comprehensive collection of all-encompassing end-goals for all of Colorado, but rather a first set of achievable objectives to undertake together. These areas of focus reflect the programs and activities that OEDIT is engaged in, but will provide new impetus and exploration of new approaches to the state's economic development efforts. Collaboration and a commitment to regional empowerment and strategic alignment of resources are also key components. The Colorado Blueprint Version 1.0 contains 24 tactics designed to foster a more competitive Colorado that will drive job growth. To learn more, review [www.colorado.gov/coloradoblueprint](http://www.colorado.gov/coloradoblueprint).

**Sample Industry Successes** – Colorado has experienced a number of significant positive business announcements recently which include:

- Arrow Electronics Inc.'s (Arrow) decision to locate its global corporate headquarters in Colorado. Arrow, a Fortune 140 company, serves customers in 52 counties and had 2010 sales of \$18.7 billion. This will be the largest company to ever call Colorado home. Arrow's global corporate headquarters is currently located in Melville, N.Y. Effective November 15, 2011, the company's Englewood office will become its headquarters. Arrow currently employs approximately 1,000 workers in Colorado and is anticipating creating an additional 1,250 jobs. In conjunction with OEDIT's intent to develop a comprehensive statewide industry cluster strategy, OEDIT will begin actively recruiting Arrow's supply chain partners to also locate in Colorado or, at least to start doing business in Colorado. Arrow partners with more than 1,200 suppliers and 115,000 original equipment manufacturers around the world.
- GE's decision to locate the nation's largest photovoltaic panel factory in Aurora, Colorado. The 200,000 square-foot plant, which will cost \$300 million to retrofit and will employ 355 workers, will produce thin-film photovoltaic panels using technology designed by PrimeStar Solar, a Colorado company GE purchased earlier in the year. GE's announcement along with Vestas' multiple locations, SMA Solar's manufacturing facility, Abound Solar's manufacturing facility, Nokero's start-up in 2010 and many other businesses in this industry cluster continues to reinforce Colorado's position as a leader in this field.
- Announcements in a broad spectrum of industry sectors have continued. Examples include 500 new jobs for TriZetto Group, Inc., a healthcare software developer; 100 jobs for Trulia, a real estate software company; 200 jobs for Ball

Aerospace's expansion; 130 jobs for Agilent Technologies, a measurement company and a technology leader in chemical analysis, life sciences, electronics and communications; 25 jobs for Parelli Natural Horse-Man-ship, Inc.'s expansion, Horse Training Education Programs; and 600 jobs for Corinthian College, Inc, a post secondary education entity.

- In the tourism sector for the 2010 calendar year, as reported in the Longwoods International Colorado Visitor Study, Colorado experienced a stronger than expected year in travel and tourism. Colorado's overnight visitors increased by 5%, to 28.9 million, up from 27.5 million in 2009, setting a new record. Spending by overnight visitors also rose 5%, to \$8.8 billion. The Dean Runyan & Associates' report on the "Economic Impact of Travel on Colorado, 2009", estimates spending totaled \$13.4 billion. Their methodology takes a broader view of travel and tourism and thus results in higher total economic impact.

In 2011, the Colorado Tourism Office launched a new mobile-friendly version of Colorado.com designed to help travelers plan their trips. The Colorado Tourism Office has developed a strong social media presence and is currently in second place of domestic tourism destinations on Facebook with nearly 280,000 fans. In calendar year 2012, the Colorado Tourism Office will unveil a new advertising campaign and will continue to strengthen the travel resources available to travelers.

**OEDIT - WORKLOAD INDICATORS**

<b>Workload Indicators</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 11-12 Estimate</b>
<b><i>Business Finance Division</i></b>			
Number of Rural Business Financing Forums Planned and Coordinated	5	5	3
Number of Board/Committee Meetings Staffed by Business Finance Division Staff	28	63	64
Number of Finance Division Contracts under Management	115	141	144
Number of Reports (to Legislature, federal agencies, etc.)	7	25	26
Number of Monitoring Visits Completed	6	13	22
Number of Audits (by state and/or federal agencies providing funding)	1	5	5
<b><i>Business Development Division</i></b>			
Number of Business Relocation/Business Expansion Prospects and Business Retention Projects Managed	85	142	150
Number of Community Economic Assessments and Number of Business Retention and Expansion Program Assistance	6 CEA	5 CEA 4 Sustainable Mainstreet	9 CEA
Number of Business Development Promotion Activities (trade shows, website, advertising)	20	15	15
Number of Other Business Development Grants/Programs Managed	8	11	9
Number of Colorado First/Existing Industry Grants Managed	66	77	80
<b><i>Minority Business Office Division</i></b>			
Number of Women and Minorities (historically underutilized businesses) Receiving Surety Bond Technical Assistance	324	400	425
Number of Seminars and Trade Fairs Planned & Coordinated	25	28	28
Number of Newsletters Issued & Other Communications	22 issues	22 issues	25



<b>Workload Indicators</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 11-12 Estimate</b>
Number of Small businesses in directory	2,500	3000	3250
<b><i>Small Business Development Centers Division</i></b>			
Number of Monthly Host Small Business Development Centers (SBDC) Performance Monitoring	180 <sup>1</sup>	168 <sup>1</sup>	168 <sup>1</sup>
Number of Subrecipient Annual Performance Letters Issued	14	14	14
Accreditation Reviews (every four years)	0	0	1
Number of Quarterly Reimbursement Requests from Host SBDCs	55	54	60 <sup>3</sup>
Number of Yearly Program and Financial Reviews of Host SBDCs performed	14	28 <sup>2</sup>	28
<b><i>International Trade Office Division</i></b>			
Number of companies receiving substantial international export and foreign direct inward investment assistance	329	268	300
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	59/2,337	42/2,550	50/2600
Number of Outgoing and Incoming Trade Missions Promoting Colorado Exports and Investment Opportunities	14	12	14
Number of E-newsletter and Other Communications Recipients	2,104	3,054	3,500
<b><i>Colorado Tourism Office Division</i></b>			
Number of Tourism Industry Events, Trade Shows & Sales Missions	55	56	59
Number of CTO Contracts Managed	60	65	69
Number of Tourism Board and Committee Meetings and Number of Tourism Industry Communications	80	86	90
<b><i>Colorado Council on the Arts Division</i></b>			
Value of Art in Public Places Managed	\$1,028,007	\$700,046	\$2,242,722

<b>Workload Indicators</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 11-12 Estimate</b>
Number of Schools and Districts Served	24	24	24
Number of Contracts Managed	297	248	248
Office of Film, Television & Media Number of Production Inquiries	221	423	423
Gross Production Spend from Film Incentives	N/A	\$6,237,132	\$6,677,470

<sup>1</sup>The number of monthly host SBDC performance monitoring indicators has increased significantly due to new monthly benchmarks and balanced scorecard processes (15 centers\*12 months).

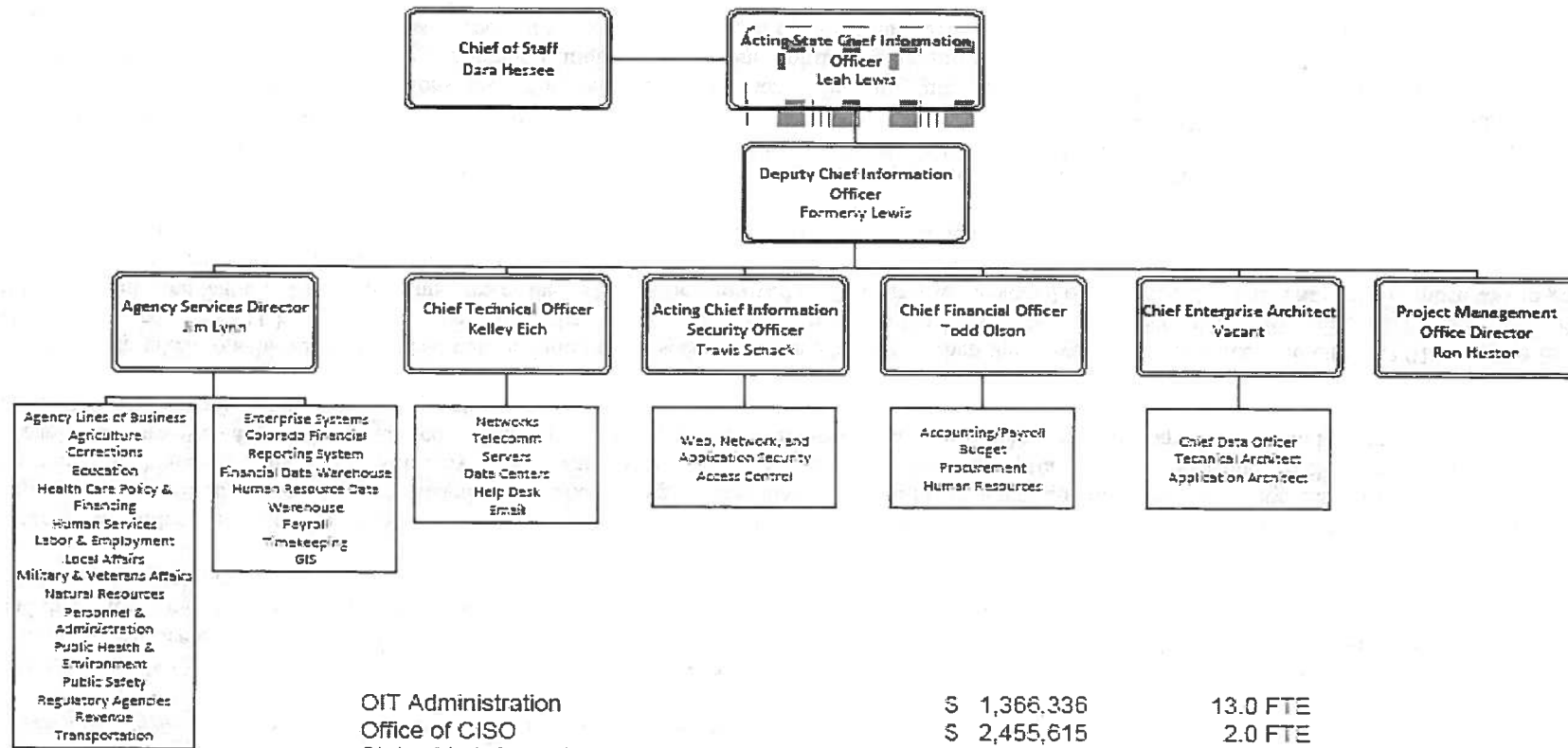
<sup>2</sup>For the state's fiscal year 2010-2011, it is estimated that the SBDC will complete 14 financial and 14 programmatic reviews in preparation for and during the program's accreditation process.

<sup>3</sup>For the state's fiscal year 2011-2012, the number of reimbursement requests received has increased because the South Metro Denver SBDC submits reimbursement requests monthly (12 centers \* 4 quarters) + (1 center \* 12 months).



Governor's Office of Information Technology

August 2010



OIT Administration	\$ 1,366,336	13.0 FTE
Office of CISO	\$ 2,455,615	2.0 FTE
Statewide Information Technology Services	<u>\$117,441,250</u>	<u>380.9 FTE</u>
<b>TOTAL FY 2010-11 Budget:</b>	<b>\$121,263,201</b>	<b>395.9 FTE</b>

***Governor's Office of Information Technology Background Information***

The Governor's Office of Information Technology (OIT) oversees technology initiatives at the State level, recommending strategies that maximize efficient technology 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 IT resources by State agencies. In this capacity, OIT is responsible for oversight, administration and management of centralized IT in State government in Colorado.

Prior to the Ritter administration, departments and agencies were allowed to independently acquire uncoordinated and duplicative IT resources that are more appropriately acquired as part of a coordinated effort. The sharing of communication and IT resources among agencies is often the most cost-effective method of providing the highest quality and most timely governmental services that would otherwise be cost prohibitive. Further, the development and implementation of consolidated procurement strategies and coordinated governance and management of critical projects, systems, applications and equipment provide the largest economies of scale both financially and operationally.

The first step taken to achieve the financial consolidation of IT spend came in May 2007 when the Governor issued Executive Order D 016 07. The Executive Order mandated that all IT budget requests be reviewed and approved by OIT prior to being submitted to the Office of State Planning and Budgeting (OSPB) and it further mandated that all IT procurements greater than \$10,000 be approved by OIT prior to the actual procurement. In both cases, the purpose was to give OIT touch points to identify potential areas of collaboration, determine whether there was capacity in existing systems, and/or to develop economies of scale in procurements, infrastructure and systems statewide. This authority was further solidified via Senate Bill 08-155 (CRS 24-37.5-101 et seq).

Senate Bill 08-155 provided the framework to facilitate a consolidated strategic and operational direction for IT in the State of Colorado under the centralized management of OIT. As a result of SB08-155, the authority that was initially granted via Executive Order D 016 07 was placed in statute, and the legislation formally enabled OIT as the agency designated with the authority for the management and delivery of centralized IT services in the State, including leadership, procurement, budgeting, strategic operations, project management, and enterprise architecture. In summary, SB 08-155 was expected to generate efficiencies by leveraging common services, infrastructure and applications statewide and optimizing the procurement strategy of the State related to the acquisition of goods, services and consulting. This strategy has already promoted a more stable, dynamic and effective IT infrastructure in Colorado State government that provides multiple benefits to state departments and citizens.

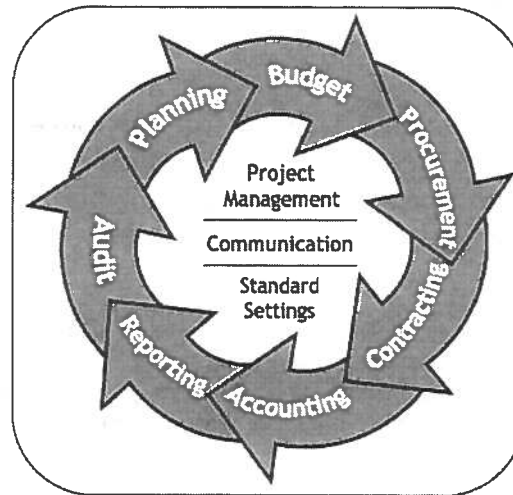
One of the most critical objectives in the IT consolidation was also enabled through the statutory changes enacted pursuant to SB 08-155. The legislation facilitated the statutory and organizational re-alignment of all Executive Branch IT personnel from State agencies to OIT. The budgetary transfer of the staff and associated personnel/payroll costs was finalized via Decision Item last budget cycle, and was implemented effective July 1, 2010 pursuant to JBC and General Assembly approval. The total budgetary transfer of FTE and associated personal services budgets to OIT has not only been done within existing budget, but has reduced FTE statewide by 100 FTE and \$7.8 million (which represents an annual reduction of 12%). With this transition, OIT and the State can now fully leverage commonalities among agencies to achieve the maximum benefits, whether related to specific systems, projects, procurements, etc., from an enterprise perspective given that OIT now manages 100% of the information technology personnel in the Executive Branch.

November 1, 2011  
Department Description

FY2012-13

As mentioned above, OIT has generated some materially significant personal services savings through the reduction of full time equivalent (FTE) information technology positions. This reduction will net the State nearly \$25M through Fiscal Year 2013. In addition, OIT will achieve another \$10M in savings over the same four year period through the re-negotiation of contracts, consolidation of multiple contracts into single enterprise contracts and through data center consolidation efforts. Overall the financial and operational consolidation OIT has undertaken has started to pay huge dividends and it will only improve in later phases.

**OIT Governance and Controls Program**



Historically, State IT expenditures were neither identified nor tracked separately in the State's financial systems in a manner that allowed for financial and trend analysis of the statewide data without onerous manual processing. It was not until fiscal year 2007 that OIT began to identify and track these expenditures in a manner which could be reported to departments and the State's citizens. Total information technology expenditures for the Executive Branch (those agencies subject to CRS 24-37.5-101 et seq), for the respective years listed, are as follows.

- Fiscal Year 2006-07 - \$256,343,559
- Fiscal Year 2007-08 - \$278,568,482
- Fiscal Year 2008-09 - \$287,960,204
- Fiscal Year 2009-10 - \$294,395,123\*

➤ Fiscal Year 2010-11 - \$285M\*\*  
\* *Unaudited* \*\**Estimate*

OIT has developed and implemented a comprehensive controls program that will help ensure that IT budgets will be spent in the most efficient and effective manner possible, resulting in significant savings. Further, this program encompasses project management and standard setting which are integral parts of any successful program. These controls are supported by existing statutory authority and include the following:

- ***Information Technology Planning*** - State agencies have specific and discrete missions and information technology is a key component in enabling them to meet their respective goals. Historically, each agency planned and budgeted for its own IT solutions to address their business needs rather than collaborating with other departments to accomplish common goals.

To address this problem, OIT implemented an annual planning process to identify ongoing support requirements and future IT needs of the departments, divisions and programs. Prior to the annual budget cycle, OIT works with the agencies to compile their annual department IT plans (DITP). These plans include a combination of information ranging from the preliminary justification of IT spend for the upcoming budget year to identifying mission critical needs. This improved planning process is intended to provide an enterprise overview that ensures initiatives do not overlap, neutralize, or impede each other. This annual process also:

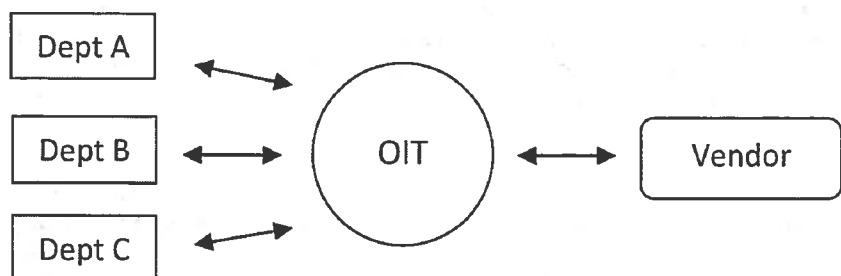
- Affords OIT the opportunity to understand the business needs of departments and to initiate a collaborative plan to help them achieve those needs while ensuring IT budgets are spent in the most economical, collaborative, and efficient manner possible;
- Allows for the identification of aggregated demand and multi-agency collaboration opportunities; and
- Generates new opportunities to leverage resources that may not have been previously identified.

Finally, the Department IT Plans (DITP) that result from this effort are not only used as a planning tool for individual Executive Branch departments, but are also a significant input to the State's annual technology plan. Pursuant to SB 08-155, OIT is statutorily required to submit an annual statewide technology plan to the Governor, the Speaker of the House of Representatives and the President of the Senate that outlines a comprehensive strategic direction for the acquisition, management and use of information technology in State government. The first report was submitted in March of 2010, and is available on OIT's public website on Colorado.gov.

- ***Procurement and Contracting Controls*** - Procurement and contracting activities have not traditionally been initiated with consideration to enterprise opportunities; however there are also significant financial savings to be gained. As a result OIT has implemented procurement controls over proposed IT expenditures. Procurement offices in Executive Branch departments and agencies are responsible for submitting these expenditure requests to OIT for review. Before approving a request, OIT determines whether the expenditure is part of an approved budget, adheres to existing standards, and uses the enterprise infrastructure effectively. OIT also uses this data to analyze IT purchasing trends in order to target spend categories and create enterprise-level

agreements that will afford statewide cost savings and cost avoidance for commodities and services. Recently OIT completed consolidated agreements with Cisco, McAfee, Novell and Information Builders, and negotiations are currently in process with many other vendors.

In the examples of the current completed enterprise agreements and future consolidation initiatives, contractual agreements and other price agreements are executed between OIT and the respective vendor, and OIT bills back to departments based on utilization. When a contract is consolidated, the departments will still be responsible for the recording and depreciation of any assets, but OIT will track and maintain inventory and licensing information. The diagram below outlines OIT's role in this process:



Additionally, one of the key tasks associated with IT contracting is a consolidation of our existing footprint of IT contracts into agreements that all State agencies can purchase and benefit from. It is apparent that a tremendous amount of resources are wasted by performing duplicate tasks associated with IT contracting. The previous decentralization of IT procurement in the State of Colorado historically has resulted in multiple disparate agreements with vendors, creating a drain on the State's resources, increasing the administrative load on vendors and thereby raising the overall cost of these contracts. Under the authority granted pursuant to SB 10-032, OIT is now able to negotiate amendments to existing contracts that will facilitate technology standardization across the enterprise, allowing for greater coordination and lower IT costs across state agencies through volume discount pricing and economies of scale.

Below is a summary of some relevant statutes related to statewide technology procurements and contracting:

- *Initiate all procurements of information technology resources for state agencies and enter into any agreement or contract in connection with such procurement on behalf of a state agency. §24-37.5-105(3)(i) CRS*
- *Direct the development of policies and procedures for state agency requests for IT procurements, agreements or contracts. §24-37.5-106(1)(g) CRS*
- *Aggregate IT procurements for one or more state agencies. §24-37.5-106(1)(h) CRS*

November 1, 2011

FY2012-13

## Department Description

- *The Office may review existing information technology resources contracts entered into by any state agency to determine whether the state can improve the cost-effectiveness of its technology investments and meet the business needs of the state by amending the existing contracts in accordance with this subsection (10). §24-37.5-105(10)(a) through(c) CRS*
- *The Office...shall enter into the amended contract on behalf of all affected state agencies. §24-37.5-105(10)(a) CRS*
- *Budgetary Controls* - OIT reviews all IT-related budget change requests from Executive Branch departments prior to submitting those requests to the Office of State Planning and Budgeting (OSPB) for consideration. This review allows OIT to determine if there are consolidation/collaboration opportunities and to validate that the requests are consistent with the strategic direction of IT in the State while supporting the business needs of the departments. Once reviewed with the departments and if approved, the requests are submitted to OSPB and subsequently to the Joint Budget Committee (JBC).

Below are some statutory citations that identify OIT's role in the IT budget process:

*24-37.5-106. Chief information officer - duties and responsibilities –*

*(d) Direct the development of policies and procedures, in consultation with the office of state planning and budgeting, that are integrated into the state's strategic planning and budgeting processes and that state agencies shall follow in developing information technology plans and technology-related budget requests;*

*(f) In consultation with the office of state planning and budgeting, prepare and submit budget requests for all information technology resources to be utilized by state agencies;*

- *Grant Application Controls* - OIT encourages the use of grants by state agencies to augment existing appropriations, however many grants provide IT infrastructure build-out which is currently not coordinated through OIT. This lack of coordination directly results in the continued proliferation of IT infrastructure silos. Further, grants generally provide for infrastructure funding with no future year support for operating costs (e.g., ongoing maintenance, software/hardware upgrades, etc.). To ensure that agencies are considering all costs associated with receiving grant funding, OIT is in the process of implementing a comprehensive Total Cost of Ownership (TCO) analysis to be completed during the grant application process.
- *Standard Setting* - The historical lack of hardware and software standards contributed to the proliferation of multiple platforms servicing the same needs across departments. The lack of standardization makes it difficult to fully leverage the State's purchasing power and to ensure there are adequate staffing levels and skill sets to service all the hardware and software platforms that support a multitude of citizen facing services.

OIT has the authority to "determine and implement statewide efforts to standardize IT resources to the extent possible" (§24-37.5-105(9) C.R.S) and to "coordinate and direct the formulation and promulgation of policies, standards, specifications and guidelines for IT in state agencies..." (§24-37.5-106(1)(c) C.R.S). Under this authority, OIT developed hardware and software standards for implementation starting in 2010, and all purchases of IT goods will prospectively adhere to such standards. These standards were designed to ensure the effective use of the state's purchasing power and provide for cross-departmental experience with a limited number of standard platforms.



- *Accounting and Reporting Improvements and Controls* - State agencies have historically lacked a mechanism to consider IT spending from an enterprise perspective and therefore miss opportunities to implement technology solutions that leverage opportunities to collaborate activities and resources among departments. Compounding this challenge is the fact that transactions are not consistently recorded in the State's financial and accounting systems in a manner that identifies them as IT expenditures. Without having this information properly recorded, this data is not readily available without manual analyses. OIT and the Office of the State Controller worked diligently over the past two years to develop the best historic and current reporting structure possible. Through better reporting processes, agencies will have a better understanding of their actual IT spend. OIT will continue to work with Agency IT Directors and budget and financial officers to ensure that this key data is provided to and reviewed with the appropriate senior level management across the Executive Branch to facilitate better management of the State's IT resources.

#### **OIT Program overview**

OIT is one of only two completely internal service fund departments or offices within Colorado State government along with the Department of Personnel and Administration. This means that OIT bills 100% of its costs and activities to users on a cost reimbursement basis (OIT is not a profit center) in accordance with state and federal governmental accounting standards and guidelines; additionally, OIT recalculates its services rates on an annual basis. Our mission is to deliver services and infrastructure and to provide support functions for other government agencies and departments including State, federal and local government entities among others. In this context, OIT complements business functions and processes of the entire Executive Branch by maximizing technology resources and service delivery. OIT is now truly serving in a vendor role with financial and fiduciary responsibility to the remainder of State government.

OIT is funded almost exclusively through 're-appropriated' funds, and does not receive any direct General fund appropriations. OIT bills State departments for enterprise-level services just like any third party vendor would bill a State department, and depending on the service, this billing can occur as a direct billing to State department program operating appropriations or through one of four IT common policy appropriations in department budgets that are dedicated to IT functions provided by OIT:

- OIT Management and Administration
  - Management and general administrative activities of OIT.
- General Government Commuter Center
  - All data center activities including mainframe operations, server hosting/housing, and application support.
- Network/MNT
  - All wide-area networking activities (historically known as the multi-use network, and in the future as the "Colorado State Network"), and local area network activities.

- **Communication Services**
  - All activities associated with the State's public safety radio system, both microwave and the Digital Trunked Radio System.

If a Department utilizes OIT services, these common policy lines will be found in their Long Bill appropriations. The current total of these appropriations in FY 2010-11 is ~\$90 million.

OIT currently includes the following components:

- **OIT Administration;**
- **Office of the Chief Information Security Officer; and**
- **Statewide IT Services**

**OIT Administration** provides the organization with strategic and operational management direction, policy formulation, and serves essentially as the "Executive Director's Office". This entity includes the Acting State Chief Information Officer (CIO), Leah Lewis, and her management and support staff, who have operationalized the senior executive level management function for OIT.

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

**Statewide Information Technology Services**, the largest single group in the current OIT organization is comprised of several programs/functions, including Statewide Information Technology Management, which provides the support staff and management necessary to facilitate IT consolidation and central management of the enterprise (including oversight, control and management associated with procurement, accounting, budgeting, project management, human resources and other necessary functions). The historic mission of Statewide Information Technology Services is to provide enterprise-level technology services to State agencies.

Additional components of Statewide Information Technology Services maintain 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 infrastructure includes the State's central data center facilities, enterprise desktop support and help desk/service center functionality, the Multi-Use Network (MNT), the Digital Trunked Radio System, a dynamic telecommunications infrastructure through the Colorado Integrated Communications Network, and application systems support for statewide applications and systems. Examples of some specific services currently provided include the following:

Statewide Applications (Financial & Human Resources)

- **ADS (Applicant Data System)**
  - Applicant Management, Job Announcements, Job Application

November 1, 2011

FY2012-13

## Department Description

- CPPS (Colorado Payroll Personnel System)
  - HR, Payroll, Position Control
- KRONOS (Timekeeping & Leave Tracking System)
  - Users are CDLE, DPA, CDPHE, DNR, and Secretary of State
  - Extracts imported into the State payroll system (CPPS) and COFRS
- COFRS (Colorado Financial Reporting System)
  - General Ledger, Budget, Purchasing, Expenditures, Inventory, Labor Distribution, Cash, Fixed Assets, Grants, Vendor Offset
- HRDW (Human Resources Data Warehouse)
  - Online reporting for current & historical human resources and payroll information
- FDW (Financial Data Warehouse)
  - Online reporting for financial information
- Customer Support
  - COFRS Helpdesk, Central Payroll, HR Support

### DPA Applications

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

### Hosting Services

- Mainframe Hosting
- Open Systems
- E-mail Hosting, which includes:
  - E-mail server platform and configuration management
  - Personal folder, calendar, task, and contact functionality
  - Remote e-mail and handheld access
  - Routine mailbox maintenance
  - Backup and restoration
  - Antivirus/SPAM filtering

### Managed Desktop/Desktop Support

- Centralized security administration
- Centralized desktop administration

- Server management
- User training
- Consulting/purchase
- Surplus of old equipment

Communications and Network Services

- Public Safety Network/Digital Trunked Radio System (DTRS)
  - Provides a statewide standards based interoperable radio system for public safety agencies and first responders
  - Users include State of Colorado, Local Governments, Federal Agencies, and Tribal Agencies
  - Over 50,000 subscriber radios on the entire network, serving 700+ agencies and ~200 transmitter sites
  - Remote monitoring of the system infrastructure and DTR network
  - Daily radio programming, failure repairs, preventative maintenance, user training
  - Site development engineering
  
- Data Network (MNT)
  - Provides affordable, quality, high speed broadband data communications and Internet access statewide to:
    - Colorado State Agencies, Schools, Libraries, City and County Government, Health Care Providers, Institutions of Higher Education
  - 24 x 7 network monitoring
  - Order processing and service/repair calls
  - Dual 120Mbit Connections to the Internet
  - Fully redundant connections to the e-FOR3T Disaster Recovery Center
  - Core network availability = 99.9%
  
- Voice / Telephone –
  - Provides the planning, provisioning, installation, administration and maintenance for telephony systems and voice applications supporting over several thousand State staff in more than two dozen locations. Services include:
    - Legacy telephones and voice mail
    - VoIP Systems
    - Cell phones and Blackberries
    - Interactive Voice Response systems
    - Call center applications
    - Order entry & billing processes

- Maintain inventory records and monthly cost recovery billing to supported agencies

Data Center/Co-Location (GGCC)

- 24 x 7, 9,075 square feet enterprise class environment includes:
  - Raised floor
  - HVAC
  - Several high-capacity air conditioning units (CRAC) and three humidifiers
  - 2 fail over power sources
  - Second power feed
  - Generator
  - 6 PDUs (power distribution units) and 2 extensions (slave units)
  - UPS (Uninterruptible Power Supply)
  - Services provided include:
    - Service center calls, Printing, Tape management, Monitoring – “remote eyes & hands”, Mainframe, Provisioning for housed servers, Facilities management
  - OIT now responsible for operation and management of E-Fort enterprise disaster recovery facility

Please refer to the descriptions below for further detail on the specific programs which support the delivery of the above-referenced services.

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

**Network Services** plans, coordinates, integrates, and provides telecommunication capabilities and network solutions that satisfy the business needs of State agencies, local government entities, and Colorado citizens. This work unit provides much of the voice communication services for State agencies, including management and administration of the long distance contract that is utilized by all branches of State government in Colorado. Further, Network Services provides voice and data communication infrastructure including the Multi-use Network (MNT), frame relay and asynchronous transfer mode services. For reference, the MNT is a high-speed fiber-optic network for the State of Colorado. Qwest was the partner selected to build the MNT with the State serving as anchor tenant. Through the MNT, the State consolidated Colorado State government agency telecommunication requirements from its multiple networks into a single network to reduce administrative and maintenance costs to the taxpayers. As anchor tenant, the State’s investment leveraged the development of the telecommunications infrastructure and expanded delivery of advanced services to all geographic regions of Colorado, including:

November 1, 2011

FY2012-13

## Department Description

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

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

**Computing Services** is responsible for management and delivery of computing infrastructure to participating customer agencies through the operation of the State's central data center facilities. The computing infrastructure includes database, application and web servers for several departments, as well as the State's general mainframe computer and multiple storage media resources used in support of both mainframe and server environments. OIT manages the operating system, transaction processing scheduling and systems management software associated with these resources, provides operational and technical support and is responsible for the maintenance and operation of the data center on a 24x7x365 basis.

Computing Services also offers enterprise level server housing and hosting capabilities, including a complete server environment that is conditioned with uninterruptible power and full climate control. There are several hundred housed or hosted servers residing in the data center on its enterprise IBM mainframe or its distributed systems with approximately 200 virtual server instances. OIT offers server database systems with multiple environment levels, including production, test, and development. Server security is addressed through layered firewall and intrusion detection architecture that serves multiple servers rather than supporting a unique architecture for each. Computing Services also provides Microsoft Exchange platform e-mail hosting services for State agency customers and the hardware, software and IT staff necessary to maintain e-mail services. This offering provides a secure, robust, high availability online e-mail service.

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

Additional support functions are delivered via **Order Billing and Customer Services** sections. Order Billing staff process requests for voice, video, and data services for State and local government 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. Staff provides the accounts payable and receivable functions for all activities associated with the management of the Telecommunications Revolving Fund. The Customer Services section functions as an advocate for OIT's network and computing services customers and its purpose is to ensure the

November 1, 2011  
Department Description

FY2012-13

smooth delivery of information services to the customer in a timely manner. The service center provides customers with 24 hours a day, 7 days per week availability as the central point of contact for services offered by OIT and also provides mainframe operations support, job scheduling and monitoring.

Beginning in FY 2010-11 the **Colorado Benefits Management System (CBMS)** was transferred budgetarily to OIT and OIT now maintains responsibility for technological and financial oversight of this key state program, in collaboration with its Executive Branch partner agencies, the Departments of Health Care Policy and Financing and Human Services. Note however that program responsibility and policy making authority still reside with the Departments of Health Care Policy and Financing and Human Services. This new organizational and budgetary structure is intended to leverage OIT's enterprise level technology management capabilities to generate additional efficiencies now that CBMS and its associated service delivery has transitioned beyond initial stages of post implementation.

***Office of Information Technologies Hot Issues/Key Initiatives***

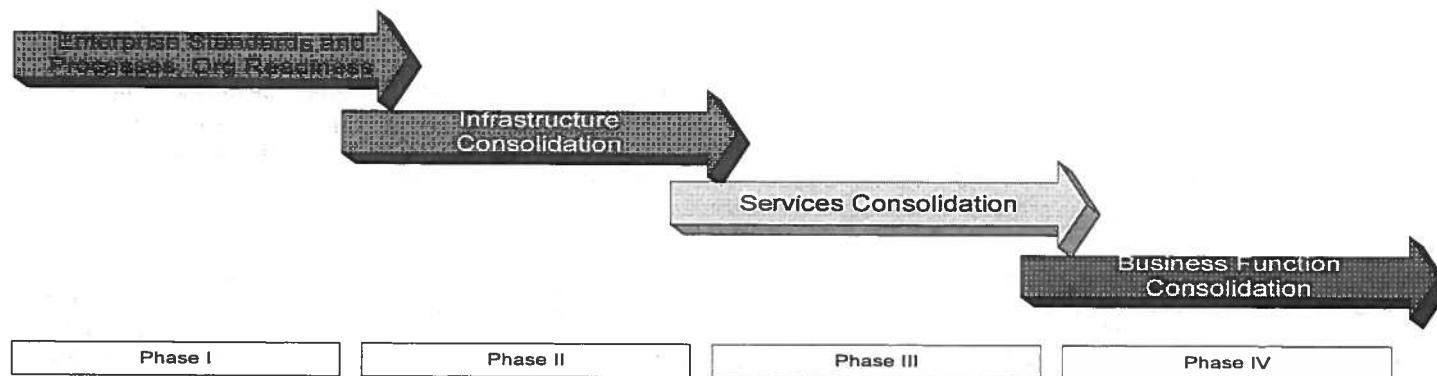
The **Colorado Consolidation Plan** continues to make great strides toward overcoming issues and obstacles that resulted from the previous decentralized technology environment by strengthening the OIT's ability to:

- oversee IT budgeting statewide;
- formulate policies on statewide contract agreements;
- develop a single, statewide IT strategic plan;
- prioritize initiatives and projects across State agencies;
- assist State agencies in large-scale projects deemed to be at risk; and
- participate in strategic decisions related to IT initiatives, projects and programs.

These actions enable State departments to focus on their core mission operations, to ensure IT projects are managed strategically and with adequate funding and support, and to leverage the State's current and future IT investments in a shared service model. The IT consolidation framework is built around four distinct phases as summarized below, and although FY 2011-12 is identified as the "final phase" the consolidation of IT in Colorado state government will be an ongoing and dynamic initiative.

- Phase I (FY 2008-09) – Enterprise standards & processes, organizational readiness, & service provisioning strategy
- Phase II (FY 2009-10) – Infrastructure consolidation
- Phase III (FY 2010-11) – Services consolidation
- Phase IV (FY 2011-12) – Business function consolidation





\*\*\*\*\*

The **Colorado Integrated Communications Network (CICN)** is a Voice-over-Internet Protocol (VoIP) solution to replace legacy voice system and applications. This project impacts current OIT customers at all supported sites, but other agencies may participate. The immediate benefits include convergence of voice and data LANs for ease of administration, and the opportunity to leverage existing State MNT/WAN connectivity. Additional future benefits/opportunities include the potential for a unified communications platform and a comprehensive video conferencing infrastructure solution. Implementation was completed in May 2010. In addition to providing telephone services (dial tone, voice mail, etc.), this solution allows for business continuity and disaster recovery. Other benefits include:

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

\*\*\*\*\*

The ultimate objective of a successful **Data Center Consolidation** strategy is to consolidate into a condensed physical footprint with adequate staffing to provide a secure and trusted environment for the State's data and business systems. Departments continue to expand and support independent data centers which contain critical data in environments that lack proper security, cooling, power, fire suppression and failover support systems. Additionally, each center requires human capital to operate and maintain. This places the State's critical data and business services at risk, resulting in additional costs for the State taxpayer.

This project will define the vision and direction, and then initiate the planning and execution to implement a consolidation of State data centers, their staff and financial activities. It will result in a consolidation of all data center activities under one management structure over a limited number of physical locations. The goals of this project include a more secure and resilient environment; achievement of cost avoidance in the areas of security, networking, equipment, software licensing, maintenance, and physical location; and operational (staffing) efficiencies that can be used to increase our capabilities statewide. This project will be comprised of multiple phases, consolidating real estate, facility components, support staff, and financial activities.

\* \* \* \* \*

**Enterprise-level Disaster recovery** capability is critical for IT applications and State government data. It is key that State agencies maintain effective disaster recovery programs and OIT is focused on playing a leadership role to address this issue. Maintaining a robust disaster recovery plan for all State data centers remains an ongoing priority.

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

\* \* \* \* \*

The **Enterprise Portfolio Project Management Office (EPPMO)** was created in August 2009 to address concerns related to management of IT projects throughout the Executive Branch, to support agencies and other key stakeholders, and to further complement OIT's Executive Governance Committee. The State of Colorado has a significant investment in IT resources which presents opportunities for continuous improvement in the way services are delivered to citizens. To improve the chances of successfully delivering those services more effectively, the EPPMO established the following goals to initiate the vision for the Office:

- Provide an enterprise view of all OIT projects to ensure alignment to the State's strategic initiatives;
- Facilitate cross-departmental information sharing and understanding of work-in-progress;
- Provide consistent monitoring and reporting of OIT initiatives;
- Provide Colorado with a uniform approach to managing projects; and
- Promote project management best practices and improve skills through training and coaching.

\* \* \* \* \*

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

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

The mission of the Executive Governance Committees is to:

- Bring together business and IT professionals from similar departments to advise and collaborate for the benefit of improving project delivery;
- Provide an escalation point for project steering committees;
- Help facilitate the necessary assets and resources to assist projects;
- Ensure the comprehensive enterprise strategy is being leveraged for major IT projects;
- Help recognize and award high performers on IT projects; and
- Identify what is working with the projects and extend that knowledge to the enterprise.

\* \* \* \* \*

Since 2007, the Governor's Office of Information Technology (OIT) has produced a ground-breaking and progressive agenda for **data sharing and information technology management** in the State of Colorado. It is recognized by both the Governor and the Colorado General Assembly that in order to more effectively serve citizens, improve the efficiency and effectiveness of state government, and to inform policy making, a strong program of information sharing is required across all lines of business the state serves.

OIT's focus on agile application and service delivery means that strong concentration and emphasis on the underlying data required for employees, agencies, legislators, and others to do their work *must* be a top priority. The "businessization" of government requires a disciplined approach to dismantling data silos, implementing infrastructure to enable sharing across agencies, branches, and levels of government, and tools to build capacity for knowledge and performance management.

Specifically, a progressive data management strategy can provide the following benefits across the enterprise:

## Department Description

- *Education* - Ensures that a seamless education system from pre-school to graduate school is preparing our young people for the demands of the 21st Century by linking records over time (PreK-20), analyzing performance, and studying educational effectiveness.
- *Social Services* –Creates means to capture data once – regardless of point of entry into the state system - about a child, youth or family, and use that data across multiple state service programs to directly certify them for supplemental or additional services based on child or family eligibility. This program has a twofold benefit: ensuring that all children and families receive the benefits that they may not otherwise have applied for, and reducing fraudulent claims against the system by comparing the records.
- *eGovernment Services* – Provides single-sign on for citizens and businesses to have access to all of their current state account information (driver information, vehicle registration, tax information, benefits, etc.) through one portal. Digital signature services would be available to complete transactions electronically, end-to-end, with the state. The state would also be able to provide services such as address change that get completed once and shared with all agencies with which the individual does business.
- *Workforce and Economic Development* – Creates strategic, targeted and systemic responses to economic conditions and labor market changes. Information sharing can help support the development of timely, accurate information to identify key industries, examine the state of regional economies, explore the root causes of skills gaps, and promote strategic planning that addresses the needs of workers and employers alike.
- *Law Enforcement* – Improves state and community security and safety postures. All major reviews of the nation’s response to the terrorist attacks of 9/11 maintain that integrated information technology and improved information sharing across agencies at all levels of government are vital to an effective homeland security strategy.
- *Policy Making* - Helps lawmakers and policy makers answer questions and predict program results to help ensure the best use of limited State resources and effectiveness of State programs

## Program Highlights

- 8 CCR 1501-07 went into effect on January 31, 2010 to formally create the Office of Enterprise Architecture and Data Management Program, and to outline authority and responsibilities therein.
- OIT created the first national state chief data officer position in 2009 to highlight the importance of data and strong data management to transforming state government service delivery.
- The Government Data Advisory Board had its kick-off meeting on August 21, 2009.
- OIT published the “Colorado Data Strategy” in January 2010 and “Guidelines for Information Sharing” in June 2010.
- OIT’s Data Management program was cited in Public CIO magazine’s, “A Single View: Colorado’s Chief Data Officer leads a data sharing strategy that officials hope will result in better government”, Public CIO magazine, June/July 2010, <http://www.govtech.com/pcio/765239>

November 1, 2011  
Department Description

FY2012-13

- Began the state's first-ever effort at developing enterprise data models, enterprise architecture, and enterprise standards, policies, and processes in 2009. This work continues today.

Moving the state to an enhanced data management future based on shared integrated data will improve the speed and quality of decision making and delivery of services to the state's constituents while reducing the duplicative cost associated with non-integrated systems.

\*\*\*\*\*

**The Government Data Advisory Board (GDAB)**, seated in August 2009, is a multi-agency central governance authority, comprised of representatives of 12 state agencies, local governments, non-governmental organizations and research institutes, and a wide variety of education stakeholders. The GDAB's mission is to provide guidance and recommendations on how the state should govern and manage data and data management systems to improve the efficiency and effectiveness of state government, citizen service delivery and policy-making. The GDAB is one of the very few such Boards in any state in the country, established in legislation and appointed by the Governor, to provide the central governing structure for enterprise data sharing initiatives. Additionally, a Data Steward Action Council (DSAC) is being established to formalize and organize the stewardship activities and processes enterprise-wide based on information subject areas. The DSAC will also create a common baseline of information: a statewide foundation for data sharing, information discovery, and future architectures.

The GDAB has three subcommittees:

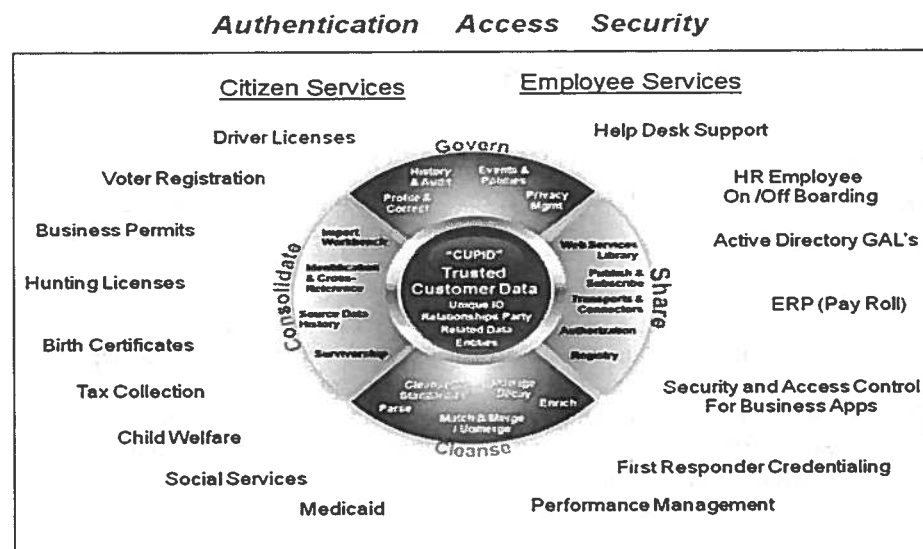
- **Education Data Subcommittee** - The Education Data Subcommittee was created through HB 09-1285 as a subcommittee of the Government Data Advisory Board. Its primary mission is to provide recommendations for the creation of a statewide comprehensive P-20 education data system.
- **Early Childhood Universal Application Subcommittee** - House Bill 10-1028 establishes an Early Childhood Universal Application Subcommittee of the Government Data Advisory Council to study and make recommendations around the feasibility of creating a universal application for a variety of state programs focused on children birth to age eight.
- **Privacy Subcommittee** - The GDAB Privacy Subcommittee is tasked to produce a set of privacy policy and procedural documents that will help guide and enable information sharing efforts, while protecting the privacy and confidentiality of citizen information.

\*\*\*\*\*

OIT promotes **Identity and Access Management (IdM and IAM)** as key initiatives within State government. The state has just finished a study and has developed the architecture for a Colorado unique identifier. The concept for this "Identity as Service" strategy is to leverage a unique master ID for each citizen to be able to integrate information from multiple state and local agencies. This will support data sharing and interoperability between agencies, build a

governance framework ensuring quality and integrity of statewide identities, link identifiers between siloed or disparate systems, enable Colorado to track and examine performance of state services over time, promote Interstate data sharing efforts, protect privacy, and, improve access management and security.

The ability to have a master ID – Colorado Unique Personal Identifier (CUPID) - mapped to Agency specific IDs, serves as the basis for providing services across agencies, sharing data across agencies (state and local), and enables longitudinal analysis across all agencies and the entire lifecycle of a person (e.g., cradle to grave). Coupled with business intelligence reporting tools, the state can conduct analysis on the correlations between programs conducted by different agencies.



With this concept, we recognize that a person only has one identity, but can have multiple attributes and privileges (e.g., driver, voter, receiver of benefits, employee, first responder, patient) assigned to her or him. The assigning of attributes assigned will remain with the agencies and programs that are serving individuals.

Finally, identity verification and fraud management tools will be provided through the CUPID services. These services can help agencies address such questions as:

- Is this identity a valid identity (e.g., is this Social Security Number valid? is this SSN/Date of Birth combination valid?)
- Does this identity belong to the person claiming the identity? (e.g., is someone else claiming that Social Security Number? Is this identity deceased?)

- Is the address a legitimate address? (e.g., is this a residential address or a business address? Does this address really exist?)

\*\*\*\*\*

Over the last several years, the state has worked with local and federal government agencies to implement and operate the Statewide **Digital Trunked Radio System (DTRS)** for the benefit State of Colorado. To date the State has approved and invested more than \$100 million in construction, operations and maintenance, leveraged various federal grants totaling ~\$19.5 million, homeland security grants in excess of \$50 million and another \$30 million+ in DOLA provided CWIN grants were allocated to local government partners for the development and implementation of this statewide public safety communication system as defined in HB 98-1068. OIT is now statutorily charged (Section 24-37.5-506, C.R.S.) with the implementation, administration, and ongoing maintenance of this system for all State and local government entities.

DTRS is an exceptional representation of successful partnerships between all levels of government using advanced technologies to achieve a singular goal: effective interoperable public safety communications. Due to its expansive growth, it now faces considerable challenges with regard to sustainable funding to support daily operations, increase in technology based capacity to support user's needs, and the replacement of aging equipment.

The DTRS is a continuation program envisioned in the early 1990's and begun in 1998 to replace multiple disparate wireless communications systems operated by State and local government agencies. DTRS is being planned and constructed through partnerships between State, local, regional, tribal and federal government agencies. It replaces these disparate and obsolete radio systems and is available to all public safety, public service and other governmental agencies. Agencies may choose to use DTRS as their primary radio system or for interoperability only.

DTRS provides a near seamless statewide wireless system that enables direct communications between agencies that absolutely must communicate during times of emergency (i.e., fire, flood, natural disasters, etc.). DTRS supports wireless voice and in the future data communications on a single integrated system based upon the Project 25 (P25) suite of open standards. The main deliverables of DTRS are improved communications for all participating agencies with significant improvement in interoperability between agencies. The DTRS meets the highest level of interoperability for Technology on the SAFECOM Interoperability Continuum. DTRS has received funding through the "Public Safety Trust Fund "created by HB98-1068 and more recently through Homeland Security, Colorado Wireless Interoperability Network (CWIN), Energy and Mineral Impact, Public Safety Interoperable Communications (PSIC) and other Federal Grants.

DTRS provides mobile radio coverage to approximately 93%-95% of State roadways, utilizing frequencies in both the 700 MHz and 800 MHz bands. There are over 54,000 subscriber radios operating on DTRS, representing approximately 990 local, regional, tribal, State and federal agencies. These users represent approximately 1/3 State, 2/3 local, regional, tribal and Federal government agencies. In 2009, the system averaged over 8,500 hours of talk time each month and handled over 77 million calls. The System has an additional ~8 sites planned and funded for implementation in 2010 and 2011 to provide additional coverage.

The DTRS rides on a microwave backbone which provides connectivity between 197 communications sites, 4 zone controllers and 60+ dispatch centers. DTRS is dependent upon the microwave backbone which originally was wholly built, owned, operated and maintained by the State to support the various

communications systems prior to deployment of DTRS. This original microwave backbone of 115 hops was upgraded from an analog to a digital system in the early 1990's, and currently includes approximately 195 microwave hops operated by the State and numerous local and federal entities. It now has reached its end of life and needs to be replaced to meet the additional capacity and redundant reliability requirements necessary to support DTRS' critical mission. Due to the age of the tower infrastructure, additional funds will be required to ensure the integrity of the towers as well. Rough order of magnitude of costs for microwave and tower upgrades is estimated to be \$20 - \$30 million. Additional upgrades will be required as the Federal Communications Commission (FCC) mandates narrow banding requirements and technology advances.

\* \* \* \* \*

Early last fiscal year, OIT worked with other agencies in State government to implement the **Transparency On-Line Project (TOP)**. The TOP system was implemented as a multi-agency effort that extended across government branches, and with OIT providing technological development and leadership, the project was implemented last fiscal year, months ahead of mandated timelines. It is intended to reduce the time and cost associated with open records requests and to maximize convenience for state citizens in accessing state financial information. Any information that is not available in the TOP system remains available to the public in accordance with the Colorado Open Records Act.

The subject of a Colorado searchable database of state financial information was first broached by Representative Don Marostica in the 2007 legislative session with House Bill 07-1164. While that bill was not enacted, Representative Marostica worked with other state elected officials to support the Governor's 2009 Executive Order establishing the TOP system. On April 2, 2009, Governor Bill Ritter issued Executive Order D 007 09 Establishing the Transparency Online Project (TOP). The Executive Order was supported by elected officials Treasurer Cary Kennedy, Secretary of State Bernie Buescher, and Attorney General John Suthers, as well as representatives from the Judicial and Executive Branches of Government. In the 2009 legislative session, the Legislature enacted and the Governor signed House Bill 09-1288, which aligns with the Executive Order. The Order stated the following:

*"Transparency and accountability to state citizens is a hallmark of good government. The Open Meetings Act and the Colorado Open Records Act provide Colorado's citizens with a strong expectation of accountability by providing open access to the state's public records and meetings. The advent of the internet provides new opportunities for state government to foster transparency and accountability."*



**Office of Information Technology Key Workload Indicators**

Workload Indicators (Computing Services)	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Actual
Average Monthly Number of Transactions (in millions) Executed in the Mainframe Environment	79.4	83.6	85.0	86.6
Number of Open Systems Servers Supported	300	346	391	483
Percent of MNT Network Availability	99.98%	99.97%	99.975%	99.985%
# of MNT Network Data Circuits Managed	2,843	3,000	3,550	4,230
# of State Agency Phone Lines Managed	7,862	8,000	8,183	7,583
# of Voice Mail Boxes supported	4,813	5,026	5,792	5,439
Number of DTR Towers, Zone Controllers & Radios	Towers 143 Zones 3 Radios 29,000	Towers 156 Zones 3 Radios 32,200+	Towers 196 Zones 4 Radios 52,000	Towers 197 Zones 4 Radios 54,000
Number of bytes of enterprise disk managed by GGCC	14 TB	14.5 TB	16.5 TB	17.5 TB
Disaster Recovery - % of Applications attempted/successfully tested	83	95	92	95
Financial Data Warehouse (FDW) average report response time (in seconds)	9.79	4.66	4.82	4.61
Financial Data Warehouse (FDW) average # of monthly report requests	52,216	63,645	63,879	64,058

Workload Indicators (Computing Services)	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Actual
Financial Data Warehouse (FDW) average # of unique user ID's	893	877	915	930
Statewide Mainframe Processing Utilization (in 1000's)	71,689,135	79,412,123	92,491,603	103,988,505
ADABAS Utilization (in 1000's)	116,573,681	118,917,443	130,492,517	131,433,876

**Key Legislation from 2008 & 2009 Legislative Sessions:**

*SB 10-032 –Amendment to Existing IT Contracts– Primary Sponsors: Representative Tapia & Representative Lambert*

Enables OIT to negotiate amendments to existing contracts that would facilitate technology standardization across the enterprise, allow for greater coordination, and lower IT costs across state agencies through volume discount pricing and economies of scale.

*SB 10-148 –Transfer of Enterprise Facility to OIT – Primary Sponsors: Joint Budget Committee*

Transferred the State's disaster recovery facility from the Secretary of State to OIT and provided a four-year transition for the funding.

*SB 10-1119 –SMART Government Act– Primary Sponsors: Representatives Ferrandino & Schaffer*

Legislation includes requirement for OIT to conduct a feasibility study to determine the cost to build an electronic budgeting system for the state is underway.

*HB 09-1285 – Government Data Sharing – Primary Sponsors: Representative Benefield, Senator K. King*

The bill replaces the data protocol development council with the government data advisory board. States the advisory board's duties, including recommending to the State CIO rules for requesting data, responding to data requests, and imposing fees for responding to data requests. Creates the education data subcommittee of the advisory board. This bill is a follow-up to HB 08-1364 from the previous legislative session.

*HB 09-1367 – Pay Date Shift for Employee Transfers of OIT – Primary Sponsors: Representative Marostica, Senator Keller*

This legislation was intended to mitigate unintended consequences of the pay date shift legislation (SB 03-197) from several legislative sessions ago. Pursuant to SB 08-155, OIT was provided statutory authority to consolidate IT staff from Executive Branch agencies within OIT to promote operational efficiencies and savings. As a result of this statutorily authorized staff transfer there will be a significant (~ \$3.2 million) one-time General Fund impact related to the SB 03-197 pay-date shift unless a temporary method to avoid these costs is utilized. The key statutory provision of this legislation is to delay any one-time General Fund impact that could result from the transition to a shared services model for IT until such time as sufficient. State General fund surplus exists to address the one-time impact without detrimental impact to either State agencies and their missions or the objectives of both OIT and the General Assembly pursuant to SB 08-155.

*SB 09-162 – Broadband Inventory to Accept Public Funds – Primary Sponsors: Senator Schwartz, Representative Liston*

This is a clean-up bill related to SB 08-215 that was necessary to allow OIT to begin the broadband mapping effort. The Bill amends statute adopted in 2008 for the creation of an inventory of broadband service areas within the State by removing an existing limitation to the acceptance of private gifts, grants, and donations to help finance the creation of the inventory and extending the deadline for completion of the inventory. Specifically, the bill allows the OIT to accept grants from public entities, where current law limits acceptance to grants from private entities, and the deadline for completing the inventory is extended from April 1, 2009, to November 1, 2009.

*HB 09-1288 – Colorado Taxpayer Transparency Act – Primary Sponsors: Representative Nikkel, Senator Kopp*

The bill requires the Chief Information Officer of OIT to create and maintain a searchable budget database web site, which shall include revenue and expenditure data from the State financial data warehouse.

*SB08-155 – Information Technology Consolidation – Primary Sponsors: Senator Cadman, Representative A. Kerr*

The bill consolidates the responsibility for IT oversight of most of the State's executive branch in the Governor's Office of Information Technology. It does not affect the legislative or judicial branches, or the departments of Law, State, or the Treasury. Specifically, the bill transfers several IT functions and staff positions from various State agencies to OIT on July 1, 2008. The largest single agency transfer involves moving most of the Division of Information Technologies from the Department of Personnel and Administration. These portions include the General Government Computer Center (GGCC), telecommunications coordination, and statewide IT management and support functions. The Bill also makes the chief information officer of each State agency subject to supervision by the director of OIT instead of the agency's executive director, although any official transferred in this way would maintain his or her duties or responsibilities related to the IT resources of the agency. Before July 1, 2012, the Bill also transfers to OIT the oversight of other IT employees across several State agencies.

*SB08-215 – OIT Broadband Map – Primary Sponsors: Senator Schwartz, Representative Riesberg*

This Bill directs the State Chief Information Officer within OIT to create an inventory of broadband service areas within Colorado that includes the following:

- an illustrative map showing wired, wireless, and satellite-based broadband services;
- the potential use of enterprise zones to develop rural broadband service;
- the need for additional transmission infrastructure; and
- demographic information such as population density and average household income levels for existing and potential broadband customers.

OIT must complete the inventory by April 1, 2009, submit a report to the legislature, and publish the inventory on a publicly available website. In developing the inventory, OIT must consult with the Public Utilities Commission (PUC), the Governor's Innovation Council, and other public and private entities. It must also hold at least four public meetings, consider comments submitted from the public, and employ private contractors. The Bill declares the intent of the General Assembly to have OIT seek gifts, grants, and donations to cover its costs, but if sufficient monies are not received by September 1, 2008, OIT may use up to \$100,000 from the high cost support mechanism, which is administered through the PUC. All funds would be credited to the Broadband Inventory Fund.

*HB08-1364 – Interdepartmental Data Protocol – Primary Sponsors: Representatives Benefield & Massey, Senator Windels*

November 1, 2011

FY2012-13

## Department Description

This Bill requires that on or before September 1, 2008, the State Chief Information Officer (CIO) convene representatives from each executive State agency to form the Data Protocol Development Council. The CIO, working with the council, shall design and implement a comprehensive data management system across State government. The system, named the Interdepartmental Data Protocol (IDP), shall contain procedures for:

- collecting, storing, and retrieving data;
- sharing data between agencies;
- matching and synchronizing data between agencies;
- releasing data to political subdivisions or non-governmental entities; and
- protecting personal identifying information in shared or released data.

When the IDP is implemented, the Bill authorizes each State agency to share its data. No later than March 1, 2009, the CIO must deliver a report concerning the IDP to the Governor, and to the State, Veterans, and Military Affairs Committee of both houses of the General Assembly.

The Bill creates the Interdepartmental Data Protocol Cash Fund, and permits the CIO to seek and accept gifts, grants, and donations. The office shall not be required to implement the Bill until it has received at least \$113,500 in sponsorship. Monies in the fund are continuously appropriated to OIT for implementation of the Bill. In addition, on or before September 1, 2008, the Commissioner of Education and the Executive Director of the Colorado Department of Human Services (CDHS) shall convene representatives from the Colorado Department of Education (CDE), the CDHS, school districts, and other stakeholders to form a work group. The group shall adopt protocols for the assignment of uniquely identifying student numbers to children in government subsidized preschool or kindergarten programs. Further, the group shall consider methods to assign identifiers to children in non-subsidized preschools. The Commissioner of Education shall report to the CIO the findings of the work group, and the CIO shall incorporate these findings into the IDP report. The State Board of Education and the State Board of Human Services shall promulgate rules based on the adopted protocols.

## **Governor's Energy Office (GEO)**

### **Department Vision**

The Governor's Energy Office (GEO) mandate is to promote market-based solutions for economic development and minimize the true/total cost of energy for Colorado by removing market barriers, by improving access to information, access to financing, and access to technical assistance; kick-starting stalled markets; and streamlining regulatory burdens.

The generation and consumption of energy has vast implications for the health and safety of our State: our economy, our environment, and our citizens. Energy represents approximately 10% of Colorado's economy, nearly \$24B in economic activity.

Recently, Colorado has taken a unique national leadership in advancing all levels of clean energy from wind and solar to natural gas and clean coal technologies. Colorado has an excellent opportunity to grow and improve our energy market, but various factors prevent the natural expansion of this sector. These factors include market barriers, regulatory obstacles, biased information, and lack of awareness. GEO has cultivated an exceptional set of skills in-house that will address these barriers.

In their successful execution of the above programs, GEO built up technical capacity and a strong foundation of expertise in the energy industry. Additionally, GEO has received national recognition for their efforts, leading to Colorado's current standing as a leader in development and deployment of renewable energy.

As Colorado's population grows from 5 million to an expected 8.1 million in 2040, demand and consumption of energy will grow as well. More than ever, GEO's presence is necessary to ensure the wise use of our resources. GEO will work with both the public and private sector in overcoming the obstacles to energy efficiency and clean, renewable sources of energy. Ultimately, GEO's efforts will lead to job creation as business opportunities related to development of renewable and clean energy grow; greater energy security as Colorado increases its reliance on domestic and in-state resources; maintain consumer costs over time as market barriers for clean energy are reduced; and an improved environment as energy efficiency, clean technology, and renewable sources displace emission-heavy sources.

GEO is making a major shift away from an agency primarily focused on grant-making and administering programs to a strategic focus on stakeholder engagement, analytics, and the promotion of Colorado's energy industry to create jobs, provide energy security, lower long-term consumer costs, and protect the environment.

**Overview**

In 2009-10, the GEO moved to an office funded primarily with American Recovery and Reinvestment Act (ARRA) funding. The office received four significant ARRA grants to be administered between March 2009 and September 2012:

<b>Grant Name</b>	<b>Amount</b>	<b>Start – End Dates</b>	<b>Percent Completed as of 11/01/11</b>
Low-income Weatherization Assistance Program and Training	\$80,484,823	March 2009 – 2012	65%
State Energy Program	\$49,222,000	April 2009 – 2012	76%
Energy Efficiency and Conservation Block Grant	\$9,593,500	September 2009 – 2012	72%
State Energy Efficient Appliance Rebate Program	\$4,739,000	February 2009 - 2012	99%

2011 is a year of transition for GEO. At the beginning of FY 11, GEO had 33 non-Weatherization employees. Sixteen of those employees left voluntarily by October 2011, and the staff count has been reduced from 33 to 25. The 15 retained staff, one replacement hire and 5.5 temporary contract employees (21.5 FTE) are managing ARRA workload previously managed by 33 FTE. In the Weatherization Program, nine of the 14 original ARRA employees left GEO by October 2011. The current staff of nine employees and 1.5 temporary contract employees is managing the original workload of 14 FTE.

**Overview – ARRA Funded Activities**

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

**1. Residential Services**

GEO administers a new construction building codes program to help local governments implement energy effective codes' such as the 2006 and 2009 International Energy Conservation Code (IECC), training for building professionals. Using ARRA funds GEO greatly expanded code training and incentive programs for builders and lenders. In 2009 and 2010, the GEO ENERGY STAR program was awarded the National ENERGY STAR Partner of the Year award for GEO's ability to move the new construction market from a market share of 19% in 2008, to 32.7% in 2009 and 47% for 2010. For existing buildings, GEO's primary impact is through energy efficiency and renewable energy rebates. GEO has issued approximately \$11mm in rebate payments to Coloradans, leveraging \$90mm in investments.

2. Low Income Weatherization Services

This program provides energy efficiency retrofits to lower energy costs for low income individuals and families and to increase their financial stability. Federal funds may only be expended on families meeting the federal low income requirements defined as 200% of federal poverty level. GEO delivers services through contracts with regional weatherization service providers that provide service to all Coloradans. In addition to training, oversight and funding of the program, GEO runs a quality control division that audits the performance of these service entities and offers educational resources to improve the quality of the service. For FY11, the program weatherized 7,929 homes, created 330 jobs, and provided the occupants with an estimated \$1,068,353.46 in annual utility cost savings.

3. Commercial and Public Sector Services

GEO's Commercial Programs use a market-based model to advance energy efficiency and renewable energy. Energy Performance Contracting (EPC), which earmarks a portion of future energy savings to pay the upfront costs of the capital investment, is used to finance large scale investments in efficiency systems. The GEO has contracts with firms to provide 3<sup>rd</sup> party oversight and to work with the entities to ensure and monitor energy savings, provide technical assistance and guidance. This ensures the commercial and public entity's interests are being represented in negotiations. In 2007, HB 1309 dedicated significant resources over three years, now extended to 2017 by virtue of HB09-1312, to conduct EPCs on all of public K-12 school buildings. These funds will pay in-house performance contracting experts - saving hundreds of thousands of dollars in contracting costs and increasing kWh saved per dollar. Renewable energy systems are also used in the performance contracting process on the front end, through the initial performance contract, or on the back end if the savings exceed the contracted amount. In FY13, GEO will move this program to a fee-for-service model to ensure that the program is self-funded in the future. Kansas and Washington are two states that have done this successfully. The Energy Services Coalition provides support services for increasing the adoption of Performance Contracting in the states. In a national survey, Colorado ranked sixth nationally in the "race to the top" with these statistics:

Performance Contracting Completed:	\$252,788,228.00
Dollars Per Capita:	\$54.19
Number of Job Years Created:	2,748
Estimated Annual Source Energy Saved (million British	2,097,637

Thermal Units (BTU):

4. Renewable Energy Program

GEO's Renewable Energy Programs work with local communities and project developers around the state. The Renewable Energy Development Team (REDT) was created to support the GEO in charting Colorado's future as a leader in clean, renewable energy. The goal of the program is to identify renewable energy projects with the best likelihood of development, and to move eligible projects closer to success. No direct grant funding is available to applicants, but rather up to 120 hours of technical assistance is provided. In order to ensure optimal attention to each selected project, the REDT limits the number of projects chosen. The program supports projects that do not have the financial capabilities to move forward to an investor and/or project developer review stage. Applications for the REDT project are moved through a stage-gate review process, designed to ensure that the projects with the best opportunity for success advance. Projects that reach the final phase of the program are presented to a group of renewable energy project developers and potential investors. (GEO) has received national attention for pioneering partnership efforts with FERC and reducing barriers to small hydropower development. The FERC permitting process is complex, expensive, and prohibitive for most who wish to utilize a small hydro operation. In 2010 the Colorado GEO signed a Memorandum of Understanding with FERC to streamline the permitting process, leading the nation in an effort to make small hydropower permits more economical and accessible. In July 2011 GEO's REDT successfully used the new streamlined multi-agency review process to submit its first hydropower project conduit exemption application to FERC review in 180 days, a significant reduction over the current average which historically can take up to three years.

5. Public Information

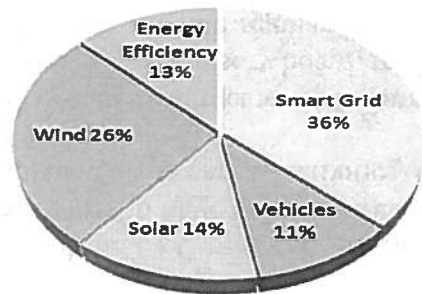
The ARRA public information strategy was to create a consumer-facing "retail" public interface through a platform known as "Recharge Colorado." The Recharge website ([www.rechargecolorado.com](http://www.rechargecolorado.com)) provides consumers with a one stop shop to search for available federal, state, local, and utility rebates, learn about energy efficiency techniques and benefits, and identify service providers. In late 2011, GEO moved the Recharge Colorado platform outside of state government to a non-profit organization, where it will continue to provide resources and information without state government control or funding.

6. Finance Program



The GEO invested \$13mm in ARRA funding in a revolving loan program. This program is administered by a finance manager and contracted through the Colorado Housing Finance Authority (CHFA). The bulk of the program is in the CHFA direct lending program which provides first in funding for capital investments. As of October 2011, 45% of the funds have been lent to borrowers and the remaining 55% of the funds are committed to loans scheduled to close within three to six months.

**Loan Portfolio Breakdown**



A portion (approximately \$1mm) is invested in the Colorado Credit Reserve Program which works through local lending institutions to provide banks with a loan guarantee of up to 15% on energy efficiency loans to businesses.

#### 7. Greening Government Program

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

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

This effort is advanced by a Greening Government Team consisting of a representative from each of the state’s agencies and coordinated by the Greening Government Program Manager within GEO. The Greening Government Program works with the Commercial Buildings program and advances the performance contracting program within state facilities. An example of the success of the Program is seen in the petroleum reductions in the State fleet:

	FY06*	FY07	FY08	FY09	FY10	FY11
Number of Vehicles	5,105	5,738	5,791	5,803	5,988	6,043
Change in % of Vehicles from Base Year	N/A	12.4%	13.4%	13.7%	17.3%	18.4%
Number of Petroleum Gallons	2,601,786	2,255,678	2,679,443	2,462,682	2,335,898	2,230,438
Change in % Petroleum from Base Year	N/A	-13.3%	3.0%	-5.3%	-10.2%	-14.3%

\* Base Year  
 Note that even with an 18.4% increase in vehicles that were added to the fleet between SFY06 and SFY11, petroleum consumption has reduced by 14.3%

### 8. Local Programs

Communities are uniquely positioned to achieve clean energy goals through local leadership and programs that deliver results specific to regional needs. Through the Energy Efficiency and Conservation Block Grant (EECBG) funding the GEO funded 19 Community Energy Coordinators (CECs) in Colorado's rural and mountain communities. CECs are local government or community non-profit employees who receive personalized guidance from the GEO, have access to clean energy tools and programs, and participate in twice-monthly training and networking sessions.

GEO created the CEC program for mountain and rural communities because we recognize that those communities are less likely than urban areas to have the infrastructure necessary to support clean energy. Moreover, GEO wanted to develop local capacity to ensure ongoing clean energy activities, rather than limiting our funding and efforts on projects that have finite start and end dates.

The CEC is under contract to GEO for approximately two years. He or she is responsible for the following deliverables:

- Convene an advisory board, made up of community stakeholders, who will assist with the development of a strategic energy plan and provide regular input and feedback regarding the progress of the CEC's energy and sustainability work in the community
- Develop a strategic energy plan (Strategy) to reduce fossil fuel emissions in the region
- Develop action plans to support the Strategy and coordinate implementation efforts
- Conduct monthly New Energy Economy community outreach and educational events, thereby improving energy literacy in the region
- Collaborate with other CECs and larger Colorado communities when appropriate

November 1, 2011  
Department Description

FY2012-13

The program launched in the second calendar quarter of 2010. The community feedback indicates that the structure is working. The CECs appreciate GEO's support, guidance, and technical assistance. The opportunity to collaborate and learn from one another is highly valued. GEO funding for the CECs will end in July 2012.

During a nine month period October 2010 – June 2011, the CECs hosted 382 events statewide and had face-to-face contact concerning energy issues with 11,195 people.

Going forward, the Department of Local Affairs' field representatives, will work with city and county governments, non-profit organizations, community groups and local utilities to develop and implement energy efficiency and renewable energy programs.

In their successful execution of the above programs, GEO built up technical capacity and a strong foundation of expertise in the energy industry. Additionally, GEO has received national recognition for their efforts, leading to Colorado's current standing as a leader in development and deployment of renewable energy. Ultimately, GEO's efforts will lead to job creation as business opportunities related to development of renewable and clean energy grow; greater energy security as Colorado increases its reliance on domestic and in-state resources; maintain consumer costs over time as market barriers for clean energy are reduced; and an improved environment as energy efficiency, clean technology, and renewable sources displace emission-heavy sources.

GEO identified the following top priorities for FY12:

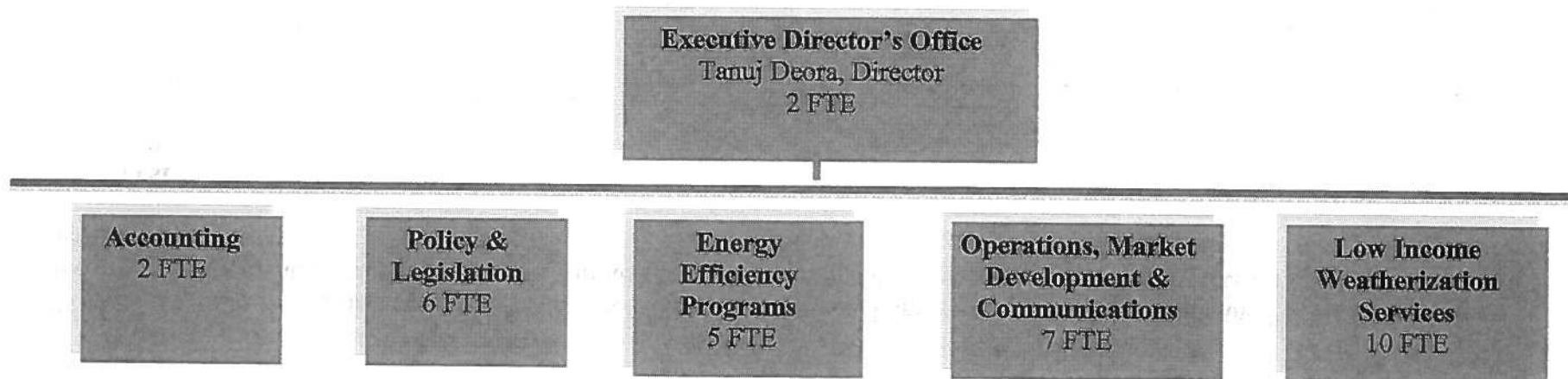
1. Conduct a stakeholder engagement process to evaluate the costs and benefits of Colorado's electric power sector and work to develop an energy portfolio that promotes sustainable economic development.
  - a. Establish a stakeholder process with participation from the electric power utilities, universities, consumer representatives, environmental groups, State and Federal Agencies, and fuel sector industries.
  - b. Deliver a consensus-based report on the analyses and policy recommendations to the Governor by May 31, 2012.
2. Increase the adoption of compressed natural gas (CNG) as a component of a balanced energy portfolio for transportation fuels, by:

- a. Signing an MOU to aggregate demand from local, state, and Federal fleets for annual purchases of CNG-capable vehicles from fleet owners in order to establish bulk order necessary to stimulate production by OEMs at an incremental cost less than \$7000 per vehicle by June 1, 2012.
  - b. Obtaining commitments from 25% of the State's specialty fleets (garbage trucks, municipal transit buses, school buses, etc.) to switch to CNG capable vehicles when their payback reaches 4 years or less by June 30, 2012.
3. Eliminating the roadblocks to residential and commercial energy efficiency financing by overcoming the existing market barriers through:
  - a. Identifying the preferred method for ensuring energy efficiency improvements are valued in the residential and commercial markets by working with local banks, utilities, and appraiser groups to issue a consensus-based market advisory document for Colorado energy efficiency financing by January 31, 2012.
  - b. Work with the Colorado appraisal community to issue an agreement in principal to develop a standardized process for credibly evaluating, valuing, labeling and documenting the energy performance of single family housing units by March 1, 2012,
4. Support the administration's efforts to boost the innovation ecosystem in the State of Colorado by:
  - a. Conducting and publishing a report analyzing the innovation ecosystem in the State's energy sector, identifying the strengths and weaknesses, analyzing the gaps, and developing a plan for evaluating the State's role by April 1, 2012.
  - b. Administering the GEO Revolving Loan Fund, including
    - i. Closing \$7 MM in additional loans by December 1, 2011, and
    - ii. Restructuring the program to increase the capital leverage for the use of funds returned to the program through repayment by May 1, 2012.
5. Increase the energy literacy in the State of Colorado to ensure informed and productive conversation on energy choices by the public, opinion-makers, business sector, elected representatives, and appointed officials, including:

- a. Moving the Recharge Colorado website and rebate program outside of state government to create a third party, not-for-profit run, source of retail energy information by April 1, 2012.
- b. Launching a new GEO website, which will provide easy access to the data from reports such as the GEO STAR report, jobs and investments studies, information about implicit and explicit costs, and project information for GEO programs by November 1, 2011.
- c. Developing and implementing a strategic plan to survey, evaluate, and address knowledge gaps across segments of the Colorado population by February 1, 2012.

**Governor's Energy Office**  
**32 FTE (as of July 1, 2012)**

Cash Fund: \$3,059,151 (requested) / General Fund \$ 0 / Federal Funds ~\$3.5mm / Other \$11mm (utility partner and LEAP)



**Background Information**

Originally formed by Executive Order in 1977, the precursor to GEO was charged with improving energy resource conservation. The mission of the office has evolved since that time to include energy efficiency and promotion of clean and renewable energy resources.

To support their evolving missions, GEO has also relied on a similarly evolving source of funds including the Petroleum Violation Escrow (PVE) account, annual federal grants, Limited Gaming funds, and most recently, the American Recovery and Reinvestment Act (ARRA).

**Prior Year Legislation**

The following energy-related bills became law in 2011:

Bill #	Title	Impact	Sponsor - 1st House	Sponsor - 2nd House	Status	Link to the Bill in its Current Form
SB11-159	Distribution of Limited Gaming Funds	Eliminated statutory transfer of Limited Gaming Funds to the Clean Energy Fund.	SEN (S) Steadman, Hodge, Lambert	REP (S) Ferrandino, Becker, Gerou, Murray	03/24/2011 Governor Action - Became Law	<a href="#">Current Bill</a>
HB 11-1199	Limit Government Fee Install Solar Energy Panel	Limits county permit, plan review, or other fees to install an active solar energy electric or solar thermal device or system to the county's actual cost or \$500 (residential) and \$1000 (non-residential).	Rep. Gardner B.	Sen. Mitchell	Signed into Law	Current Bill
HB 11-1083	Hydroelectricity & Pumped Hydroelectricity	The Public Utilities Commission may consider the cost-effective implementation of new energy technologies from: hydroelectricity and pumped hydroelectricity.	Rep. Swerdfeger	Sen. Giron Sen. Grantham	Signed into Law	Current Bill
HB 11-1160	Governor's Energy Office Green Building Incentive Program	Establish a green building incentive pilot program, if federal funds are available.	Rep. Gerou	None	Signed into Law	Current Bill
SB 11-045	Streamline Electric Power line Siting	Consider opportunities to improve existing siting and permitting processes applicable to	Sen. Johnston	Rep. Levy	Signed into Law	Current Bill

		electric transmission facilities, including the possible establishment of a single, statewide siting and permitting process for such facilities.				
--	--	--------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--	--

**Hot Issues**

Since 1983, the office has been funded by PVE, annual federal appropriations through grants from the U.S. Department of Energy, competitive grants, and state funds. PVE funds have been used for personnel costs and mandated match for federal grant monies. The use of these federal funds is restrictive. The fund has been depleted to roughly \$2.5mm.

SB07-246 created a Clean Energy Fund, to be administered by GEO for the purpose of advancing energy efficiency and renewable energy throughout the state. The fund was to consist of moneys transferred at the end of SFY07 and at the end of each succeeding state fiscal year from the limited gaming fund. Due to state budgetary concerns and the American Recovery and Reinvestment Act (ARRA) funds available to GEO, only two transfers were made to the fund, totaling approximately \$11mm.

GEO expected a transfer of approximately \$9.9mm from to the Clean Energy Fund for 2011-12. Those funds would have been available for expenditure in the 2012-13 Fiscal Year. However, in 2011 the JBC passed on to the full legislature SB11-159, which among other things stripped GEO of this funding source. On March 24, 2011, Governor Hickenlooper allowed SB159 to become law without his signature, requesting that the legislature restore funding to GEO. This request was not fulfilled in the 2011 legislative session.

Absent an alternative funding mechanism, GEO's scope would be reduced to the Low-income Weatherization Program and limited (~\$400,000) annual federal grants. This would result in a significant reduction in GEO staff and a missed opportunity for the energy industry and the state.

Funding for the Low-income Weatherization Program in the post-ARRA environment will be significantly lower. We estimate the program funding (all funding sources, federal LEAP and utility contributions) will decrease from the ARRA period level of \$40 million annually to \$12-15 million annually. This will result in the reduction of direct jobs associated with providing the services of the program across the 11 sub grantees and the reduction of households receiving Wx services, estimated to be approximately 4,000

annually. The additional requirement of adding the ASHRAE 62.2 standard (ventilation requirements) in July 2012 for weatherized homes could add \$500 - \$1,000 of additional costs to each home retrofit, thus requiring funding of \$2-\$4 million for this measure alone.

**Workload Indicators**

Workload indicators for GEO through FY11 were based on ARRA funding. FY12 Targets based on wrap-up if ARRA and some new initiatives. New FY13 workload indicators and performance metrics focused on stakeholder engagement, analytics, and the promotion of Colorado’s energy industry to create jobs, provide energy security, lower long-term consumer costs, and protect the environment are discussed in GEO’s strategic plan.

Governor’s Energy Office Key Workload Indicators

<b>Workload Indicators (Residential Programs)</b>	<b>FY 10 Target</b>	<b>FY 10 Actual</b>	<b>FY 11 Target</b>	<b>FY11 Actual</b>
Percentage of housing starts qualified as ENERGY STAR	25%	33%	35%	47%
Code Trainings Delivered in the state	0	13	24	87
Homes receiving insulation upgrades through “Insulate Colorado” Program or Recharge Colorado rebate program	2,000	1867	3000	7322
<b>Workload Indicators (Commercial Programs)</b>	<b>FY 10 Target</b>	<b>FY 10 Actual</b>	<b>FY 11 Target</b>	<b>FY11 Actual</b>
K-12 Efficiency Upgrades (Number of Districts in Performance Contract or other sustainable energy program )	60	83	100	68
Utility Bills Management Systems in Place	51	50	60	76
State Buildings Square Footage under Performance Contract	50%	53%	55%	66%



Number of Public Agency Partners in High Performance Building Program	20	38	20	23
Number of State-Assisted Facilities Meeting LEED Gold Target	6	0*	12	8
Number of Zero Energy Public Buildings in Colorado	1	1	1	1
Number of Attendees at GEO High Performance Building Trainings	240	956	1000	1723
<b>Workload Indicators (Renewable Energy Programs)</b>	<b>FY 10 Target</b>	<b>FY 10 Actual</b>	<b>FY 11 Target</b>	<b>FY11 Actual</b>
Solar Rebate Program – Residential Photovoltaic	1,350 kW	*351 kW	1,570 kW	2279 kW
Solar Rebate Program – Solar Residential Thermal Systems	1,200 kWe	*32 kWe	275 kWe	1456 kWe
Small Commercial Solar Thermal	397 kWe	*6 kWe	27 kWe	767 kWe
Small Commercial Photovoltaic	300 kW	*190 kW	730 kW	674 kW
Industrial Efficiency Program - participation by top 100 industrial customers	1.5 Trillion BTU saved from 10 companies	*NA	1.5 Trillion BTU saved from 10 companies	1.35 Trillion BTU from 9 companies
Number of Stations in Colorado offering bio-fuels	120	108	112	97

Gallons of biofuels sold	9.3M Gal	1.8M GAL	3.0M GAL	3.3
Woody Biomass Projects	10	5	5	7
Anaerobic Digestion Projects	1	0	1	0
<b>Workload Indicators (Carbon Fund)</b>	<b>FY 10 Target</b>	<b>FY 10 Actual</b>	<b>FY 11 Target</b>	<b>FY11 Actual</b>
Funds Collected for projects	\$1M	\$184,576	\$500,000	\$115,816
Tons CO2 Offset through Colorado Projects	50,000	0	23,000	20,518

	FY 12 Target
<b>Enabling Energy Efficiency Performance Metrics</b>	
% of homes reporting Green MLS features	0.025%
market penetration of jurisdictions covered by Green MLS	70%
\$\$ total mortgage amount in ENERGY STAR	\$19,200,000
# of banks offering ENERGY STAR Mortgage	2
% of homes to 2009 codes or better	65%
Number of plans to address barriers based on residential market study	3
MMBTU Saved in Industrial projects	350,000 MMBTUs
Number of plans to address barriers based on agricultural market study	3
# of furnances installed by EE Program	1086
<b>Developing Transmission for Internal/External Market Performance Metrics</b>	
Participate in the Western Governors' Association, Western Interstate Energy Board (WIEB)	2

November 1, 2011  
 Department Description

FY2012-13

Best siting practices implemented at the county level	2
<b>Greening Government Performance Metrics</b>	
Energy Savings achieved through Energy Performance Contract	5,008 metric tons
Percentage of state agency utility accounts tracked in EnergyCAP	82%
<b>Public Sector Resource Efficiency Energy Performance Contracting Performance Metrics</b>	
Total energy savings in the public sector through EPC	58,671 MMBTU
Total energy savings in the private sector through EPC	13,000 MMBTU
<b>Distributed Energy Generation through RE Program</b>	
Installed capacity of residential wind through RE Program	3,370 kW
Installed capacity of commercial wind through RE Program	230 kW
Installed capacity of residential solar thermal through RE Program	9,263 kBTU
Installed capacity of commercial solar thermal through RE Program	3,182 kBTU

