

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

This is the primary funding line for the Governor's Office. This line covers operating expenses for the Governor's Office including office supplies and materials, telecommunications, travel, training, printing, information technology updates and equipment maintenance and replacement. This appropriation provides funding to cover personnel and operating expenses in the Governor's Office(s). The offices funded within this line include: the Office of Policy and Research, the Legislative Liaison Office, the Legal Office, Press/Correspondence, Accounting and Administration. In addition, this line provides administrative, accounting, budgeting, and human resources support for these offices and for separately appropriated offices: Office of State Planning and Budgeting, the Governor's Energy Office, the Office of Homeland Security, the Office of Information Technology and the Office of Economic Development and International Trade.

**DISCRETIONARY FUND**

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

**MANSION ACTIVITY FUND**

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

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

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

**SHORT-TERM DISABILITY**

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

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

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

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

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

**SALARY SURVEY AND SENIOR EXECUTIVE SERVICE**

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

**PERFORMANCE-BASED PAY AWARDS**

Merit pay for employees based on performance and evaluations is funded by the performance-based pay awards line item. As with salary survey, all changes in yearly appropriations are based on this common policy and approved by the Joint Budget Committee. No changes/increases were approved for FY2008-09, FY2009-10, FY2010-11, FY2011-2012 and none are anticipated for FY2012-13.

**WORKERS' COMPENSATION**

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

**LEGAL SERVICES**

Legal representation for all divisions in the Department of Revenue is provided by the Department of Law. This line item pays for those services. The appropriation is based on the blended hourly rate, as set by the Joint Budget Committee every year, and the number of hours a department requires. The blended rate the Governor's Office is charged has traditionally increased every year. The amount requested for FY2012-13 reflects a decrease due to the a drop in the Lobato litigation expenses.

**PURCHASE OF SERVICES FROM COMPUTER CENTER**

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

**MULTIUSE NETWORK PAYMENTS**

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

**PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS**

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

**CAPITOL COMPLEX LEASED SPACE**

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

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

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

**SCHOOL ENERGY EFFICIENCY**

HB7-1309 dedicated significant resources over three years to conduct performance contracts on all public K-12 school buildings. These funds finance in-house performance contracting experts to evaluate school buildings energy use. HB09-1312 amended the original legislation to extend the sunset date of the program to 2017.

**LEGAL SERVICES**

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

**INDIRECT COST ASSESSMENT**

This appropriation shall be for indirect cost recoveries.

***(D) OTHER PROGRAMS AND GRANTS***

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

***(E) OFFICE OF HOMELAND SECURITY***

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

***PROGRAM ADMINISTRATION***

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

***GRANTS AND TRAINING***

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

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

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

***DISCRETIONARY FUND***

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

**COMMISSION ON INDIAN AFFAIRS**

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

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

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

**ECONOMIC FORECASTING EXPENSES**

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

**(5) OFFICE OF INFORMATION TECHNOLOGY****(A) MANAGEMENT & ADMINISTRATION OF OIT**

OIT Management & Administration is responsible for essential duties that impact not only the entire Office, but also a multitude of State agency customers. OIT Management & Administration provides the Office with strategic and operational management direction, policy formulation, serves essentially as the OIT Executive Director's Office, and is especially active in its coordination with all Executive Branch and Legislative Branch agencies. Further, as a result of the information technology consolidation implemented pursuant to SB 08 – 155, OIT required an adequate support staff to facilitate effective implementation of the legislation and central management of the enterprise including oversight, control and management associated with procurement, accounting, budgeting, project management, human resources and other necessary oversight and back-office functions. This statewide information technology management function directly supports the State CIO and state agencies and is supported through allocated billings to state agencies.

***PERSONAL SERVICES***

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

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

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

During the past three fiscal years, the appropriation has increased above the base level primarily as a result of SB 06 – 63, which added 3.0 FTE and ~\$250,000 to the base appropriation; other adjustments were the result of JBC approved base building salary increases (salary survey/achievement pay), and annual reductions as applicable as a result of OSPB and/or JBC base reductions as part of the "Option 8" calculation. The total appropriation for the current fiscal year is \$1,090,263 total funds and 13.0 FTE, and includes the impact of the FY 2011-12 PERA reduction. The FY 2012-13 request is for \$1,127,581 total funds (all re-appropriated) and 13.0 FTE and includes the reinstatement of the FY 2011-12 PERA reduction.

**OPERATING EXPENSES**

This line item supports the programmatic operating expenses associated with OIT Administration. The appropriation for the current fiscal year was at a continuation level of \$150,268 General fund, and the FY 2012-13 request is for \$558,817 which includes the continuation amount and a requested increase of \$408,549 associated with OIT Decision Item #4, "COFRAC Funding Increase".

***STATEWIDE INFORMATION TECHNOLOGY MANAGEMENT***

This line item was a new appropriation in FY 2008-09 pursuant to SB 08-155 and supports both the personal services and operating needs of the Statewide Information Technology Management unit and the associated functions identified above. The current appropriation is for \$5,016,353 re-appropriated funds and 68.9 FTE and reflects the impact of the FY 2011-12 PERA reduction. The FY 2012 - 13 request of \$5,233,061 and 68.9 FTE includes no year over year adjustment for base building salary survey and performance based pay but does include the reinstatement of the FY 2011-12 PERA reduction. For reference, the OIT schedule 3 submission and reconciliation identifies \$75,000 of this total as an estimate for the operating expenses component of this program line item.

***LEGAL SERVICES FOR 26 HOURS***

This line item appears in most state departments and offices and funding is appropriated so each department can purchase necessary legal services from the Department of Law including the purchase of services from both attorneys and paralegals. The current year Long Bill appropriation is for \$1,968 based upon the hours approved during FY 2011-12 figure setting and the FY 2012-13 base request for this line item is based upon a continuation level of hours and a continuation rate (as the actual rate will be approved by the JBC during Common Policy figure setting). Note that this line item also includes a requested increase of \$35,054 (re-appropriated funds) associated with OIT Decision Item #2, "OIT Legal Services Spending Authority Increase".

***INDIRECT COST ASSESSMENT***

Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General



Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs.

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

There had not historically been an indirect cost assessment calculated by the State Controller's Office for this program, however beginning with FY 2009 – 10 an assessment was made, and the FY 2011-12 assessment in the Long Bill is currently reflected at \$12,373 consistent with the FY 2011-12 Statewide Indirect Cost Plan. For FY 2012-13 the request reflects a continuation amount although the final FY 2012-13 amount will be determined during the figure setting process.

### ***(B) Computer Center Services***

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

#### ***(1) COMPUTER SERVICES***

##### ***PERSONAL SERVICES***

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

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

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

During the past several fiscal years, this appropriation has increased only as a result of JBC approved base building salary increases (salary survey/achievement pay), and the approved IT staff consolidation Decision Item from two fiscal years ago, and was reduced as a result of OSPB and/or JBC base reductions as part of the "Option 8" calculation. The appropriation for the current fiscal year is \$43,717,624 and 568.3 FTE and includes the impact of the FY 2011-12 PERA reduction. The FY 2012-13 request totals \$44,424,962 and 568.3 FTE and includes the reinstatement of the FY 2011-12 PERA reduction, and out-year annualization of multiple special bills from the 2011 Legislative session as identified in the schedule 3 and reconciliation.

### ***OPERATING EXPENSES***

This line item supports the operating expenses associated with Computer Services. The appropriation had been at a continuation level of \$6,181,350 for several fiscal years, but was reduced to \$5,468,149 beginning with FY 2010-11 as a result of budget balancing reductions, then increased as a result of SB 10-148. The 2011-12 base appropriation is \$5,761,199 (all re-appropriated funds with the

exception of \$2,328 of cash funds), although the current year and future year appropriations should be \$500,000 higher based on JBC action during FY 2011-12 figure setting that was not properly included in the Long Bill (this will be addressed via a technical supplemental request). Finally, the FY 2012-13 request is for \$5,754,871, which includes the impact of two FY 2012-13 Decision Items: OIT Decision Item #1, "OIT Leased Space Expansion", which reduces the line item by \$101,250 with a commensurate increase to the Governor's Office Leased Space line item; and OIT Decision Item #3, "DPA/EDW Transfer", which increases the line item request by \$94,922.

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

This line item supports the lease payments for the mainframe computer located at the Data Center at 690 Kipling Street in Lakewood. The appropriation has been constant for several fiscal years. The current appropriation remains at that level of \$336,034, and the FY 2012-13 request is at the same level.

#### ***INDIRECT COST ASSESSMENT***

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

Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed to them. The FY 2011-12 indirect cost assessment for Computer Center Services is \$1,096,776 and for FY 2012-13 the request reflects a continuation amount although the final FY 2012-13 amount will be determined during the figure setting process.

***(2) STATEWIDE INFORMATION TECHNOLOGY SERVICES ADMINISTRATION******PERSONAL SERVICES***

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

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

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

During the past several fiscal years, this appropriation has increased primarily as a result of JBC approved base building salary increases (salary survey/achievement pay), and was reduced as a result of OSPB and/or JBC base reductions as part of the "Option 8" calculation. The total appropriation for the current fiscal year is \$436,838 total funds and 5.0 FTE, and reflects the impact of the FY 2011-12 PERA reduction and the FY 2012-13 request is for \$444,303 (re-appropriated funds) and 5.0 FTE and includes the reinstatement of the FY 2011-12 PERA reduction.

## **OPERATING EXPENSES**

This line item supports the operating expenses associated with the Administration unit. The appropriation has been at a continuation level for several fiscal years, and the current appropriation of \$6,450 is also continued as the FY 2011-12 request.

### ***(3) CUSTOMER SERVICES***

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

### ***PERSONAL SERVICES***

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

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

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

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

During the past several fiscal years, this appropriation has increased only as a result of JBC approved base building salary increases (salary survey/achievement pay), and was reduced as a result of OSPB and/or JBC base reductions as part of the "Option 8" calculation. The total appropriation for the current fiscal year is \$821,429 total funds and 11.0 FTE, and includes the impact of the FY 2011-12 PERA reduction. The FY 2012-13 request is for \$840,574 and 11.0 FTE and includes the reinstatement of the FY 2011-12 PERA reduction.

#### ***OPERATING EXPENSES***

This line item supports the operating expenses associated with the Customer Services section. The appropriation has been at a continuation level for several fiscal years, and the current appropriation of \$14,625 is also continued as the FY 2012-13 request.

#### ***(4) TECHNOLOGY MANAGEMENT UNIT***

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

***PERSONAL SERVICES***

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

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

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

In recent fiscal years, this appropriation has increased annually as a result of JBC approved base building salary increases (salary survey/achievement pay), and was reduced as a result of OSPB and/or JBC base reductions as part of the "Option 8" calculation. The current appropriation is \$2,829,659 (all re-appropriated funds) and 32.5 FTE, and includes the impact of the FY 2011-12 PERA reduction; the FY 2012-13 request of \$2,886,684 and 32.5 FTE includes the reinstatement of the FY 2011-12 PERA reduction.

***OPERATING EXPENSES***

This line item supports the operating expenses associated with the Technology Management Unit. The appropriation had been at a continuation level of \$295,871 for several fiscal years, until FY 2007-08 when an additional \$201,505 of General fund was added based on SB 07-228. The FY 2008-09 appropriation increased to \$529,371 based upon the out year impact of SB 07-228, and the FY 2009-10 appropriation was reduced by \$165,000 based upon annualization associated with the same legislation. The FY 2011-12 appropriation is for \$364,371, and the FY 2012-13 request is at a continuation level, consistent with the current year Long Bill appropriation.

***(C) NETWORK SERVICES***

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

***(1) NETWORK SERVICES******PERSONAL SERVICES***

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

- All salaries and wages, including salary survey and performance based pay, whether paid to full-time, part-time, or temporary employees of the State, including the State's contribution to the Public Employees' Retirement Association (PERA), the



amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees.

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

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

During the past several fiscal years, this appropriation has increased only as a result of JBC approved base building salary increases (salary survey/achievement pay), and the approved IT staff consolidation Decision Item from two fiscal years ago, and was reduced as a result of OSPB and/or JBC base reductions as part of the "Option 8" calculation. The appropriation for the current fiscal year is \$7,445,818 reappropriated funds and 90.6 FTE, and includes the impact of the FY 2011-12 PERA reduction; The FY 2012-13 request is for \$7,590,673 and includes the reinstatement of the FY 2011-12 PERA reduction.

### ***OPERATING EXPENSES***

This line item supports the operating expenses associated with the provision of network and telecommunications services, including MNT. The appropriation fluctuated several fiscal years ago based upon the impact of the annual MNT statewide Decision Item and JBC figure setting action(s) that sought to realign the appropriation more closely to need in order to eliminate significant reversions. However, both the Department and JBC staff have historically been in agreement that reversions from this line item are not inherently negative, since the line item requires significant capacity to provision services annually based on customer need. For reference, the appropriation has been at a continuation level of \$16,200,371 (\$1,200,000 cash funds with the balance as re-appropriated funds) for the past several fiscal years, and the current year Long Bill appropriation is at the same level. The FY 2012-13 request is reduced by

\$33,750 to \$16,166,621 (\$1,200,000 cash funds and \$14,966,621 re-appropriated funds) as a result of the impact of OIT Decision Item #1, "OIT Leased Space Expansion" with a commensurate increase to the Governor's Office Leased Space line item.

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

This line item supports toll-free telephone access by private citizens outside the metropolitan area to members of the General Assembly. The appropriation has been at a continuation level of \$25,000 for several fiscal years, and the current appropriation, and the FY 2012-13 request, are at the same level.

### ***INDIRECT COST ASSESSMENT***

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

Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. As a result of annual changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed to them. The FY 2011-12 indirect cost assessment for Network Services is \$267,245, and the FY 2012-13 amount will be determined during the figure setting process.

### ***(2) ORDER BILLING***

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

***PERSONAL SERVICES***

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

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

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

During the past several fiscal years, this appropriation has increased only as a result of JBC approved base building salary increases (salary survey/achievement pay), and was reduced as a result of OSPB and/or JBC base reductions as part of the "Option 8" calculation. The total appropriation for the current fiscal year is \$607,422 total funds and 9.0 FTE, and includes the impact of the FY 2011-12 PERA reduction. The FY 2012-13 request is for \$620,946 and 9.0 FTE and includes the reinstatement of the FY 2011-12 PERA reduction.

***OPERATING EXPENSES***

This line item supports the operating expenses associated with Order Billing. The appropriation has been at a continuation level for several fiscal years, and the current appropriation of \$10,750 is also continued as the FY 2012-13 request.

***(D) COMMUNICATIONS SERVICES***

Communications Services plans, coordinates, integrates and provides effective and efficient Statewide Public Safety networks for the Departments of Public Safety, Transportation, Corrections, Natural Resources and many other State and local government agencies. The unit also provides engineering and design services to State and local governments using land based, mobile and microwave technologies. It works in consultation with local, State, and federal government departments, institutions, and agencies governed by the Federal Communications Commission to assist in formulating current and long-range telecommunications plans involving radio, microwave, wireless data, and public-safety radio communications systems. Since the beginnings of the Digital Trunked Radio project in 1998, the State has partnered with local government to purchase, build and maintain the Digital Trunked Radio System (DTR). The development and construction of DTR is consistent with the intent and requirements stated in HB 98-1068. The primary sources of funding for this unit are user charges associated with the Communications Services Common Policy and annual transfers per Long Bill annotation from the Public Safety Trust fund.

***PERSONAL SERVICES***

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

- All salaries and wages, including salary survey and performance based pay, whether paid to full-time, part-time, or temporary employees of the State, including the State's contribution to the Public Employees' Retirement Association (PERA), the

amortization equalization disbursement (AED), supplemental AED (SAED), short-term disability (STD) insurance, and the State's share of federal Medicare tax paid for state employees.

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

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

During the past several fiscal years, this appropriation has increased only as a result of JBC approved base building salary increases (salary survey/achievement pay), and was reduced as a result of OSPB and/or JBC base reductions as part of the "Option 8" calculation. The total appropriation for the current fiscal year is \$3,608,382 (all re-appropriated funds) and 46.0 FTE, and reflects the impact of the FY 2011-12 PERA reduction. The FY 2012 - 13 request of \$3,685,808 and 46.0 FTE includes the reinstatement of the FY 2011-12 PERA reduction.

### ***OPERATING EXPENSES***

This line item supports the operating expenses associated with the Communications Services section. The appropriation was at a continuation level of \$134,631 for several fiscal years and was increased based on JBC staff recommendation beginning with FY 2011-12 to \$183,231 (\$48,600 cash funds and \$134,631 re-appropriated funds). The FY 2012-13 base request is at a continuation level.

***TRAINING***

This line item is for the on-going training of telecommunications staff and to comply with OSHA regulations. The training includes winter survival training and Sno-Cat maintenance. The appropriation has been at a continuation level of \$22,000 for several fiscal years and the current appropriation and the FY 2012-13 request are at the same level.

***UTILITIES***

This appropriation supports utilities costs associated with the provision of communications services to State agencies. Prior to FY 2004-05, the annual appropriation was \$98,957. For FY 2004-05 and FY 2005-06 the appropriation was increased to \$140,352 based upon a JBC approved FY 2004-05 Supplemental and FY 2005-06 Budget Amendment which sought an increase to address rising utilities costs. The FY 2005-06 and FY 2006-07 appropriations were further adjusted based upon a FY 2005-06 Supplemental and FY 2006-07 Budget Amendment that increased the appropriation to \$165,002. The current appropriation and the FY 2012-13 request are for a continuation at the same level, \$165,002 total funds.

***LOCAL SYSTEMS DEVELOPMENT***

This appropriation supports preventative maintenance needs for the benefit of local governments, State agencies, and the Federal Government associated with legacy radio systems, DTR and microwave communication towers. The appropriation has been at a continuation level of \$121,000 (all federal funds) in recent fiscal years with the federal funds received from the National Oceanic and Atmospheric Administration (NOAA). The current appropriation and the FY 2012-13 request remain at that same level of \$121,000 federal funds.

***INDIRECT COST ASSESSMENT***

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

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

The current year indirect cost assessment for Communications Services is \$715,020 and the FY 2012-13 amount will be determined during the figure setting process.

***(E) COLORADO BENEFITS MANAGEMENT SYSTEM***

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

Technology optimization will be critical for future improvements and enhancements to CBMS but they will need to be managed effectively to be fully realized. While both HCPF and DHS are quite skilled in program administration, policy interaction, etc., OIT is much more appropriately positioned to support the technology infrastructure and applications components of the program.

In FY 2010-11 the CBMS appropriation in OIT was a program line that included personal services, operating expenses and contract costs. Based on JBC staff recommendation that was approved during FY 2011-12 figure setting, the program line was split out into two line items: one for personal services, and one for operating expenses and contract costs. Note however that CBMS funds are simply re-appropriated in OIT and the Department's of Human Services and Health Care Policy and Financing still provide all revenue for CBMS and retain CBMS line items in their respective budgets.

***PERSONAL SERVICES***

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

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

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

The total appropriation for the current fiscal year is \$4,500,517 (all re-appropriated funds) and 58.5 FTE, and reflects the impact of the FY 2011-12 PERA reduction. The FY 2012 - 13 request of \$4,592,223 and 58.5 FTE includes the reinstatement of the FY 2011-12 PERA reduction.



***OPERATING EXPENSES***

This line item supports operating and contract expenses for the CBMS program. The FY 2011-12 appropriation is for \$19,007,729 (all re-appropriated funds). The FY 2012-13 request is for \$20,326,888 and includes the impact of two FY 2012-13 Decision Items. First, OIT Decision Item #1, "OIT Leased Space Expansion", which reduces the appropriation by \$58,000 with a commensurate increase to the Governor's Office Leased Space line item; and Health Care Policy and Financing Decision Item #13, "CBMS Electronic Document Management System" which increases the request by \$1,257,600, all re-appropriated funds.

