

**Schedule 13**  
**Funding Request for the 2014-15 Budget Cycle**

**Department:** Office of Economic Development and International Trade

**Request Title:** Aerospace Strategic Plan Implementation & Champion

**Priority Number:** R-6

**Dept. Approval by:** [Signature] 10/24/13  Decision Item FY 2014-15  
 Date

**OSPB Approval by:** [Signature] 10/25/13  Base Reduction Item FY 2014-15  
 Date  Supplemental FY 2013-14  
 Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
<b>Total of All Line Items</b>	<b>Total</b>	2,854,207	-	2,711,988	175,000	-
	FTE	19.4	-	19.4	-	-
	GF	1,956,070	-	1,801,309	175,000	-
	GFE	-	-	-	-	-
	CF	540,000	-	540,000	-	-
	RF	-	-	-	-	-
	FF	358,137	-	370,679	-	-
<b>Economic Development Programs - Global Business Development</b>	<b>Total</b>	2,854,207	-	2,711,988	175,000	-
	FTE	19.4	-	19.4	-	-
	GF	1,956,070	-	1,801,309	175,000	-
	GFE	-	-	-	-	-
	CF	540,000	-	540,000	-	-
	RF	-	-	-	-	-
	FF	358,137	-	370,679	-	-

Letternote Text Revision Required? Yes:  No:  If yes, describe the Letternote Text Revision:

Cash or Federal Fund Name and COFRS Fund Number: Global Business Development Cash Fund

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes:  No:  Not Required:

Schedule 13s from Affected Departments:

Other Information:



**State of Colorado**  
**Office of Economic Development**  
**& International Trade**

**Priority: R-6**  
**Aerospace Strategic Plan Implementation and**  
**Aerospace Champion**  
**FY 2014-15 CHANGE REQUEST**

**Cost and FTE**

- This request is for a \$175,000 General Fund increase to continue the implementation of the Aerospace Strategic Growth plan. This is the same level of funding that was provided in FY 2013-14.

**Current Program**

- Through the Colorado Blueprint, the Governor's Office of Economic Development and International Trade (OEDIT) has convened stakeholders from across Colorado's key industries for the purpose of creating industry strategic growth plans. Significant work and effort was devoted to creating valuable strategic growth plans for the Aerospace and Military industry. Colorado partnered with Brookings Institution to create a national report entitled "Launch! Taking Colorado's Space Economy to the Next Level". Through its normal strategic planning process, OEDIT used this report as the foundation for creating an Aerospace Strategic Growth Plan.

**Problem or Opportunity**

- One of the largest issues identified in the Aerospace strategic plans was the need for a single industry "voice" or Aerospace Champion. The Aerospace Champion is responsible for being single-mindedly focused on the aerospace and defense industry. As such, the position is responsible for overseeing the implementation of the state's aerospace strategic plan and developing and implementing strategies surrounding the state's military bases, including leading efforts surrounding all Base Realignment and Closure ("BRAC") activities. The Champion will be a super-connector, strong voice, and passionate advocate and network builder that will unite the various industry networks and groups within aerospace and defense.

**Consequences of Problem**

- If funding is not provided for FY 2014-15, full implementation of the strategic growth plan will not take place which could negatively impact the growth of the aerospace industry in Colorado.

**Proposed Solution**

- FY 2014-15 funding will be used to continue to fund the Aerospace Champion position to enable completion of the implementation of prioritized action items contained in the Aerospace strategic plans. Funds will be used to align stakeholders and execute on prioritized strategic items set forth in the plans, including the alignment of our military assets in preparation of consolidation in the industry, workforce training and other priorities for the industry.



*FY 2014-15 CHANGE REQUEST*

*Priority: R-6 Aerospace Strategic Plan Implementation and Aerospace Champion  
Request Detail*

***Problem or Opportunity:***

Through the Colorado Blueprint, the Governor's Office of Economic Development and International Trade (OEDIT) has convened stakeholders from across Colorado's key industries for the purpose of creating industry strategic growth plans. Significant work and effort was devoted to creating valuable strategic growth plans for the Aerospace and Military industry. Colorado partnered with Brookings Institution to create a national report entitled "Launch! Taking Colorado's Space Economy to the Next Level." Through its normal strategic planning process, OEDIT used this report as the foundation for creating an Aerospace Strategic Growth Plan. An amount of \$175,000 was appropriated for FY 2013-14 in order to fund the hiring of an Aerospace Champion and the execution of certain items set forth in the Aerospace Strategic Growth Plan.

One of the largest issues identified in the Aerospace strategic plans was the need for a single industry "voice" or Aerospace Champion. The Aerospace Champion is responsible for being single-mindedly focused on the aerospace and defense industry. As such, the position is the state "director" for the aerospace and defense economy in the state of Colorado and is responsible for overseeing the implementation of the state's aerospace strategic plan and developing and implementing strategies surrounding the state's military bases, including leading efforts surrounding all Base Realignment and Closure ("BRAC") activities. The Champion will be a super-connector, strong voice, and passionate advocate and network builder that will unite the various industry networks and groups within aerospace and defense.

In addition to providing support and leading state-wide efforts relating to the implementation of action items set forth in the state's aerospace strategic plans and BRAC or military initiatives, specifically the Champion will:

- On behalf of Colorado, provide aerospace and defense leadership within the state, region, and the nation including conducting strategic business recruitment.
- Serve on Advanced Industries Advisory Council to develop a statewide shared vision for aerospace and defense as part of the larger Advanced Industries vision, builds understanding around that vision, and develops appropriate goals and strategies to advance such vision and mission.
- Establish annual performance measures that support the strategic plan and assists in leading OEDIT and the state in the implementation of the strategic plan.
- Engage in and/or commissions research that result in the recommendation of new programs and the modification or discontinuation of existing programs.
- Identify aerospace and defense dynamics including value chain and supply chain gap analysis, common needs through dialogue with regional key industry leaders, company officials, military officials and units of local government, and creates strategies to change gaps into opportunities.
- Support military installations and Department of Defense efforts during challenging and prosperous economic times, with a focus on veterans and working in tandem with Department of Military & Veterans Affairs (DMVA).

- Engage in proactive marketing and outreach efforts. As such serves as the public face of the industry in Colorado and externally, communicating the value and importance of the aerospace and defense industry as well as the vision for the future of the aerospace and defense industry in Colorado to citizens, companies, and legislators and at national events.

For FY 2013-14, the Aerospace Champion will convene stakeholders, coordinate with the federal delegation, create a roadmap for execution and ensure that Colorado's position is known locally and nationally relating to aerospace and military issues. OEDIT is requesting the continuation of funding for FY 2014-15 so that the Champion has the opportunity to effectively implement the Aerospace strategy, including assisting with Unmanned Aerial Systems or Near Space initiatives, building relationships with federal agencies such as the FAA, prioritizing aerospace priorities and ensuring Colorado has a coordinated position if military base downsizing occurs. By executing the action items in the Aerospace strategic plans, OEDIT is helping to grow the aerospace industry and safeguard our military assets which will lead to achievement of the department's top line goals of job growth, capital investment and increased exports.

OEDIT is often looked to as the champion or central convener to help to address issues identified in the growth plans. By having a dedicated funding source, a portion of which will be used to fund an Aerospace Champion, the department will be more organized and strategic in deploying resources and time across all industries and economic imperatives. By hiring a champion singularly focused on implementation of actions items relating to Aerospace and Military, progress can be achieved in a strategic, efficient and cost-effective manner.

#### ***Proposed Solution:***

OEDIT requests \$175,000 General Fund for FY 2014-15 to support an Aerospace Champion to lead the implementation of Colorado's Aerospace Strategic Growth Plan.

FY 2014-15 funding will be used to continue to fund the Aerospace Champion position to enable completion of the implementation of prioritized action items contained in the Aerospace strategic plans. Funds will be used to align stakeholders and execute on prioritized strategic items set forth in the plans, including the alignment of our military assets in preparation of consolidation in the industry, workforce training and other priorities for the industry. Specifically, funds will be used for the Aerospace Champion salary and benefits of approximately \$120,000 with the remaining funds used for assistance with aerospace and military issues such as FAA test site applications, national delegation trips, military site visits, stakeholder outreach, and consulting services.

#### ***Anticipated Outcomes:***

The Aerospace Champion will be responsible for promoting the interests of the aerospace and defense industry by assisting aerospace businesses, defense installations, and research institutions in establishing information networks with both government and the private sector. The Champion will assure a greater flow of information about aerospace and defense business enterprises and opportunities, and will provide economic research and information, with the ultimate goal of providing the best opportunities for sustainable growth of the aerospace and defense industries.

The anticipated outcomes for this proposal are the alignment of the aerospace industry and Colorado's military and defense assets as needed to implement on strategic growth imperatives. Outcomes will be measured by, among others, the number of action items completed, the number of military bases that remain open, the number of net new jobs, and the number of new aerospace and defense product exports. Action items in the Strategic Plan may include workforce training, UAS support, technology commercialization and branding of Colorado's aerospace industry. OEDIT anticipates that funding across federal, state, and local governments will be allocated more effectively with a strategic plan of action items identified by aerospace and defense industry leaders.

***Assumptions and Calculations:***

The assumptions used to calculate the request is that a person that is singularly focused on the aerospace industry will be much better able to implement on the diverse issues and action items contained in the Aerospace strategic plans. Because of the complexity of such issues and the diversity of stakeholders at the local, state and national level, such person must be a high-level executive warranting a higher level executive compensation commensurate with the required goals. In order to assist such Champion in carrying out his or her duties, a sufficient additional amount is needed to assist in the continued implementation and alignment of the industry. With this request, the state would continue to fund the Aerospace Champion and the second year of the execution of Aerospace Strategic Growth Plan. For years three and beyond, the Aerospace Champion will work with industry to create a sustainable funding model that does not rely on state funds at all but rather looks to industry for funding requirements.