

Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Governor's Office of Information Technology
 Request Title: Long Bill Restructure
 Priority Number: R-1

Dept. Approval by: *David B. King* 11/1/2013
 Date
 OSPB Approval by: *Grant M. ...* 10/30/13
 Date

- Decision Item FY 2014-15
 Base Reduction Item FY 2014-15
 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
Total of All Line Items	Total	141,484,954	-	123,077,223	-	-
	FTE	920.0	-	920.5	-	-
	GF	445,008	-	100,908	-	-
	GFE	-	-	-	-	-
	CF	1,550,928	-	1,250,928	-	-
	RF	139,368,018	-	121,604,387	-	-
	FF	121,000	-	121,000	-	-
(5) Office of Information Technology, (A) Management and Administration of OIT, Personal Services	Total	1,227,254	-	1,251,894	(1,251,894)	-
	FTE	14.5	-	14.5	(14.5)	-
	GF	99,673	-	100,908	(100,908)	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	1,127,581	-	1,150,986	(1,150,986)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (A) Management and Administration of OIT, Operating Expenses	Total	558,817	-	558,817	(558,817)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	558,817	-	558,817	(558,817)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (A) Management and Administration of OIT, Statewide IT Management	Total	5,319,745	-	5,449,040	(5,449,040)	-
	FTE	68.9	-	68.9	(68.9)	-
	GF	57,499	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	5,262,246	-	5,449,040	(5,449,040)	-
	FF	-	-	-	-	-

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
(5) Office of Information Technology, (A) Management and Administration of OIT, Information Technology Security	Total	1,075,700	-	1,075,700	(1,075,700)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	1,075,700	-	1,075,700	(1,075,700)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (A) Management and Administration of OIT, Legal Services for 489 Hours	Total	44,538	-	44,538	(44,538)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	44,538	-	44,538	(44,538)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (A) Management and Administration of OIT, Indirect Cost Assessment	Total	72,650	-	72,650	(72,650)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	72,650	-	72,650	(72,650)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (B) Computer Center Services, (1) Computer Services, Personal Services	Total	50,379,337	-	47,765,999	(47,765,999)	-
	FTE	584.0	-	584.5	(584.5)	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	50,379,337	-	47,765,999	(47,765,999)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (B) Computer Center Services, (1) Computer Services, Operating Expenses	Total	8,362,299	-	8,005,368	(8,005,368)	-
	FTE	-	-	-	-	-
	GF	230,337	-	-	-	-
	GFE	-	-	-	-	-
	CF	2,328	-	2,328	(2,328)	-
	RF	8,129,634	-	8,003,040	(8,003,040)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (B) Computer Center Services, (1) Computer Services, Rent, Lease or Lease/Purchase of Central Processing Unit	Total	336,034	-	336,034	(336,034)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	336,034	-	336,034	(336,034)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (B) Computer Center Services, (1) Computer Services, Indirect Cost Assessment	Total	151,894	-	151,894	(151,894)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	151,894	-	151,894	(151,894)	-
	FF	-	-	-	-	-

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
(5) Office of Information Technology, (B) Computer Center Services, (2) Statewide Information Technology Services Administration, Personal Services	Total	444,303	-	466,492	(466,492)	-
	FTE	5.0	-	5.0	(5.0)	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	444,303	-	466,492	(466,492)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (B) Computer Center Services, (2) Statewide Information Technology Services Administration, Operating Expenses	Total	6,450	-	6,450	(6,450)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	6,450	-	6,450	(6,450)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (B) Computer Center Services, (3) Customer Service, Personal Services	Total	840,574	-	882,574	(882,574)	-
	FTE	11.0	-	11.0	(11.0)	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	840,574	-	882,574	(882,574)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (B) Computer Center Services, (3) Customer Service, Operating Expenses	Total	14,625	-	14,625	(14,625)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	14,625	-	14,625	(14,625)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (B) Computer Center Services, (4) Technology Management Unit, Personal Services	Total	2,859,102	-	2,951,607	(2,951,607)	-
	FTE	32.5	-	32.5	(32.5)	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	2,859,102	-	2,951,607	(2,951,607)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (B) Computer Center Services, (4) Technology Management Unit, Operating Expenses	Total	364,371	-	364,371	(364,371)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	364,371	-	364,371	(364,371)	-
	FF	-	-	-	-	-

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
(5) Office of Information Technology, (C) Network Services, (1) Network Services, Personal Services	Total	7,518,106	-	7,757,866	(7,757,866)	-
	FTE	90.6	-	90.6	(90.6)	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	7,518,106	-	7,757,866	(7,757,866)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (C) Network Services, (1) Network Services, Operating Expenses	Total	17,618,488	-	16,224,120	(16,224,120)	-
	FTE	-	-	-	-	-
	GF	57,499	-	-	-	-
	GFE	-	-	-	-	-
	CF	1,200,000	-	1,200,000	(1,200,000)	-
	RF	16,360,989	-	15,024,120	(15,024,120)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (C) Network Services, (1) Network Services, Toll-Free Access to Members of the General Assembly	Total	25,000	-	25,000	(25,000)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	25,000	-	25,000	(25,000)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (C) Network Services, (1) Network Services, Indirect Cost Assessment	Total	39,295	-	39,295	(39,295)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	39,295	-	39,295	(39,295)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (C) Network Services, (2) Order Billing, Personal Services	Total	620,946	-	634,053	(634,053)	-
	FTE	9.0	-	9.0	(9.0)	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	620,946	-	634,053	(634,053)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (C) Network Services, (2) Order Billing, Operating Expenses	Total	10,750	-	10,750	(10,750)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	10,750	-	10,750	(10,750)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (D) Communication Services, Personal Services	Total	3,904,176	-	3,727,491	(3,727,491)	-
	FTE	46.0	-	46.0	(46.0)	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	300,000	-	-	-	-
	RF	3,604,176	-	3,727,491	(3,727,491)	-
	FF	-	-	-	-	-

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
(5) Office of Information Technology, (D) Communication Services, Operating Expenses	Total	183,231	-	183,231	(183,231)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	48,600	-	48,600	(48,600)	-
	RF	134,631	-	134,631	(134,631)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (D) Communication Services, Training	Total	22,000	-	22,000	(22,000)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	22,000	-	22,000	(22,000)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (D) Communication Services, Utilities	Total	183,768	-	183,768	(183,768)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	183,768	-	183,768	(183,768)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (D) Communication Services, Local Systems Development	Total	121,000	-	121,000	(121,000)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	121,000	-	121,000	(121,000)	-
(5) Office of Information Technology, (D) Communication Services, Indirect Cost Assessment	Total	67,827	-	67,827	(67,827)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	67,827	-	67,827	(67,827)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (E) Colorado Benefits Management System, Personal Services	Total	4,991,598	-	5,133,280	(5,133,280)	-
	FTE	58.5	-	58.5	(58.5)	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	4,991,598	-	5,133,280	(5,133,280)	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (E) Colorado Benefits Management System, Operating and Contract Expenses	Total	19,549,489	-	19,549,489	(19,549,489)	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	19,549,489	-	19,549,489	(19,549,489)	-
	FF	-	-	-	-	-

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
(5) Office of Information Technology, (E) Colorado Benefits Management System, CBMS Modernization Expenses	Total	14,571,587	-	-	-	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	14,571,587	-	-	-	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (A) OIT Central Administration, OIT Administrative Services (NEW LINE)	Total	-	-	-	8,731,699	-
	FTE	-	-	-	99.0	-
	GF	-	-	-	100,908	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	8,630,791	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (A) OIT Central Administration, Legal Services for 489 Hours (NEW LINE)	Total	-	-	-	44,538	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	44,538	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (A) OIT Central Administration, Indirect Cost Assessment (NEW LINE)	Total	-	-	-	331,666	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	331,666	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (B) IT Infrastructure and Business Services, IT Infrastructure and Business Services Administration (NEW LINE)	Total	-	-	-	557,255	-
	FTE	-	-	-	7.0	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	557,255	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (B) IT Infrastructure and Business Services, Infrastructure Services (NEW LINE)	Total	-	-	-	16,050,589	-
	FTE	-	-	-	123.5	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	16,050,589	-
	FF	-	-	-	-	-

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
(5) Office of Information Technology, (B) IT Infrastructure and Business Services, Business Services (NEW LINE)	Total	-	-	-	13,275,140	-
	FTE	-	-	-	170.0	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	13,275,140	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (C) Network Services, Network Services Administration (NEW LINE)	Total	-	-	-	1,106,078	-
	FTE	-	-	-	12.0	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	1,106,078	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (C) Network Services, Network and Telephony Services (NEW LINE)	Total	-	-	-	21,428,161	-
	FTE	-	-	-	65.5	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	1,248,600	-
	RF	-	-	-	20,058,561	-
	FF	-	-	-	121,000	-
(5) Office of Information Technology, (C) Network Services, Public Safety Communications (NEW LINE)	Total	-	-	-	4,357,490	-
	FTE	-	-	-	46.0	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	4,357,490	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (C) Network Services, Toll-Free Access to Members of the General Assembly (NEW LINE)	Total	-	-	-	25,000	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	25,000	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (D) Information Security, Information Security Services Administration (NEW LINE)	Total	-	-	-	346,374	-
	FTE	-	-	-	3.0	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	346,374	-
	FF	-	-	-	-	-

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
(5) Office of Information Technology, (D) Information Security, Information Security Services (NEW LINE)	Total	-	-	-	2,887,589	-
	FTE	-	-	-	22.0	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	2,887,589	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (E) Application Services, Application Services Administration (NEW LINE)	Total	-	-	-	2,708,311	-
	FTE	-	-	-	33.5	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	2,708,311	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (E) Application Services, (1) Application Services, Applications (NEW LINE)	Total	-	-	-	26,069,280	-
	FTE	-	-	-	274.5	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	2,328	-
	RF	-	-	-	26,066,952	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (E) Application Services, (1) Application Services, CBMS (NEW LINE)	Total	-	-	-	24,682,769	-
	FTE	-	-	-	58.5	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	24,682,769	-
	FF	-	-	-	-	-
(5) Office of Information Technology, (E) Application Services, (1) Application Services, CORE (NEW LINE)	Total	-	-	-	475,284	-
	FTE	-	-	-	6.0	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	475,284	-
	FF	-	-	-	-	-

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

Cash or Federal Fund Name and COFRS Fund Number: COFRS Fund 613

Reappropriated Funds Source, by Department and Line Item Name: User Charges

Approval by OIT? Yes: No: Not Required:

Schedule 13s from Affected Departments:

Other Information:



COLORADO

Office of Information Technology

Priority: R-1
Long Bill Restructure
FY 2014-15 Change Request

Cost and FTE

- The Office of Information Technology requests a realignment of its appropriations structure in the annual Long Bill consistent with the method IT funds are appropriated in Departments. This request does not increase spending authority or FTE.

Current Program

- The Office of Information Technology (OIT) provides services and support to all 19 Executive Branch Departments and each branch of the Colorado State Government. For FY 2013-14 OIT was appropriated \$141,484,954 and 920.0 FTE to provide these services.
- OIT provides financial reporting and rates for services to all Departments, OSPB, JBC, the Federal Government, and the Information Technology Oversight Committee.

Problem or Opportunity

- The current Long Bill structure largely predates OIT's consolidation and does not align with OIT's current organization, service delivery, or billing structure.
- The present structure inhibits OIT's ability to effectively use financial and personnel resources.
- The current True-Up process can result in the need for negative appropriations.

Consequences of Problem

- Senior management is unable to make budget-based decisions because their service portfolios are in multiple appropriations lines, which are shared with other senior management.
- Budget and accounting have increased opportunities for errors because services and appropriations are not in alignment. This has a spillover effect on the ability for customers to understand the OIT rate structure on specific services.
- The current structure does not allow for expansion of services or best utilization of funds because of the forced division between personal services and operating.
- The structural problem inhibits the ability for OIT to act quickly when specific needs are identified because of the barrier to utilizing personal service vacancy savings to purchase equipment during an emergency or unforeseen event.

Proposed Solution

- Restructure OIT's Long Bill format to be more in line with existing operations which supports OIT's strategy for IT service management, particularly with the inclusion of program lines.
- Restructure the Common Policy line items in department appropriations to consolidate from five IT lines to a single "Payments to OIT" line.
- The restructuring of the requested line items will enable OIT to meet the changing needs of its customers while providing transparency through regular reporting.
- This budget neutral solution combines small program appropriations with the services supported, and otherwise aligns budgets by organizational structure and services provided.
- Outcomes will be measured through visibility in reporting and rate calculation.
- Provide relevant and reliable data to support annual planning, budget, and reporting.

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COLORADO

Office of Information Technology

FY 2014-15 Funding Request | November 1, 2013

John W. Hickenlooper
Governor

Kristin D. Russell
Secretary of Technology and
Chief Information Officer

Department Priority: R-1
Request Detail: Long Bill Restructure

Summary of Incremental Funding Change for FY 2014-15	Total Funds	General Fund
Long Bill Restructure	\$0	\$0

Problem or Opportunity:

History and Background

The current Long Bill structure has been in place since the creation of the Governor's Office of Information Technology (OIT), but most of the structure predates OIT's consolidation and is a remnant of the Division of Information Technology in the Department of Personnel and Administration. This structure does not align with OIT's current organizational structure, its service delivery structure, or its service rate structure; this inhibits the ability to effectively utilize personnel and financial resources.

Specific instances

Program Lines

The separation of appropriations for personnel and operating expenses creates a hurdle to efficiency. The prescriptive budgetary structure compels departments to eschew opportunities for more effective operations through the exchange of operating expenses for personal services (or vice versa). Within IT, today's personal service funds are tomorrow's operating funds. Developing new services to deliver to Departments requires a reliance on personal services for internal staff to establish protocols for services delivery. However, after a service is available, OIT can frequently transition some of the expenses to outside vendors (operating funds) to maximize different resources. For example, a line of business application may be developed by OIT staff, but after it is in operating the hosting is transferred to the Cloud. This in turn frees the work time of staff to proceed with the development and delivery of a new service utilizing personal service funds.

The outlined limitations on the flow of funds between personal services and operating expenses frequently prohibit the timely replacement of aging equipment because operating funds are not available and holding vacancies does not free up usable funds. It can also restrict the implementation of time-saving technologies for the same reason. There is the further potential to facilitate circumstances that create backlogs, and allow for degradation in the level of service provided to Departments and their customers.

Improving flexibility in the connection between personal services and operating expenses is a critical component to allowing State departments to operate like private sector entities. For example, OIT

offers multiple services to state agencies with regards to hosting. This can be server hosting, applications hosting, or enterprise Cloud hosting. Under the existing appropriations format, only traditional hosting is feasible because it is a service heavy in personal services and low in operating. However, as OIT transitions some hosted services to the Cloud and contracts with outside vendors the financial burden shifts from personal services to operating. OIT could most efficiently and effectively utilize limited funds and keep up with changing trends in technology through the use of program lines. As OIT further expands the State's service catalog and explores new technological deliveries to state agencies, OIT will be limited in its ability to maximize the use of state funds without a transition to program lines.

Crossed control

As OIT has evolved and changed the way it performed business from the Division of Information Technology, the appropriations housing for services began to cross managerial lines. Within the Long Bill, the existing appropriation of (5) *Office of Information Technology, (B) Computer Center Services, (1) Computer Services, Personal Services and Operating Expenses* houses several IT services provided to state agencies; included are "Service Desk" and "Applications". Originally, this was a logical association as the staff responding to problems were the ones who ran programs; however, as OIT has evolved to mirror private sector specialization the "Service Desk" function has been housed with the Chief Operations Officer, while "Applications" has been housed with the Chief Technology Officer. This creates a situation in which neither member of senior leadership has complete control over their appropriated line and results in a crossed control, or shared control, of the appropriation. This means that neither leader can efficiently utilize appropriated FTE or funds because of diverging responsibilities and priorities. This situation is mirrored across Long Bill line items.

Service appropriations

OIT services are a counter example to crossed control. As OIT's service delivery and responsibilities evolved, different segments of OIT became accountable for related activities. However, without allocating personnel and funding in the same lines the potential for efficiency and leveraging resources is lost. For example, OIT provides "IT Security" via the Chief Information Security Officer appropriated in (5) *Office of Information Technology, (A) Management and Administration of OIT, Office of Information Security Program* (an existing IT program line). OIT also provides "Security Enterprise Infrastructure" for the network as appropriated in (5) *Office of Information Technology, (C) Network Services, (1) Network Services, Personal Services and Operating Expenses*. These related services could better leverage staff and funding by having their appropriated assignments in the same line or same section of the Long Bill.

Common Policy

Presently, every department in state government has up to five IT Common Policy lines in its annual appropriations. The Common Policy lines can include any combination of: Management and Administration of OIT, Purchase of Services from the Computer Center, Colorado State Network, Communications Services Payments, and Information Technology Security. These five categories force artificial walls around the services delivered to agencies in the same way that the program line and service home issues outlined previously do. This is of particular importance when each fiscal year comes to a close and OIT performs a True-Up of projected service utilization and actual service utilization. OIT performs this analysis on a service-by-service level that becomes aggregated into the five Common Policy lines. It is not uncommon for departments to see a significant single line increase while another line decreases by an equivalent amount due to OIT better leveraging resources or negotiating contracts.

Departments are then forced to fund split and track tremendous amounts of information for documenting swings when their total fiscal impact can be quite small. For example, as part of the True-Up for FY 2012-13, the Department of Personnel and Administration experienced the following Common Policy allocation adjustments:

Common Policy	Adjustment
Management and Administration of OIT	(\$1,258)
Purchase of Services from the Computer Center	\$124,952
Colorado State Network	(\$111,813)
Communications Services Payments	\$111
Total	\$11,992

Two of the four Common Policy lines experience significant swings in terms of allocation amounts. Under the existing approach the department would be forced to provide submission documentation and fund splitting efforts for these swings. However because the net of all changes was only \$11,992 the actual fiscal impact to the Department was not as severe as the adjustments would make it appear.

Because service level information is provided to departments, they already perform fund splits in the financial transactions based on a level of data of greater specificity than the appropriation. Five Common Policy lines is an administrative burden to OIT and the departments.

Proposed Solution:

General

The Governor’s Office of Information Technology (OIT) requests the consolidation and restructure of the existing Long Bill format with no net impact to current staffing or funding levels in an effort to improve the Department’s budgetary efficiency and flexibility. OIT further requests that the five Common Policy lines appropriated to Departments be consolidated into a single “Payments to OIT” line item. Consolidating line items will enable OIT to maximize resources while minimizing the need to make funding requests to meet unanticipated needs or program initiatives.

The proposed consolidation is part of a larger effort to increase the operational efficiency of State agencies. However, like all other agencies that receive line item consolidations, OIT must provide:

- Specific reporting of how OIT has expended Personal Services and Operating Expenses in two prior fiscal years;
- Estimates of how OIT anticipates expending the Personal Services and Operating Expenses appropriations in the current fiscal year and the request year; and
- Narrative description of how the department has made use of the enhanced budgetary flexibility to improve service delivery to Colorado’s citizens.

Solution

OIT requests the structure outlined and explained below:

(5) OFFICE OF INFORMATION TECHNOLOGY
(A) OIT Central Administration
OIT Administrative Services
Legal Services for 489 hours
Indirect Cost Assessment
(B) IT Infrastructure and Business Services
IT Infrastructure and Business Services Administration
Infrastructure Services
Business Services
(C) Network Services
Network Services Administration
Network and Telephony Services
Public Safety Communications
Toll-free Telephone Access to Members of the General Assembly
(D) Information Security
Information Security Services Administration
Information Security Services
(E) Applications Services
Applications Services Administration
<i>(1) Applications Services</i>
Applications
CBMS
CORE

The proposed consolidation and restructure of OIT's Long Bill format would allow OIT to use existing resources more effectively. Each of the Long Bill Groups includes Division Administration to provide for services, management, or shared resources among multiple services as well as service portfolios grouped topically.

OIT Central Administration would serve as both the equivalent of an Executive Director's Office as well as providing the centralized management and administration of OIT that does not pertain to individual services. This group provides the organization with strategic and operational management direction, policy formulation, and financial management. Organizational units or activities include the State Chief Information Officer (CIO), the Chief Financial Officer (procurement, accounting, budgeting), Human Resources, strategic communications, enterprise architecture and service management, IT innovation, and shared administrative functions, among others. Existing appropriations being merged here include parts of Management and Administration of OIT, Computer Services, and Statewide Information Technology Services Administration.

IT Infrastructure and Business Services would provide enterprise-level technology services to State agencies by maintaining the computing and network infrastructure by customers to accomplish respective business functions. This infrastructure includes central data center facilities, enterprise desktop support and help desk/service center functionality, mainframe hosting, e-mail hosting, database services, physical servers, virtual servers, and storage. Existing appropriations being merged here include parts of Computer Services, Statewide Information Technology Services Administration, and Customer Service.

Network Services would provide services and support for the Colorado State Network (CSN), the Digital Trunked Radio System, and telecommunications infrastructure. CSN provides 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, and maintaining the core network at optimal levels. Network Services would also provide services and support the Public Safety Communications [Digital Trunked Radio System (DTRS)]. DTRS provides a statewide, standard-based interoperable radio system for the public safety agencies and first responders. Users include State of Colorado, Local Governments, Federal Agencies, and Tribal Agencies. Services include daily radio programming, failure repairs, preventative maintenance, user training, and site development engineering. For voice/telecommunications, OIT provides the planning, provisioning, installation, administration and maintenance for telephony systems and voice applications supporting several thousand State staff in more than two dozen locations. Existing appropriations being merged here include parts of Computer Services, Network Services, Order Billing, and Communication Services.

Information Security would provide enterprise-wide IT related cyber security functions including assessment, monitoring, remediation and process implementation. The Office of Information Security (OIS) is the single State source for cyber security readiness and awareness. Working closely with federal, State, local and private sector partners, the OIS actively gathers and analyzes information on cyber threats and vulnerabilities presenting risks to the State's information systems, networks and applications. Existing appropriations being merged here include parts of Management and Administration of OIT, Computer Services, and Network Services.

Application Services would provide enterprise-wide IT computing services for state agencies and other customers. The Applications line item includes the management of 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) and multiple statewide personnel, payroll and benefits systems. 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 for financial management and human resources personnel in all State agencies. As presently envisioned with the Applications Services sub-group, *Applications* would be large and multi-service encompassing, but specific applications could be called out based on either funding stream necessity, or General Assembly desire. Such examples are presently listed as Colorado Benefits Management System (CBMS) and the COFRS Modernization (CORE). Over time these applications could be merged into *Applications*, while new applications in the future could be specifically delineated for tracking purposes. Existing appropriations being merged here include parts of Computer Services, the Technology Management Unit, and the Colorado Benefits Management System.

Anticipated Outcomes:

Consolidation and realignment of the requested line items will enable OIT to meet the changing needs of customers while providing transparency in reporting to the State. OIT will be better able to seamlessly transition the utilization of funds between services within topical organizations and transition from OIT provided personal services to vendor contracted operating costs.

Assumptions and Calculations:

This request has no net impact on funding or staffing levels.

Attachment A includes a visual aid for the origin and destination of appropriations in the current FY 2013-14 structure and the requested FY 2014-15 structure.

Attachment B includes a visual aid for the location of organizational units, responsibilities, or services with appropriations in the requested FY 2014-15 structure. The list provided is incomplete due to the number of services provided.

Attachment A: Appropriations Crosswalk

5) OFFICE OF INFORMATION TECHNOLOGY	(A) OIT Central Administration				(B) IT Infrastructure and Business Services				(C) Network Services				(D) Information Security			(E) Applications Services						
	OIT Admin Svcs		Legal Svcs	Indirects	Admin	I/F Services		Bus Services	Admin	N/W & Tele		PSC	Toll-Free	Admin	Info Sec Svcs		Admin	(1) Applications Services				
		FTE				FTE	FTE	FTE		FTE	FTE	FTE		FTE	FTE		FTE	Apps	CBMS	CORE	FTE	
A) Management and Administration of OIT																						
Personal Services	\$	FTE																				
Operating Expenses	\$																					
Statewide IT Management	\$	FTE																				
Office of Information Security Program															\$							
Legal Services for 489 hours			\$																			
Indirect Cost Assessment				\$																		
B) Computer Center Services																						
<i>(1) Computer Services</i>																						
Personal Services	\$	FTE			\$	FTE	\$	FTE	\$	FTE				\$	FTE	\$	FTE	\$	FTE			
Operating Expenses	\$				\$		\$		\$					\$		\$		\$				
Rental, Lease, or Central Processing Unit							\$															
Indirect Cost Assessment				\$																		
<i>(2) Statewide Information Technology Services Administration</i>																						
Personal Services	\$	FTE			\$	FTE			\$	FTE												
Operating Expenses	\$				\$				\$													
<i>(3) Customer Service</i>																						
Personal Services							\$	FTE														
Operating Expenses							\$															
<i>(4) Technology Management Unit Customer Service</i>																						
Personal Services																		\$	FTE		\$	FTE
Operating Expenses																		\$				
C) Network Services																						
<i>(1) Network Services</i>																						
Personal Services									\$	FTE	\$	FTE			\$	FTE	\$	FTE				
Operating Expenses									\$		\$		\$		\$		\$					
Toll-free Telephone Access to Members of the General Assembly														\$								
Indirect Cost Assessment				\$																		
<i>(2) Order Billing</i>																						
Personal Services									\$	FTE	\$	FTE										
Operating Expenses											\$											
D) Communication Services																						
Personal Services												\$	FTE									
Operating Expenses												\$										
Training												\$										
Utilities												\$										
Local Systems Development												\$										
Indirect Cost Assessment				\$																		
E) Colorado Benefits Management System																						
Personal Services																			\$	FTE		
Operating and Contract Expenses																			\$			
CBMS Modernization Expenses																			\$			

Attachment B: Responsibilities and appropriations (not exhaustive)

Long Bill Line	Functions / Components
(5) OFFICE OF INFORMATION TECHNOLOGY	
(A) OIT Central Administration	
OIT Administrative Services	Chief Information Officer Human Resources Chief Financial Officer Communications Business Development Enterprise Architecture IT Innovation
Legal Services for 489 hours	Legal Services
Indirect Cost Assessment	As assessed
(B) IT Infrastructure and Business Services	
IT Infrastructure and Business Services Administration	Shared resources
Infrastructure Services	Data Center Housing Mainframe Middleware Server Hosting Server Storage E-Mail
Business Services	Service Desk Deskside Support
(C) Network Services	
Network Services Administration	Shared resources
Network and Telephony Services	CSN Voice Services Data Services
Public Safety Communications (PSC)	Digital Trunked Radio
Toll-free Telephone Access to Members of the General Assembly	Toll-Free Access
(D) Information Security	
Information Security Services Administration	Shared resources
Information Security Services	Security Enterprise Infrastructure IT Security
(E) Applications Services	
Applications Services Administration	Shared resources

<i>(1) Applications Services</i>	
Applications	
	Kronos
	CPPS
	CMS
	Electronic Data Warehouse
	Line of Business Applications
CBMS	
	CBMS
CORE	
	CORE