

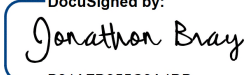
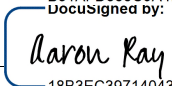
Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-02 (CEO) Redirect Funds from Cultivators Energy Management

Dept. Approval By:		_____	_____	Supplemental FY 2020-21
OSPB Approval By:		_____	_____	Budget Amendment FY 2021-22
			X	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$6,522,356	\$0	\$6,522,356	(\$130,419)	(\$130,419)
FTE		24.8	0.0	24.8	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$2,890,670	\$0	\$2,890,670	(\$130,419)	(\$130,419)
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$3,631,686	\$0	\$3,631,686	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$6,522,356	\$0	\$6,522,356	(\$130,419)	(\$130,419)
FTE		24.8	0.0	24.8	0.0	0.0
01. Office of the Governor, (C) Colorado Energy Office, (1) Colorado Energy Office - Program Administration	GF	\$2,890,670	\$0	\$2,890,670	(\$130,419)	(\$130,419)
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$3,631,686	\$0	\$3,631,686	\$0	\$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Governor's Office Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact

Colorado Energy Office



FY 2021-22 Funding Request

Nov 2, 2020

Jared Polis
GovernorWill Toor
Executive Director

Department Priority: R-02
Request Detail: Redirect Funds from Colorado Cultivator's Energy Management

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$14,737,250	\$14,606,831	(\$130,419)	(\$130,419)
FTE	24.8	24.8		
General Fund	\$3,333,421	\$3,203,002	(\$130,419)	(\$130,419)
Cash Funds	\$7,536,204	\$7,536,204		
Reappropriated Funds	\$0	\$0		
Federal Funds	\$3,867,625	\$3,867,625		

Summary of Request:

In order to protect critical General Fund supported programs, the Colorado Energy Office (CEO) requests the ongoing discontinuation of the Colorado Cultivator's Energy Management program, totaling \$130,419 of CEO's General Fund budget.

This request does not result in a reduction of FTE as the programs are supported by only a portion of an FTE which will be redirected to other program areas.

The Colorado Cultivator's Energy Management program has developed a theory of change, identified outputs, and assessed outcomes, but has not been systematically reviewed through a rigorous outcome evaluation.



Current Program:

The Program Administration line is primarily used for staff compensation and operational costs associated with the Office's highest priority programs. Programs supported by the Program Administration line include:

- The Executive Director's Office and CEO Policy team, which help steer the policy agenda of the office, represents the office at the General Assembly, and coordinates interventions in proceedings in front of environmental commissions like the Public Utilities Commission (PUC) and the Air Quality Control Commission (AQCC).
- A portion of the Transportation Fuels & Technology team, which works to reduce transportation emissions by implementing zero emission transportation technologies through policy, infrastructure grant funding, education, and outreach.
- A portion of the Building Innovation and Energy Finance team, which works to reduce energy consumption, lower energy costs for buildings and facilities, and increase access to energy efficiency and renewable energy through financing options.

Originally launched as a pilot in FY 2019-20, based on CEO commissioned research, the Colorado Cultivator's Energy Management Pilot Program currently provides energy management services to 15 cannabis growers located in communities across the state of Colorado.

Problem or Opportunity:

In order to protect higher priority programming, CEO has identified the Cannabis Energy Efficiency program for discontinuation to reduce General Fund expenditures.

Proposed Solution:

The Colorado Energy Office (CEO) requests a reduction of \$130,410 General Fund in FY 2021-22 and ongoing to the Program Administration line. This action will result in the discontinuation of the Colorado Cultivator's Energy Management Program at CEO.

As noted above, General Fund in the Program Administration line of the long bill supports a number of high priority program areas at CEO. The majority of these programs are limited in their ability to achieve General Fund reductions. While most of CEO's programming is eligible for federal matches, the Colorado Cultivator's Energy Management Program is not eligible for federal dollars.

Anticipated Outcomes:

CEO will discontinue operation of the Colorado Cultivator's Energy Management program for the cannabis industry.

Assumptions and Calculations:

FY20-21: Program costs are based on FY20-21 budget for the Colorado Cultivator's Energy Management Program

Cannabis: (\$130,419)

Total: (\$130,419)

FY21-22: Program costs are based on FY20-21 budget for the Colorado Cultivator's Energy Management Program

Cannabis: (\$130,419)

Total: (\$130,419)

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

If applicable, briefly describe supplemental or budget amendment criteria this request meets.

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-02 (OEDIT) Cannabis Opportunity Program

Dept. Approval By: _____	DocuSigned by: <i>Jonathon Bray</i>	_____	Supplemental FY 2020-21
OSPB Approval By: _____	DocuSigned by: <i>L Teater</i>	_____	Budget Amendment FY 2021-22
	2F16D039E6BD47F...	X	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$5,658,237	\$0	\$5,658,237	\$150,000	\$150,000
FTE		5.8	0.0	5.8	1.0	1.0
Total of All Line Items Impacted by Change Request	GF	\$5,444,445	\$0	\$5,444,445	\$0	\$0
	CF	\$213,792	\$0	\$213,792	\$150,000	\$150,000
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$5,658,237	\$0	\$5,658,237	\$150,000	\$150,000
04. Economic Development Programs, (A) Economic Development Programs, (1) Economic Development Programs - EDC - General Economic Incentives & Marketing	FTE	5.8	0.0	5.8	1.0	1.0
	GF	\$5,444,445	\$0	\$5,444,445	\$0	\$0
	CF	\$213,792	\$0	\$213,792	\$150,000	\$150,000
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation?	YES
Type of Request?	Department of Governor's Office Prioritized Request
Interagency Approval or Related Schedule 13s:	No Other Agency Impact

Office of Economic Development and International Trade

FY 2021-22 Funding Request

November 2, 2020

Jared Polis
GovernorBetsy Markey
Executive Director

Department Priority: R2
Request Detail: Cannabis Opportunity Program

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	N/A	N/A	\$150,000	\$150,000
FTE	N/A	N/A	1.0	1.0
General Fund	N/A	N/A	\$0	\$0
Cash Funds	N/A	N/A	\$150,000	\$150,000
Reappropriated Funds	N/A	N/A	\$0	\$0
Federal Funds	N/A	N/A	\$0	\$0

Summary of Request:

The Office of Economic Development & International Trade (OEDIT) is requesting \$150,000 from the Marijuana Tax Cash Fund on an ongoing basis for 1.0 FTE to establish a new cannabis opportunity program, as well as workshops and business support staff for the program. This program, which will have associated authorizing legislation, will authorize a variety of ways, both technical and financial, in which OEDIT can support cannabis entrepreneurs, including those that meet the criteria established by the Marijuana Enforcement Division (MED) of the Department of Revenue for their Social Equity licenses established in HB20-1424. One such way to help these entrepreneurs will be through providing technical assistance services, which this FTE will launch, as well as managing a capital incentive program (grants and loans) that could be funded in future fiscal years.

HB20-1424 created in statute a process for identifying and removing bureaucratic hurdles at MED for people who traditionally are denied access to the existing business creation structure. As called for in HB20-1424, this proposal and the accompanying legislation will aim to tackle the next barriers to entry: access to technical assistance and start-up capital. By setting up incentives at OEDIT, specifically for under-served communities recovering from decades of the war on drugs, this office would open up pathways for small businesses in Colorado's cannabis industry.

Current Program:

OEDIT supports businesses through a variety of financial and technical assistance programs. Many of the financial assistance programs are available to cannabis-related businesses, depending on the specific eligibility requirements for each program. However, technical assistance is not available due to federal prohibitions. For technical assistance, OEDIT's Small Business Development Center (SBDC) Network helps small businesses statewide achieve their goals by providing free, confidential consulting and low- or no-cost training programs. The SBDC combines information and resources from federal, state, and local governments with those of the educational and private sectors to meet the specialized and complex needs of the small business community. Regulatory, management, financial, and marketing experts work in partnership with entrepreneurs to provide crucial information that can mean the difference between success and failure. There are 15 full-time centers and more than 70 part-time satellite offices throughout Colorado. However, because the SBDC Network is primarily funded with federal dollars, it is barred from serving marijuana businesses (given marijuana is not legal at the federal level), though it can serve hemp and hemp-related businesses.

Problem or Opportunity:

Because the SBDC Network is barred from serving marijuana businesses, there is a significant gap in OEDIT's ability to help entrepreneurs in the industry. The SBDCs provide candid, free advice on developing a business plan, how to access capital, how to market a business, etc., and unfortunately, marijuana businesses have not been able to take advantage of that assistance due to the federal prohibition. Additionally, cannabis businesses cannot access traditional banking or capital markets for the same reason. Therefore, this industry has been dominated by independently wealthy individuals and organizations who can front their own investment capital.

Compounding the above issue is the fact that certain communities and individuals have been effectively barred from participation in the industry. Marijuana prohibition laws and policies created a demographic divide that was exacerbated by Colorado's post-legalization rules and regulations that disqualified those who had past drug convictions. As a result, the demographics that hold the most power and benefit the most financially in the cannabis industry are wealthy chains and corporations.

Proposed Solution:

To address the aforementioned divide and support small businesses and entrepreneurs seeking entry to the cannabis industry, OEDIT is proposing legislation in the 2021 session that would (1) establish and fund a technical assistance program specific to cannabis businesses but modeled after existing OEDIT programming, and (2) authorize a grant and/or revolving loan program for businesses that qualify as "social equity licensees" (CRS 44-10-308(4)) should an infusion of funding become available in future years.

Anticipated Outcomes:

Technical support is a key piece of OEDIT's programming to help businesses get off the ground and grow successfully, and a dedicated staff member can help cannabis entrepreneurs -- some of whom may have been previously shut out -- navigate this process. This staff member can track a variety of evidence-based-policy-focused metrics associated with this consultation, including the number of started businesses, amount of capital formation, number of clients assisted, and number of jobs created/retained, as well as follow the

success of these businesses over time to refine and report about OEDITs processes and support. Through this work, during the initial set-up year, this staff member will gain industry-specific knowledge that will help lay the groundwork for a potential grant and/or revolving loan fund program to help cannabis entrepreneurs start and grow their businesses. In order for a capital program to be successful, this position would need to: (1) assess statewide demand for such capital, (2) establish a baseline for how much capital is required, (3) understand the unique barriers and needs of the underserved community aimed to benefit from this program, and (4) plan to mitigate unique risks associated with cannabis business activities, among other things.

Assumptions and Calculations:

This proposal includes support for one FTE on an ongoing basis. The top calculation is based on the 2020 Agency Fiscal Note Worksheet from Legislative Council:

\$115,000 for FTE Program Manager (includes personnel, standard operating, capital costs, and centrally appropriated costs)

\$35,000 for workshops, marketing, and support for Business Support team to help align new program with existing programming

Note that if and when an infusion of funds becomes available for a grant and/or loan program, OEDIT will need additional administrative support, particularly as it relates to accounting and procurement support for such a program.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A.

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-03 (OEDIT) One-Time Reductions

Dept. Approval By: _____ *DocuSigned by: Jonathon Bray* _____ Supplemental FY 2020-21
 OSPB Approval By: _____ *DocuSigned by: L Teater* _____ Budget Amendment FY 2021-22
 _____ *2F16D039E6BD47F...* _____ X _____ Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$4,950,000	\$0	\$6,570,000	(\$1,620,000)	\$0
FTE		3.0	0.0	3.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$4,350,000	\$0	\$5,970,000	(\$1,620,000)	\$0
	CF	\$600,000	\$0	\$600,000	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$250,000	\$0	\$370,000	(\$120,000)	\$0
04. Economic Development Programs, (A) Economic Development Programs, (1) Economic Development Programs - Office of Outdoor Recreation	FTE	3.0	0.0	3.0	0.0	0.0
	GF	\$250,000	\$0	\$370,000	(\$120,000)	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Total		\$1,200,000	\$0	\$1,700,000	(\$500,000)	\$0
04. Economic Development Programs, (A) Economic Development Programs, (1) Economic Development Programs - Destination Development Program	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$600,000	\$0	\$1,100,000	(\$500,000)	\$0
	CF	\$600,000	\$0	\$600,000	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,500,000	\$0	\$4,500,000	(\$1,000,000)	\$0
04. Economic Development Programs, (A) Economic Development Programs, (1) Economic Development Programs - Colorado First Customized Job Training	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$3,500,000	\$0	\$4,500,000	(\$1,000,000)	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Governor's Office Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact

Office of Economic Development and International Trade

FY 2021-22 Funding Request

November 2, 2020

Jared Polis
GovernorBetsy Markey
Executive Director

Department Priority: R-03
Request Detail: Extend One-Time Funding Reductions to Facilitate Relief

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$4,950,000	\$6,570,000	-\$1,620,000	\$0
FTE	3.0	3.0	0.0	0.0
General Fund	\$4,350,000	\$5,970,000	-\$1,620,000	\$0
Cash Funds	\$600,000	\$600,000	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request:

The Office of Economic Development & International Trade (OEDIT) is requesting to continue three one-time reductions to programs/divisions from the FY 2020-21 budget package. Specifically, OEDIT requests the following one-time reductions in FY 2021-22, for a total of \$1,620,000 in reductions:

1. \$500,000 to the Colorado Tourism Office's (CTO) Destination Development program.
2. \$1 million to the Colorado First Customized Job Training Program
3. \$120,000 to the Office of Outdoor Recreation (OREC)

Each of these requests keeps funding at FY 2020-21 funding levels for FY 2021-22 and restores funding to FY 2019-20 levels starting in FY 2022-23. These one-time reductions allow OEDIT to more immediately direct funds to programs that are high priorities for economic relief, such as those programs slated to support individuals and businesses most affected by the COVID-19 pandemic.

Current Program:

This request proposes to extend certain one-time General Fund reductions from FY 2020-21 into FY 2021-22. The programs comprising this request include:

1. Destination Development:

The Colorado Tourism Office (CTO) drives rural economic development mainly by supporting the creation of high-quality visitor experiences in rural areas. Central to this strategy was founding the Colorado Rural Academy for Tourism (CRAFT). This program shares training resources that help rural communities integrate tourism into their economic development strategy. Upon successful completion, communities can apply for grants of up to \$10,000.

2. Colorado First Customized Job Training:

The Colorado First and Existing Industry (CFEI) program offers grants to businesses to provide customized training to their employees. This program is administered through OEDIT and the Colorado Community College System (CCCS), in conjunction with local community colleges. This program increases transferable job skills that both support the company's economic competitiveness and enhance workers' resumes and long-term employment opportunities.

3. Office of Outdoor Recreation Industry:

The Colorado Outdoor Recreation Industry Office (OREC) serves as the State's central coordinator of outdoor recreation industry matters, which includes policy and resource development, industry promotion, and connection with the constituents, businesses, and communities that rely on the health of the State's outdoor recreation economy.

Problem or Opportunity:

As noted above, OEDIT's FY 2021-22 budget request focuses on prioritizing short-term funding for economic stimulus and relief measures in order to support the economic recovery and continue its mission to support an economy that works for all Coloradans. As these reductions are one-time, funding for these programs will return to FY 2019-20 levels beginning in FY 2022-23.

Proposed Solution:

In light of the ongoing impact of COVID-19 on the State's budget in FY 2021-22, OEDIT proposes continuing certain one-time reductions taken in FY 2020-21, totaling -\$1,620,000. These reductions will not require that OEDIT lose any current staff due to restructuring, attrition, and other events within OEDIT. These reductions are important to OEDIT's goal to prioritize immediate relief to the populations that it serves and free-up funding for programs that can more immediately and directly support the economic recovery, without jeopardizing the future viability of the programs and services to which the reductions are made. If these reductions are not accepted, less funding will be available for the highest-priority relief programs.

Anticipated Outcomes:

While these one-time reductions will have the short-term effects listed below, they will allow funding to be prioritized for initiatives which can provide the most immediate support to the economic recovery and the individuals and businesses which are directly harmed by the COVID-19 recession. Funding for these programs will return in FY 2022-23. These one-time reductions will also allow OEDIT to prioritize those most in need of relief efforts in FY 2021-22 rather than on the longer term benefits that each of these programs provide.

1. Destination Development: -\$500,000

As a result of the FY 2020-21 reduction, the Colorado Tourism Office scaled back the Destination Development program by reducing its FY 2020-21 offerings for the Colorado Rural Academy for Tourism, eliminating the Tourism Development Grant program, and rolling back funding for Marketing Matching Grants to FY 2014-15 levels. The FY 2021-22 reduction will require the Destination Development program to continue these reductions to its offerings, but will not affect the impact of these programs in FY 2022-23 and onward.

2. Colorado First Customized Job Training: -\$1,000,000 (from \$4.5M to \$3.5M)

The effects of the FY 2020-21 reduction of -\$1M (from \$4.5M to \$3.5M) to the CFEI budget have not yet been felt, but OEDIT anticipates a proportionate reduction in the number of customers served -- estimated to be around 18 companies and 972 employees (more on how this was calculated under “assumptions and calculations” below). While it is important to support workforce training and development, in the current COVID-19 recession the training of employed workers is less economically beneficial than providing immediate relief and assistance to the hundreds of thousands of individuals and businesses which were severely harmed by the pandemic.

3. Office of Outdoor Recreation Industry: -\$120,000 (from \$370,000 to \$250,000)

As a result of the FY 2020-21 reduction, OREC scaled back many of its operations and programming, including eliminating the Regional Outdoor Industry grant, reducing funding for the Rural Technical Assistance Grow Your Outdoor Industry Program, eliminating domestic and international trade show support, and eliminating the sponsorship and support of all events, including for the office’s annual Colorado Outdoor Industry Leadership Summit. In replacement of these in-person events, the office has saved money by working to provide virtual forums connecting recovery resources to the outdoor industry throughout Colorado. With corporate and foundation gifts, the OREC Office is also continuing to provide smaller grants to support economic recovery. Due to these innovative measures to provide its services by other means, OREC will not be as strongly affected by this short-term reduction as other programs could have been. That said, OREC will receive funding again at pre-pandemic levels starting in FY 2022-23 to ensure that the office can continue to fulfill its mission and support the vibrant outdoor recreation industry in Colorado.

Assumptions and Calculations:

The expected impacts of a continued reduction in FY 2021-22 are based on the real impacts that those reductions are having in FY 2020-21.

For CFEI, OEDIT used the following information to calculate the aforementioned consequences of the FY 2020-21 reduction.

Fiscal Year	Companies Supported	Employees Trained
FY 13-14	107	4,662
FY 14-15	111	4,137
FY 15-16	99	5,831
FY 16-17	123	4,198
FY 17-18	101	4,113
FY 18-19	69	3,984
FY 19-20	75	5,019
Average in last 3 years	82	4,372
Activity per million dollars of funding	18	972

Since the program was funded at \$4.5 million per year in the last three fiscal years, the number of companies supported and people trained was calculated per million dollars. Using the average of the last three fiscal years, this was calculated to be 18 companies supported and 972 people trained per million dollars of funding. Therefore, this is the reduction that can be expected if the CFEI budget is reduced from \$4.5 million to \$3.5 million.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A.

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-04 (OIT) End User Services Operating Efficiencies

Dept. Approval By: Patricia Nord

Supplemental FY 2020-21

OSPB Approval By: Cynthia Kelly

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$26,416,646	(\$452,236)	(\$452,236)
	FTE	0.0	0.0	271.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$184,503	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$26,232,143	(\$452,236)	(\$452,236)
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$26,416,646	(\$452,236)	(\$452,236)
	FTE	0.0	0.0	271.0	0.0	0.0
05. Office of Information Technology, (F) End User Services, (1) End User Services -	GF	\$0	\$0	\$184,503	\$0	\$0
Customer Service/Support	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$26,232,143	(\$452,236)	(\$452,236)
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Governor's Office Prioritized Request

Interagency Approval or Related Schedule 13s:

Impacts Other Agency

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Department Priority: R-04
Request Detail: OIT End User Services Operating Efficiencies

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$0	\$26,416,646	(\$452,236)	(\$452,236)
FTE	0.0	271.0	0.0	0.0
General Fund	\$0	\$184,503	\$0	\$0
Cash Funds	\$0	\$0	\$0	\$0
Reappropriated Funds	\$0	\$26,232,143	(\$452,236)	(\$452,236)
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

In FY 2021-22 and thereon, the Governor's Office of Information Technology (OIT) proposes a total reduction to the End User Services budget of (\$452,236) Reappropriated Funds. This is a 2.7 percent reduction in total funds to the FY 2020-21 End User Services budget.

Current Program:

The End User Services portfolio encompasses four different programs: End User Administration, Service Desk Services, Deskside Support Services, and Email Services. This specific request pertains to budget changes for Service Desk Services and Deskside Support, which are detailed below.

Service Desk Services manages the service desk at OIT as the central point of access and support services for IT especially in the areas of system trouble, network connectivity, and the use of supported desktop applications. The service desk team provides documents and responds to requests using the enterprise ticketing system to resolve and close the issues. If a quick resolution is not appropriate or achievable, assignment is made to another workgroup for in-depth assistance. The service desk strives to modernize, replace, or discontinue old applications, perform testing to enhance efficiencies, and establish archive and/or purge criteria to minimize storage requirements. This line item and the associated appropriations of 48.0 FTE and personal services funding support staff and management functions for Service Desk.

Deskside Support Services manages implementation and ongoing support of the statewide end user hardware and software for multiple state departments. The program provides daily break/fix resolutions of hardware/software and technical support for end user computer operating systems, so that secure end user devices are achieved. The deskside support services group is responsible for configuring and deploying desktops and laptops. The group ensures equipment replacement and upgrades are completed for the department as well as collectively planning office moves. This line is appropriated with 116.0 FTE and is funded through reappropriated funds.

Problem or Opportunity:

With the economic downturn resulting from the Coronavirus pandemic dramatically reducing current and forecasted state revenues, OIT has assessed all areas of cost for possible savings and efficiencies.

Proposed Solution:

In FY 2021-22, OIT proposes reducing the End User Services portfolio of (\$452,236) Reappropriated Funds, specifically reducing the Service Desk and Deskside Support programs.

OIT proposes to reduce specific operating costs to minimize the impact to external department services. The reductions include funding for the TRAILS program, work to transition from Century Link services to Amazon Web Services, and removing/reducing the spending on general operating costs such as, travel/training, food, and official functions. No statute changes are required for this budget reduction proposal.

State departments supported by OIT's service desk services and deskside support will be impacted. With the funds for these programs reappropriated from other state departments, the proportion of the financial impact will be determined by the amount of rate reduction for each service multiplied by the department's FY 2021-22 utilization of each. The TRAILS reduction will only impact the Colorado Department of Human Services (CDHS). Due to federal funding match changes, CDHS is unable to utilize all of the state funding they are currently appropriated for the TRAILS project.

Anticipated Outcomes:

Given this team's direct engagement with state departments and local governments, budget reductions for this team directly impact customer experience, however the impact of savings resulting from transitioning from CenturyLink to Amazon Web Services will be low. This approach will achieve OIT's greater mission to provide customer delight in two ways - reducing customer costs while maintaining a high level of service.

The reappropriated funds for this program come from other state departments, so the proportion of the financial impact will be determined by the amount of rate reduction for each service multiplied times the department's FY 2021-22 utilization of each.

Assumptions and Calculations:

OIT assessed the internal and external impact of the reductions and have categorized each as being low, medium or high. Table 1 below describes how OIT defines each impact.

Table 1. Defining Definitions of Customer Impact

Customer Impact	Definition
High	OIT customers directly impacted. OIT will be unable to keep services operational for customers.
Medium	OIT internal impact on service delivery, but little to no impact on external service delivery to customers and keeping services operational.
Low	No anticipated OIT internal or external customer impact on service delivery.

Table 2 below shows the cost estimate per OIT Long Bill line and the estimated customer impact if reduced.

Table 2. OIT Proposed Reduction Customer Impact, Description, and Amount

Customer Impact (High, Medium, Low)	OIT Long Bill Line Location	Program Name / Description	FY 2021-22 Amount	FY 2022-23 and On-going Amount
Service Desk Services				
Low	Service Desk Services	TRAILS R-13 Reduction	(\$64,000)	(\$64,000)
Low	Service Desk Services	Century Link to Amazon Web Service	(\$33,236)	(\$33,236)

Service Desk Services Subtotal			(\$97,236)	(\$97,236)
Deskside Support Services				
Low	Deskside Support Services	Travel / Training / Food / Official Functions / Meetings	(\$55,000)	(\$55,000)
Low	Deskside Support Services	Security DI for Endpoint Management	(\$300,000)	(\$300,000)
Deskside Support Services Subtotal			(\$355,000)	(\$355,000)
End User Services Grand Total			(\$452,236)	(\$452,236)

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

NP-01 (OIT) DOR Printing and Mail Migration to IDS (DPA R-2)

Dept. Approval By: Patricia Nord Supplemental FY 2020-21

OSPB Approval By: Cynthia Kelly Budget Amendment FY 2021-22

X Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$19,776,879	\$0	\$138,912,889	(\$250,574)	(\$250,574)
FTE		0.0	0.0	498.5	(3.5)	(3.5)
Total of All Line Items Impacted by Change Request	GF	\$157,685	\$0	\$1,499,428	\$0	\$0
	CF	\$0	\$0	\$618,340	\$0	\$0
	RF	\$19,619,194	\$0	\$136,795,121	(\$250,574)	(\$250,574)
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$11,304,660	\$0	\$12,075,124	(\$41,280)	(\$41,280)
FTE		0.0	0.0	0.0	0.0	0.0
05. Office of Information Technology, (A) OIT Central Administration, (1) OIT Central Administration - Health, Life, and Dental	GF	\$69,187	\$0	\$117,929	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$11,235,473	\$0	\$11,957,195	(\$41,280)	(\$41,280)
	FF	\$0	\$0	\$0	\$0	\$0

Total		\$148,847	\$0	\$135,516	(\$324)	(\$324)
FTE		0.0	0.0	0.0	0.0	0.0
05. Office of Information Technology, (A) OIT Central Administration, (1) OIT Central Administration - Short-term Disability	GF	\$2,666	\$0	\$1,268	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$146,181	\$0	\$134,248	(\$324)	(\$324)
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$4,161,686	\$0	\$4,252,158	(\$8,540)	(\$8,540)
05. Office of Information Technology, (A) OIT	FTE	0.0	0.0	0.0	0.0	0.0
Central Administration, (1) OIT Central Administration -	GF	\$42,916	\$0	\$39,765	\$0	\$0
Amortization	CF	\$0	\$0	\$0	\$0	\$0
Equalization	RF	\$4,118,770	\$0	\$4,212,393	(\$8,540)	(\$8,540)
Disbursement	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$4,161,686	\$0	\$4,252,158	(\$8,540)	(\$8,540)
05. Office of Information Technology, (A) OIT	FTE	0.0	0.0	0.0	0.0	0.0
Central Administration, (1) OIT Central Administration -	GF	\$42,916	\$0	\$39,765	\$0	\$0
Supplemental	CF	\$0	\$0	\$0	\$0	\$0
Amortization	RF	\$4,118,770	\$0	\$4,212,393	(\$8,540)	(\$8,540)
Equalization	FF	\$0	\$0	\$0	\$0	\$0
Disbursement						
	Total	\$0	\$0	\$118,197,933	(\$191,890)	(\$191,890)
05. Office of Information Technology, (B) IT	FTE	0.0	0.0	498.5	(3.5)	(3.5)
Infrastructure, (1) IT Infrastructure -	GF	\$0	\$0	\$1,300,701	\$0	\$0
Enterprise Solutions	CF	\$0	\$0	\$618,340	\$0	\$0
	RF	\$0	\$0	\$116,278,892	(\$191,890)	(\$191,890)
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Governor's Office Non-Prioritized Request **Interagency Approval or Related Schedule 13s:** Impacts Other Agency

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

NP-02 COE Program Financial Restructure (DPA R-1)

Dept. Approval By:

Patricia Nord

Supplemental FY 2020-21

OSPB Approval By:

Cynthia Kelly

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$0	\$12,699	\$12,699
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$3,162	\$3,162
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$9,537	\$9,537
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$0	\$3,162	\$3,162
	FTE	0.0	0.0	0.0	0.0	0.0
01. Office of the Governor, (B) Special Purpose, (1) Special Purpose - Statewide Training	GF	\$0	\$0	\$0	\$3,162	\$3,162
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$0	\$0	\$0	\$9,537	\$9,537
	FTE	0.0	0.0	0.0	0.0	0.0
05. Office of Information Technology, (A) OIT Central Administration, (1) OIT Central Administration - Statewide Training	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$9,537	\$9,537
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Governor's Office Non-Prioritized Request

Interagency Approval or Related Schedule 13s:

Impacts DPA

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

NP-03 Annual Fleet Vehicle Request (DPA R-6)

Dept. Approval By: Patricia Nord

Supplemental FY 2020-21

OSPB Approval By: Cynthia Kelly

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$358,508	\$0	\$358,508	\$17,633	\$24,104
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$248,845	\$0	\$248,845	(\$6,471)	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$109,663	\$0	\$109,663	\$24,104	\$24,104
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$229,801	\$0	\$229,801	(\$5,483)	\$0
FTE		0.0	0.0	0.0	0.0	0.0
01. Office of the Governor, (C) Colorado Energy Office, (1) Colorado Energy Office - Leased Space	GF	\$229,801	\$0	\$229,801	(\$5,483)	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Total		\$19,044	\$0	\$19,044	(\$988)	\$0
FTE		0.0	0.0	0.0	0.0	0.0
04. Economic Development Programs, (A) Economic Development Programs, (1) Economic Development Programs - Vehicle Lease Payments	GF	\$19,044	\$0	\$19,044	(\$988)	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$109,663	\$0	\$109,663	\$24,104	\$24,104
	FTE	0.0	0.0	0.0	0.0	0.0
05. Office of Information Technology, (A) OIT Central Administration, (1) OIT Central Administration - Vehicle Lease Payments	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$109,663	\$0	\$109,663	\$24,104	\$24,104
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request?

Department of Governor's Office Non-Prioritized Request

Interagency Approval or Related Schedule 13s:

Impacts DPA

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

NP-04 (OIT) Patient Access and Interop Comp (HCPF R-9)

Dept. Approval By: Patricia Nord

Supplemental FY 2020-21

OSPB Approval By: Cynthia Kelly

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$65,876,551	\$0	\$65,876,551	\$150,000	\$150,000
FTE		49.5	0.0	49.5	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$65,876,551	\$0	\$65,876,551	\$150,000	\$150,000
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$65,876,551	\$0	\$65,876,551	\$150,000	\$150,000
05. Office of Information Technology, (E) Applications, (1) Applications - Colorado Benefits Management System	FTE	49.5	0.0	49.5	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$65,876,551	\$0	\$65,876,551	\$150,000	\$150,000
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Governor's Office Non-Prioritized Request

Interagency Approval or Related Schedule 13s:

Impacts HCPF Medicaid

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

NP-05 (OIT) BH Claims and Eligibility Process (HCPF R-23)

Dept. Approval By: Patricia Nord

Supplemental FY 2020-21

OSPB Approval By: Cynthia Kelly

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$65,876,551	\$0	\$65,876,551	\$2,223,000	\$0
FTE		49.5	0.0	49.5	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$65,876,551	\$0	\$65,876,551	\$2,223,000	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$65,876,551	\$0	\$65,876,551	\$2,223,000	\$0
FTE		49.5	0.0	49.5	0.0	0.0
05. Office of Information Technology, (E) Applications, (1) Applications - Colorado Benefits Management System	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$65,876,551	\$0	\$65,876,551	\$2,223,000	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Governor's Office Non-Prioritized Request

Interagency Approval or Related Schedule 13s:

Impacts HCPF Medicaid

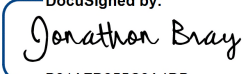
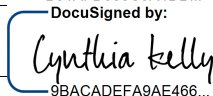
Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

NP-06 (GOV) OIT_FY22 Budget Request Package

Dept. Approval By:	DocuSigned by:  B31AFD355C9A4DB...		Supplemental FY 2020-21
OSPB Approval By:	DocuSigned by:  9BACAEFA9AE466...		Budget Amendment FY 2021-22
		X	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,043,401	\$0	\$1,315,304	(\$47,474)	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$1,043,401	\$0	\$1,315,304	(\$47,474)	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,043,401	\$0	\$1,315,304	(\$47,474)	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
01. Office of the Governor, (B) Special Purpose, (1) Special Purpose - Payments to OIT	GF	\$1,043,401	\$0	\$1,315,304	(\$47,474)	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Governor's Office Non-Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact


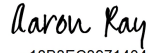
Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-01 (CEO) Wind Down ReNew Our Schools Program

Dept. Approval By:	DocuSigned by:  B31AFD355C9A4DB...	_____	Supplemental FY 2020-21
OSPB Approval By:	DocuSigned by:  18B3EC397140431...	_____	Budget Amendment FY 2021-22
		X	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$6,522,356	\$0	\$6,522,356	(\$134,626)	(\$173,000)
	FTE	24.8	0.0	24.8	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$2,890,670	\$0	\$2,890,670	(\$134,626)	(\$173,000)
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$3,631,686	\$0	\$3,631,686	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$6,522,356	\$0	\$6,522,356	(\$134,626)	(\$173,000)
	FTE	24.8	0.0	24.8	0.0	0.0
01. Office of the Governor, (C) Colorado Energy Office, (1) Colorado Energy Office - Program Administration	GF	\$2,890,670	\$0	\$2,890,670	(\$134,626)	(\$173,000)
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$3,631,686	\$0	\$3,631,686	\$0	\$0

Auxiliary Data

Requires Legislation?	YES		
Type of Request?	Department of Governor's Office Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact

Colorado Energy Office



FY 2021-22 Funding Request

Nov 2, 2020

Jared Polis
GovernorWill Toor
Executive Director

Department Priority: R-01
Request Detail: Wind Down Renew Our Schools

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$14,737,250	\$14,602,624	(\$134,626)	(\$173,000)
FTE	24.8	24.8		
General Fund	\$3,333,421	\$3,198,795	(\$134,626)	(\$173,000)
Cash Funds	\$7,536,204	\$7,536,204		
Reappropriated Funds	\$0	\$0		
Federal Funds	\$3,867,625	\$3,867,625		

Summary of Request:

In order to protect critical General Fund supported programs, the Colorado Energy Office (CEO) requests a phased discontinuation of the ReNew Our Schools (RNOS) program. In the first year of the request, the retention of \$38,374 GF will allow the program to wind down by offering the alumni portion of the program, as detailed below. In the second year of the request, the RNOS program will be entirely discontinued, leading to ongoing savings of \$173,000 of CEO's General Fund budget.

In addition, the Colorado Energy Office (CEO) respectfully requests that the Joint Budget Committee sponsor legislation to transfer the full \$38,374 balance of the Public Schools Energy Efficiency cash fund into the General Fund. The cash fund was repealed on July 1, 2017. Currently there is \$38,374 left in the cash fund.

The requested \$38,374 GF in FY 2021-22 will retain the alumni portion of the program which will offer grants to past applicants based on their approved energy efficiency proposals. In FY 2022-23, the program will be entirely discontinued.

The ReNew Our Schools program has developed a theory of change, identified outputs, and assessed outcomes, but was not systematically reviewed through a rigorous outcome evaluation.



Current Program:

The Program Administration line is primarily used for staff compensation and operational costs associated with the Office's highest priority programs. Programs supported by General Fund in the Program Administration line include:

- The Executive Director's Office and CEO Policy team, which help steer the policy agenda of the office, represents the office at the General Assembly, and coordinates interventions in proceedings in front of environmental commissions like the Public Utilities Commission (PUC) and the Air Quality Control Commission (AQCC).
- A portion of the Transportation Fuels & Technology team, which works to reduce transportation emissions by implementing zero emission transportation technologies through policy, infrastructure grant funding, education, and outreach.
- A portion of the Building Innovation and Energy Finance team, which works to reduce energy consumption, lower energy costs for buildings and facilities, and increase access to energy efficiency and renewable energy through financing options.

The ReNew Our Schools program provides energy management services, energy coaching, and energy curriculum to 1 to 2 school districts per year. Each competition works with 8-12 schools per competition, with an average of over 5,500 students. In addition to providing energy education and energy savings to budget-constrained school districts, the competition helps establish local partnerships, eco clubs, and real time energy monitors.

The Renew Our Schools program has a historical average electricity savings of 7% for participating schools.

- Case Study of the Pueblo City schools competition.
- Atlantic article about CEO's Delta school district RNOS competition.
- CEO's contractor's website for Colorado competitions.

Problem or Opportunity:

In order to protect higher priority programing, CEO has identified the ReNew Our Schools program for discontinuation to reduce General Fund expenditures.

Proposed Solution:

The Colorado Energy Office (CEO) requests a reduction of \$134,636 General Fund in FY 2021-22 to the Program Administration line, annualizing to a \$173,000 General Fund reduction in FY 2022-23 and ongoing. Further, CEO respectfully requests that the Joint Budget Committee sponsor legislation to transfer \$38,374 from the Public Schools Energy Efficiency cash fund to the General Fund in FY 2021-22. This request does not

result in a reduction of FTE as the programs are supported by only a portion of an FTE which will be redirected to other program areas.

As noted above, General Fund in the Program Administration line of the long bill supports a number of high priority program areas at CEO. The majority of these programs are limited in their ability to achieve General Fund reductions. While most of CEO's programming is eligible for federal matches, ReNew Our Schools is not eligible for Federal dollars.

The Public Schools Energy Efficiency cash fund will be fully depleted and General Funds will increase in order to partially fund the ReNew Our Schools program.

Partially funding the ReNew Our Schools program will allow a school district to participate in the program, helping them save energy, reduce greenhouse gases, and implement projects and environmental clubs.

Anticipated Outcomes:

CEO will wind down the RNOS program, discontinuing it entirely in FY22-23.

In addition, CRS 39-29-109.5 repealed the Public Schools Energy Efficiency cash fund on July 1, 2017. Currently there is \$38,374 left in the cash fund. Transferring the full \$38,374 of the sunsetted cash fund into the General Fund will increase the availability of General Fund Resources.

In FY21-22, CEO will reduce greenhouse gasses in the school district where the alumni program would run, install eGauges, save energy, serve a number of students, and help form environmental clubs.

Assumptions and Calculations:

FY20-21: Program costs are based on FY20-21 budget for the ReNew Our Schools program.

Schools General Fund: (\$173,000)

Public Schools Cash Fund: (\$38,374)

Public Schools General Fund Sweep: \$38,374

Net Total: (\$173,000)

FY22-23: Program costs are based on FY20-21 budget for the ReNew Our Schools program.

Schools: (\$173,000)

Net Total: (\$173,000)

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-01 (OEDIT) Increase Support to Minority-Owned Businesses

Dept. Approval By: _____	DocuSigned by: <i>Jonathon Bray</i>	_____	Supplemental FY 2020-21
OSPB Approval By: _____	DocuSigned by: ... <i>L Teater</i>	_____	Budget Amendment FY 2021-22
	2F16D039E6BD47F...	X	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$5,658,237	\$0	\$5,658,237	\$4,000,000	\$0
FTE		5.8	0.0	5.8	2.0	2.0
Total of All Line Items Impacted by Change Request	GF	\$5,444,445	\$0	\$5,444,445	\$0	\$0
	CF	\$213,792	\$0	\$213,792	\$4,000,000	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$5,658,237	\$0	\$5,658,237	\$4,000,000	\$0
04. Economic Development Programs, (A) Economic Development Programs, (1) Economic Development Programs - EDC - General Economic Incentives & Marketing	FTE	5.8	0.0	5.8	2.0	2.0
	GF	\$5,444,445	\$0	\$5,444,445	\$0	\$0
	CF	\$213,792	\$0	\$213,792	\$4,000,000	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation?	NO		
Type of Request?	Department of Governor's Office Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact

Office of Economic Development and International Trade

FY 2021-22 Funding Request

November 2, 2020

Jared Polis
GovernorBetsy Markey
Executive Director

Department Priority: R1
Request Detail: Increase Support to Minority Owned Businesses

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$5,658,237	\$5,658,237	\$4,000,000	\$0
FTE	5.8	5.8	2.0	2.0
General Fund	\$5,444,445	\$5,444,445	\$0	\$0
Cash Funds	\$213,792	\$213,792	\$4,000,000	\$0
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request:

The Office of Economic Development & International Trade (OEDIT) is requesting a one-time \$4,000,000 infusion of General Fund into the Minority Business Office, via a General Fund transfer to the Strategic Fund (Fund 1560), which is part of the Economic Development Commission line item. This request is intended to seed funding targeted towards minority-owned businesses through direct grants, increased technical assistance, and leveraging funds through partnerships with outside organizations, with the goal of increasing investment in and access to capital for historically marginalized owners. The office will need to hire two additional FTEs in order to administer these funds as well as manage increased programming for the office. These employees will be hired on a temporary basis until the funding expires at the end of FY 2022-23.

<i>Current Program:</i>

The Minority Business Office (MBO) is currently appropriated \$750,000 general funds annually through the Global Business Development long bill line item.

The MBO is dedicated to advancing the efforts of Colorado's minority, women, and veteran-owned businesses. Specifically, the MBO advances business opportunities and relationships and is the premier advocate and information resource for Colorado's minority and women-owned businesses across Colorado. MBO is dedicated to helping businesses understand the myriad of certifications available to them, learning how to best market themselves as a certified business and secure government contracts. MBO has an established network of public, private, and government resources that can be leveraged by businesses of all types and sizes. Specific programs implemented by the MBO include:

MBO Pathway to Certification -- Since its inception in April 2016, the MBO Pathway to Certification program has assisted businesses throughout the State in each step of the certification process. This program provides no-cost consulting for federal, state, and local level certifications. MBO delivered ongoing webinars, training, and consulting to organizations such as the City of Commerce City, Mi Casa Resource Center, Colorado Hispanic Chamber of Commerce, the African Leadership Group, Contractors Academy, Sistahpreneurs, and the Black Business Initiative, among many others. Economic impact results for the 2020 fiscal year are listed below. These are the economic impact results since the beginning of the program.

#

113 BUSINESSES STARTED	937 JOBS CREATED	497 CUSTOMERS	1,012 JOBS RETAINED
583 CONTRACT AND PREP HOURS	753 SESSIONS	\$167.4M CONTRACT VALUE	\$10.3M LOANS OBTAINED
\$56.1M SALES INCREASE	42 MBEs CERTIFIED	\$25.8M CAPITAL FORMATION	

Leading Edge for International Opportunities Grant -- This program is the MBO's export program and is in its sixth cycle. The program includes a virtual training curriculum, one-on-one virtual consulting services, and the opportunity to receive export grants of up to \$10,000. Alumni groups include over 65 companies that have taken advantage of this educational program that equips small and medium-sized minority, women and veteran-owned Colorado businesses to develop a strategic plan for export markets.

Advance Colorado Procurement Expo -- MBO, along with the State Purchasing Office at the Department of Personnel Administration (DPA), and the Colorado Department of Transportation (CDOT), holds the

“Advance Colorado Procurement Expo (ACPE), The Buyers’ and Sellers’ Marketplace.” The event is inclusive of all small, minority, woman, and veteran-owned businesses and helps connect buyers and sellers through training, networking and other opportunities. Later this year, OEDIT will implement a virtual training platform on “How to do Business with Multiple Government Agencies”.

Minority Business Directory -- MBO continues to enhance a clearinghouse for Minority Business Enterprise (MBE) data with the creation of a public-facing searchable minority, women, and veteran-owned business directory by means of which small businesses throughout Colorado can be located by government agencies for contracting opportunities.

Bid Advance Response Program -- This program is a 6-month mentoring program administered by the Minority Business Office. The program consists of group-based training and one-on-one guidance to prepare small businesses wanting to enter or expand their market into government contracting opportunities. Designed to work in conjunction with MBO’s consulting and training programs to help businesses navigate through the government procurement and contracting process, this program includes training on relevant registrations, proposal preparation strategies and tools, personnel management, and other resources. The ultimate goal of the program is to help small, minority-owned businesses successfully win government bids.

Problem or Opportunity:

There exist significant and well-documented limitations on access to capital for minority and women-owned businesses. Based on data from the 2018 Small Business Credit Survey, the Brookings Institution found that large banks approve around 60 percent of loans sought by White small-business owners, 50 percent of those sought by Hispanic or Latinx small-business owners, and just 29 percent of those sought by Black small-business owners. Research has also found that Black small-business owners are significantly more likely to be asked by banks to provide additional information about their *personal* financials, including personal financial statements and personal W2 forms, when applying for small-business loans than White small-business owners are, thereby adding additional barriers to their ability to seek capital that their White counterparts do not face to the same degree. In Colorado specifically, there is evidence of long-standing unequal access to capital and discrimination by banking and lending institutions, including the U.S. Department of Agriculture, against Hispanic and Latinx business-owners.

These disparities have been exacerbated by the effects of COVID-19. Minority businesses have been drastically disproportionately affected by COVID-19. Minority businesses often are small, having less money in their bank accounts and lower credit, which results in them receiving less Paycheck Protection Program (PPP) and Economic Injury Disaster Loans (EIDL) support through the Small Business Administration (SBA). The fact that these small businesses are not able to secure access to capital is inevitably leading to these businesses permanently closing their doors and/or experiencing dramatic declines in revenue and employee layoffs. A poll done by the U.S. Chamber in August reported that 78% of minority-owned small businesses are worried about permanently closing their businesses due to COVID-19 compared to 52% for non-minority-owned small businesses.

The Office of Economic Development & International Trade helped create the new Energize Colorado Gap Fund as a relief measure in June and July of 2020 with a focus towards aiding minority-owned businesses; however, the significant need for capital is still largely unmet. With over 5,600 applications submitted in

Round One, 90 percent of which were from women, minority, veteran, and rural small businesses. \$135 million in total funds were requested, while there was only \$31 million in available capital to deploy. This leaves over \$100 million in outstanding capital requests from these businesses alone, a number that is likely growing due to the continued effects of the pandemic. Meanwhile, the larger issue at hand is that, despite relief measures aiding their current needs, these businesses will continue to have difficulties accessing capital well after the COVID-19 pandemic has run its course. Thus, significant needs for capital and technical assistance will persist for these businesses if not for state funding to support these needs.

Proposed Solution:

The Minority Business Office is dedicated to advancing business opportunities and relationships while being the premier advocate and information resource for Colorado's minority and women-owned businesses. The MBO puts an emphasis on representation in the marketplace in which we live and operate, fostering greater innovation and sustainability in terms of diversity and inclusion.

The Office of Economic Development & International Trade proposes using the infusion of \$4,000,000 as seed funding for direct grants, increased technical support, and increased partnerships with outside organizations in order to leverage a greater amount of funding for minority-owned businesses. The MBO is the state leader in an ecosystem of services providers geared towards helping minority-owned businesses. OEDIT requests to use this one-time infusion of capital over two fiscal years (FY 2021-22 and 2022-23), in order to advance the economic recovery of minority-owned businesses across the state. If these funds are not approved, many minority-owned businesses will lack the capital they need to recover and Colorado risks having many minority-owned businesses close their doors permanently. In addition, these funds will serve to expand the scope of the Minority Business Office in order to help a greater number of underserved communities across the state.

In order to effectively manage and administer the increase in funds over two fiscal years, the office will need an additional 2 FTEs. The FTEs will administer funds and manage increased programming for the office, including but not limited to advocacy, outreach, technical assistance and grant administration. These employees will be hired on a temporary basis until the funds run out.

Anticipated Outcomes:

The Minority Business Office (MBO) plans to measure success based on the following buckets:

- 1. Direct Grants to Small Minority-Owned Businesses** -- As described above, access to capital is the most immediate need for minority-owned businesses. A portion of these funds would act as microfinance seed grants to small minority-owned businesses that have been most impacted by COVID-19 and have lacked meaningful access to federal loans and grants. Currently, the MBO has the Leading Edge for International Opportunities Grant, as referenced above, and the additional funding will allow for increased funding for this program and the development of other programs to seed startup businesses and grow existing businesses.
- 2. Increased Technical Support** -- Now more than ever, minority-owned businesses are looking for technical assistance, both with regard to navigating and applying for capital programs, and with regard

to how to most effectively run their businesses. The two pronged approach of increasing access to capital and technical assistance, will allow for the MBO to penetrate the minority business community at a higher level and have a direct impact on closing racial and equity gaps. These funds would allow for the MBO to increase their FTE count and consulting support available to minority-owned businesses across Colorado. These funds will allow the scope of the MBO to be expanded through the following:

- a. Community Support -- currently the MBO does not actively engage community organizations that help minority businesses from a strategic perspective. These funds will increase strategy and sustainability with organizations through advanced programming creating a more robust overall minority business support community. The MBO would organize minority business support organizations into an OEDIT/MBO lead roundtable to provide leaders with expanded professional development and networking opportunities.
 - b. Increased Programming -- these funds would allow the MBO to produce a greater amount of programming and technical support for more businesses across the state, both through its current programming and through external partnerships (more information below).
 - c. Minority Business Support and Minority Business Certifications -- these funds would allow the MBO to build MBO programming into the everyday workflow of all SBDC centers.
 - d. Advocacy -- these funds will enable the office to engage the MBO Advisory Council at a higher level of advocacy and add MBO Ambassadors in order to engage both groups to tell the story of the MBO and increase the impact to minority business owners.
- 3. Partnerships with External Organizations** -- A portion of these funds will be used to form partnerships with external organizations to promote and advocate for minority-owned businesses and help this existing client base reach new markets. In some cases, partnerships will be able to leverage funds to increase microfinance loans for minority businesses as well as spur investment in these businesses.

Without the additional support of this \$4,000,000 in funds, the Minority Business Office would not be able to fully support these minority-owned businesses over the next two years and lift those who have been disproportionately underserved in the business community.

Assumptions and Calculations:

The \$4,000,000 includes support for two FTE for two fiscal years. The below calculations are in line with the average salary amounts and operating costs that OEDIT pays program managers and program coordinators.

1 FTE Program Manager - \$155,000 (includes personnel, standard operating, capital costs, centrally appropriated costs, and accounting/procurement for two years)

1 FTE Program Coordinator - \$135,000 (includes personnel, standard operating, capital costs, centrally appropriated costs, and accounting/procurement for two years)

Total = \$290,000 for two fiscal years

There will be additional, but minimal, administrative costs associated with going through the Strategic Fund, which will provide critical oversight by the Economic Development Commission. These costs are accounted

for in the request for additional FTE for the Strategic Fund in OEDIT's S1 proposal ("Creation of the Colorado Startup Loan Fund").

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A.

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-01 (OIT) Central Administration Operating Efficiencies

Dept. Approval By: Patricia Nord

Supplemental FY 2020-21

OSPB Approval By: Cynthia Kelly

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$12,229,517	\$0	\$13,407,986	(\$1,490,782)	(\$1,490,782)
	FTE	96.0	0.0	104.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$139,825	\$0	\$139,825	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$12,089,692	\$0	\$13,268,161	(\$1,490,782)	(\$1,490,782)
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$12,229,517	\$0	\$13,407,986	(\$1,490,782)	(\$1,490,782)
	FTE	96.0	0.0	104.0	0.0	0.0
05. Office of Information Technology, (A) OIT	GF	\$139,825	\$0	\$139,825	\$0	\$0
Central Administration, (1) OIT Central	CF	\$0	\$0	\$0	\$0	\$0
Administration - Central	RF	\$12,089,692	\$0	\$13,268,161	(\$1,490,782)	(\$1,490,782)
Administration	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Governor's Office
Prioritized Request

Interagency Approval or
Related Schedule 13s:

Impacts Other Agency

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Department Priority: R-01
Request Detail: OIT Central Administration Operating Efficiencies

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$12,229,517	\$13,407,986	(\$1,490,782)	(\$1,490,782)
FTE	96.0	104.0	0.0	0.0
General Fund	\$139,825	\$139,825	\$0	\$0
Cash Funds	\$0	\$0	\$0	\$0
Reappropriated Funds	\$12,089,692	\$13,268,161	(\$1,490,782)	(\$1,490,782)
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

In FY 2021-22 and thereon, the Governor's Office of Information Technology (OIT) proposes a total reduction to the Central Administration budget of (\$1,490,782) Reappropriated Funds. This is a 12.2 percent reduction in total funds to the FY 2020-21 Central Administration budget.

Current Program:

OIT serves the executive branch departments and by extension, the residents of Colorado. OIT employs more than 1,000 people at 71 locations across the state. OIT provides IT infrastructure, network services, telecommunication tools, cloud computing, application development and support, and provisioning for more than 28,000 state department employees across 1,300 locations. OIT serves Colorado first responders via the Public Safety Communications Network, and the OIT security team proactively protects the state's information systems and data for the executive and judicial branches of state government.

The Central Administration budget includes operating expenses associated with OIT Administration, including 96 FTE, such as OIT executive leadership, budget, accounting, financial management, contracting, and human resources. This budget is funded through the general fund and reappropriated funds.

Problem or Opportunity:

With the economic downturn resulting from the Coronavirus pandemic dramatically reducing current and forecasted state revenues, OIT has assessed areas of cost for possible savings and efficiencies.

Proposed Solution:

In FY 2021-22 and thereon, OIT proposes a total reduction to its Central Administration budget of (\$1,490,782) Reappropriated Funds.

The reductions to the Central Administration budget comprise specific costs associated with holding vacancies open, reducing the Learning and Development Center, and continuing to align specific contracts to actual need and utilization. The finance and human resources offices within Central Administration will leave 4.0 FTE vacancies unfilled to realize additional savings. This results in ongoing reductions in the amount of (\$1,490,782) for FY 2021-22 and thereon.

State departments who utilize OIT services will support the reduction, as the common policy burden will be reduced, and services should have minimal impact.

No statute changes are required for this budget reduction proposal.

Anticipated Outcomes:

The reappropriated funds for this program come from other state departments, so the proportion of the financial impact will be determined by the amount of rate reduction for each service multiplied by the department's FY 2021-22 utilization of each.

Assumptions and Calculations:

OIT assessed the internal and external impact of the reductions and have categorized each as being low, medium, or high. Table 1 below describes how OIT defines each impact.

Table 1. Defining Definitions of Customer Impact

Customer Impact	Definition
High	OIT customers directly impacted. OIT will be unable to keep services operational for customers.
Medium	OIT internal impact on service delivery, but little to no impact on external service delivery to customers and keeping services operational.
Low	No anticipated OIT internal or external customer impact on service delivery.

Table 2 below shows the cost estimate per OIT Long Bill line and the estimated customer impact if reduced.

Table 2. OIT Proposed Reduction Customer Impact, Description, and Amount

Customer Impact (High, Medium, Low)	Central Administration Cost	Rationale	FY 2021-22 Amount	FY 2022-23 and On-going Amount
Low	Tableau	Contract Reductions	(\$12,000)	(\$12,000)
Low	Supplies	Copy paper, ink, postage and office supplies will be reduced	(\$32,016)	(\$32,016)
Low	Travel	Savings from eliminating travel, food/official functions/meetings	(\$93,882)	(\$93,882)
Low	Hyland	Contract Reductions	(\$220,000)	(\$220,000)
Low	Nicus	Contract Reductions	(\$146,667)	(\$146,667)
Low	Communications	Reductions related to employee achievement, manager meetings, and professional development	(\$35,000)	(\$35,000)
Low	Gartner	Contract Reductions	(\$209,000)	(\$209,000)
Medium	Position Vacancies	Hold 4.0 current vacancies open	(\$476,000)	(\$476,000)

Medium	Training	Training Reductions	(\$55,217)	(\$55,217)
Medium	Learning and Development Center	Contract Reductions	(\$211,000)	(\$211,000)
Central Administration Grand Total			(\$1,490,782)	(\$1,490,782)

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-02 (OIT) Applications Operating Efficiencies

Dept. Approval By: Patricia Nord

Supplemental FY 2020-21

OSPB Approval By: Cynthia Kelly

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$118,197,933	(\$5,012,009)	(\$5,012,009)
	FTE	0.0	0.0	498.5	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$1,300,701	(\$74,000)	(\$74,000)
	CF	\$0	\$0	\$618,340	(\$153,000)	(\$153,000)
	RF	\$0	\$0	\$116,278,892	(\$4,785,009)	(\$4,785,009)
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$118,197,933	(\$5,012,009)	(\$5,012,009)
	FTE	0.0	0.0	498.5	0.0	0.0
05. Office of Information Technology, (B) IT Infrastructure, (1) IT Infrastructure - Enterprise Solutions	GF	\$0	\$0	\$1,300,701	(\$74,000)	(\$74,000)
	CF	\$0	\$0	\$618,340	(\$153,000)	(\$153,000)
	RF	\$0	\$0	\$116,278,892	(\$4,785,009)	(\$4,785,009)
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request?

Department of Governor's Office
Prioritized Request

Interagency Approval or
Related Schedule 13s:

Impacts Other Agency

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Department Priority: R-02
Request Detail: OIT Applications Operating Efficiencies

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$0	\$118,197,933	(\$5,012,009)	(\$5,012,009)
FTE	0.0	498.5	0.0	0.0
General Fund	\$0	\$1,300,701	(\$74,000)	(\$74,000)
Cash Funds	\$0	\$618,340	(\$153,000)	(\$153,000)
Reappropriated Funds	\$0	\$116,278,892	(\$4,785,009)	(\$4,785,009)
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

In FY 2021-22 and thereon, the Governor's Office of Information Technology (OIT) proposes a total reduction to the Applications budget of (\$5,012,009) Reappropriated, Cash, and General Funds. This is a 3.9 percent reduction in total funds to the FY 2020-21 Applications budget.

Current Program:

The Applications portfolio supports both enterprise applications (supporting multiple departments) and department-specific applications (supporting only one or two departments). The team currently maintains over 1,100 applications. The team also develops new applications based on requests from the legislature and departments. The Applications Administration line provides funding for the staff and management functions of the portfolio. The line also houses the Broadband team, the Global Information Services team, and funding for other short-term project teams. The Shared Services line funds timekeeping systems, enterprise operations, testers, and the service provisioning team. The Agency Services line provides funding for applications and activities for single departments. This also includes services provided by OIT to departments directly billed outside of the OIT common policy.

Problem or Opportunity:

With the economic downturn resulting from the Coronavirus pandemic dramatically reducing current and forecasted state revenues, OIT has assessed all areas of cost for possible savings and efficiencies.

Proposed Solution:

OIT proposes to reduce the Applications budget by (\$5,012,009) in FY 2021-22 and thereon. OIT assessed the impact of the reductions to focus on minimizing the impact to external department customers while still generating the targeted savings.

Applications Administration:

Reductions in this budget include the following:

- 1) Elimination of travel and operating budgets (\$68,000) General Fund, (\$4,918) Reappropriated Funds, and (\$8,000) Cash Funds. These reductions total (\$80,918).
- 2) Contract reductions, including (\$6,000) General Fund from open data related services and (\$145,000) Cash Funds from personal services.

Shared Services:

This budget line proposed one large reduction to achieve the required savings. Ongoing elimination of the Human Resources Information System (also known as “HR Works”) budget which would allow large ongoing savings. This proposal is in agreement with the Department of Personnel and Administration, which ended the application development on May 19, 2020.

Agency Services:

Reductions from this budget require close coordination with the departments that will be directly impacted by changes.

- 1) Elimination of the general operating budget (\$150,853) Reappropriated Funds.
- 2) Ongoing reduction to funding for CDHS R-13 TRAILS (\$318,560) Reappropriated Funds.

No statute changes are required for this budget reduction proposal.

Anticipated Outcomes:

Impacts on service delivery and quality vary depending on the specific reduction and how directly the cost ties to customers. The Applications team supports different state departments so any impacts would be shared across them. OIT intends to make proportional and equitable reductions where possible to spread the impact evenly across customers. The reappropriated funds for this program come from other state departments, so the proportion of the financial impact will be determined by the amount of rate reduction for each service multiplied by the department's FY 2021-22 utilization of each.

Assumptions and Calculations:

OIT assessed the internal and external impact of the reductions and have categorized each as being low, medium or high. Table 1 below describes how OIT defines each impact.

Table 1. Definitions of Customer Impact

Customer Impact	Definition
High	OIT customers directly impacted. OIT will be unable to keep services operational for customers.
Medium	OIT internal impact on service delivery, but little to no impact on external service delivery to customers and keeping services operational.
Low	No anticipated OIT internal or external customer impact on service delivery.

Table 2. OIT Proposed Reduction Customer Impact, Description, and Amount

Customer Impact (High, Medium, Low)	OIT Long Bill Line	Description / Rationale	Funding Type	FY 2021-22 Amount	FY 2022-23 Amount
Medium	Applications Administration	Broadband/ Travel and Operating Reductions	General Fund	(\$68,000)	(\$68,000)
Low	Applications Administration	Broadband / Contract reductions	General Fund	(\$6,000)	(\$6,000)
Low	Applications Administration	Eliminate Operating Budget	Reappr. Funds	(\$4,918)	(\$4,918)
Medium	Applications Administration	Marijuana Data Coordination / Contract Reductions	Cash Funds	(\$145,000)	(\$145,000)
Medium	Applications Administration	Marijuana Data Coordination / Travel	Cash Funds	(\$8,000)	(\$8,000)

Low	Shared Services	HR Works Elimination	Reappr. Funds	(\$4,310,678)	(\$4,310,678)
Low	Agency Services	Operating Reduction	Reappr. Funds	(\$150,853)	(\$150,853)
Medium	Agency Services	Reduction to R-13 TRAILS	Reappr. Funds	(\$318,560)	(\$318,560)
Applications Grand Total				(\$5,012,009)	(\$5,012,009)

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-03 (OIT) Project Management Operating Efficiencies

Dept. Approval By: Patricia Nord

Supplemental FY 2020-21

OSPB Approval By: Cynthia Kelly

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$0	\$0	\$26,416,646	(\$77,539)	(\$77,539)
FTE		0.0	0.0	271.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$184,503	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$26,232,143	(\$77,539)	(\$77,539)
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$0	\$0	\$26,416,646	(\$77,539)	(\$77,539)
FTE		0.0	0.0	271.0	0.0	0.0
05. Office of Information Technology, (F) End User Services, (1) End User Services - Customer Service/Support	GF	\$0	\$0	\$184,503	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$26,232,143	(\$77,539)	(\$77,539)
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Governor's Office
Prioritized Request

Interagency Approval or Related Schedule 13s:

Impacts Other Agency

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Department Priority: R-03
Request Detail: OIT Project Management Operating Efficiencies

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$0	\$26,416,646	(\$77,539)	(\$77,539)
FTE	0.0	271.0	0.0	0.0
General Fund	\$0	\$184,503	\$0	\$0
Cash Funds	\$0	\$0	\$0	\$0
Reappropriated Funds	\$0	\$26,232,143	(\$77,539)	(\$77,539)
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

In FY 2021-22 and thereon, the Governor's Office of Information Technology (OIT) proposes a total reduction to the Project Management budget of (\$77,539) Reappropriated Funds. This is a 1.1 percent reduction in total funds to the FY 2020-21 Project Management budget.

Current Program:

OIT’s Project Management budget supports IT Directors and project managers who collaborate with several state departments throughout Colorado to implement and oversee OIT projects. This line supports 55.0 FTE, which covers the majority of this budget.

Problem or Opportunity:

With the economic downturn resulting from the Coronavirus pandemic dramatically reducing current and forecasted state revenues, OIT has assessed all areas of cost for possible savings and efficiencies.

Proposed Solution:

In FY 2021-22 and thereon, OIT proposes a total reduction to the Project Management budget of (\$77,539) Reappropriated Funds. This reduction is the result of eliminating the travel budget and removing the Colorado Department of Human Services (CDHS) funds OIT receives for the TRAILS Project related to project management.

The travel reduction will impact the common policy allocation for state departments supported by OIT. The TRAILS reduction will only impact CDHS. Due to federal funding match changes, CDHS is unable to utilize all of the state funding they are currently appropriated for the TRAILS project.

The funds for this program reappropriated from other state departments, state departments served by OIT’s IT Directors and project managers will be impacted by this reduction. The proportion of the financial impact will be determined by the amount of rate reduction for the service multiplied by the department’s FY 2021-22 utilization.

No statute changes are required for this budget reduction proposal.

Anticipated Outcomes:

This proposal includes a travel reduction of (\$16,000), which will have a low customer impact.

The reappropriated funds for this program come from other state departments, so the proportion of the financial impact will be determined by the amount of rate reduction for each service multiplied by the department’s FY 2021-22 utilization of each.

Assumptions and Calculations:

OIT assessed the internal and external impact of the reductions and have categorized each as being low, medium or high. Table 1 below describes how OIT defines each impact.

Table 1. Defining Definitions of Customer Impact

Customer Impact	Definition
High	OIT customers directly impacted. OIT will be unable to keep services operational for customers.

Medium	OIT internal impact on service delivery, but little to no impact on external service delivery to customers and keeping services operational.
Low	No anticipated OIT internal or external customer impact on service delivery.

Table 2 below shows the cost estimate per OIT Long Bill line and the estimated customer impact if reduced.

Table 2. OIT Proposed Reduction Customer Impact, Description, and Amount

Customer Impact (High, Medium, Low)	Central Administration Cost	Rationale	FY 2021-22 Amount	FY 2022-23 and On-going Amount
Low	Travel	Eliminate the travel budget	(\$16,000)	(\$16,000)
Low	Project Management	Colorado TRAILS R-13	(\$61,539)	(\$61,539)
Project Management Grand Total			(\$77,539)	(\$77,539)

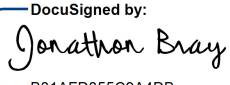

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-04 (OEDIT) Reprioritize Funding for Recovery

Dept. Approval By:		_____	_____	Supplemental FY 2020-21
OSPB Approval By:		_____	_____	Budget Amendment FY 2021-22
			X	Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$27,375,908	\$0	\$30,701,908	(\$2,846,000)	(\$2,846,000)
FTE		35.5	0.0	36.5	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$14,733,279	\$0	\$18,059,279	(\$2,846,000)	(\$2,846,000)
	CF	\$12,093,151	\$0	\$12,093,151	\$0	\$0
	RF	\$175,000	\$0	\$175,000	\$0	\$0
	FF	\$374,478	\$0	\$374,478	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$4,370,052	\$0	\$5,120,052	(\$270,000)	(\$270,000)
04. Economic Development Programs, (A) Economic Development Programs, (1) Economic Development Programs - Global Business Development	FTE	24.4	0.0	25.4	0.0	0.0
	GF	\$3,246,948	\$0	\$3,996,948	(\$270,000)	(\$270,000)
	CF	\$573,626	\$0	\$573,626	\$0	\$0
	RF	\$175,000	\$0	\$175,000	\$0	\$0
	FF	\$374,478	\$0	\$374,478	\$0	\$0

Total		\$1,079,856	\$0	\$1,579,856	(\$500,000)	(\$500,000)
04. Economic Development Programs, (A) Economic Development Programs, (1) Economic Development Programs - Colorado Office of Film, Television, and Media	FTE	4.5	0.0	4.5	0.0	0.0
	GF	\$560,331	\$0	\$1,060,331	(\$500,000)	(\$500,000)
	CF	\$519,525	\$0	\$519,525	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$14,528,000	\$0	\$16,528,000	(\$2,000,000)	(\$2,000,000)
04. Economic Development Programs, (A) Economic Development Programs, (1) Economic Development Programs - Colorado Promotion - Other Program Costs	FTE	4.0	0.0	4.0	0.0	0.0
	GF	\$10,528,000	\$0	\$12,528,000	(\$2,000,000)	(\$2,000,000)
	CF	\$4,000,000	\$0	\$4,000,000	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$7,398,000	\$0	\$7,474,000	(\$76,000)	(\$76,000)
04. Economic Development Programs, (A) Economic Development Programs, (1) Economic Development Programs - Advanced Industries	FTE	2.6	0.0	2.6	0.0	0.0
	GF	\$398,000	\$0	\$474,000	(\$76,000)	(\$76,000)
	CF	\$7,000,000	\$0	\$7,000,000	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Governor's Office Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact

Office of Economic Development and International Trade

FY 2021-22 Funding Request

November 2, 2020

Jared Polis
GovernorBetsy Markey
Executive Director

Department Priority: R-04
Request Detail: Reprioritize Funding for Economic Recovery

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$27,375,908	\$30,701,908	-\$2,846,000	-\$2,846,000
FTE	35.5	36.5	0.0	0.0
General Fund	\$14,733,279	\$18,059,279	-\$2,846,000	-\$2,846,000
Cash Funds	\$12,093,151	\$12,093,151	\$0	\$0
Reappropriated Funds	\$175,000	\$175,000	\$0	\$0
Federal Funds	\$374,478	\$374,478	\$0	\$0

Summary of Request:

The Office of Economic Development & International Trade (OEDIT) is requesting to continue four one-time reductions to programs/divisions from the FY 2020-21 budget package and make them ongoing reductions. Specifically, OEDIT requests the following ongoing reductions, for a total of \$2,846,000 in reductions:

1. \$2,000,000 to the Colorado Office of Tourism's (CTO) Promotion line item
2. \$500,000 to the Office of Film, TV, and Media's (COFTM) Film Incentive Program
3. \$270,000 to the Marketing and Communications Division of OEDIT's Global Business Development (GBD) Division
4. \$76,000 to the Colorado Small Business Development Center Network's (SBDCN) Leading Edge Program

Each of these requests effectively keeps funding at FY 2020-21 levels going forward. Sustaining these funding levels going forward will enable OEDIT to focus its funds on programs that are high priorities for economic recovery. Such priorities include providing immediate relief and recovery aid to small businesses most affected by the COVID-19 pandemic, stimulating growth and investment in Colorado's advanced industries, expanding access to capital for vulnerable populations, and setting aside money for the Strategic Fund to enable a nimble and evolving response to Colorado's most pressing economic problems.

Current Program:

Four OEDIT Programs/Divisions are impacted by this request:

1. CTO's Promotion Line Item:

The mission of CTO is to “[d]rive traveler spending through promotion and development of compelling, sustainable travel experiences throughout our four-corner state.” Colorado tourism generates billions in direct traveler spending, including via state and local taxes, while providing direct support for thousands of jobs. In support of this economic activity, the CTO promotes Colorado through domestic and international marketing, public relations, social media, the Official State Vacation Guide and colorado.com, and provides traveler services at 10 Colorado Welcome Centers. The CTO collaborates with destination marketing organizations, local communities, outdoor recreation providers, industry associations, government agencies, and private businesses to market Colorado as a superlative destination, support development of new travel experiences, and educate visitors about traveling the state responsibly.

2. COFTM's Film Incentive Program:

COFTM supports the Colorado film industry and film students in a variety of ways. One of these efforts is the Film Incentive Program, which offers a performance-based incentive that can rebate up to 20% of the qualified local expenditures incurred by a production company. Projects under consideration are analyzed on the expected economic impact, number of Colorado jobs created and overall positive impact for the State. In addition to film industry benefits, production spend impacts the broader workforce and local communities, including: writers, carpenters, electricians, painters, artists, lawyers, food service employees and caterers.

3. The Marketing & Communications Division:

OEDIT's Marketing and Communications division promotes the State economic development message while sharing and amplifying the corresponding internal OEDIT divisions' public facing messages. This support helps ensure that businesses and individuals in Colorado, or seeking to locate in Colorado, can access OEDIT's critical resources. This program is funded through the Global Business Development line item.

4. The Leading Edge Program:

The Colorado Small Business Development Center Network's Leading Edge Program delivers comprehensive training to small businesses by providing entrepreneurs with a better understanding of starting and operating a small business. The program has courses geared to help both start-up and existing businesses in the areas of finance, marketing, management, and more.

Problem or Opportunity:

As noted above, OEDIT's FY 2021-22 budget request focuses on reprioritizing and redirecting funding to the programs that most support a robust recovery for Colorado's economy. OEDIT has already worked diligently since the onset of the COVID-19 pandemic to direct federal and state funding to the most vulnerable businesses and individuals, as well as to those uses that most directly stimulate a strong recovery.

The request for these ongoing reductions will allow OEDIT to continue these pursuits by freeing up funding for those types of programs.

Proposed Solution:

OEDIT requests \$2,846,000 in ongoing reductions to the programs discussed above. These requests will not require OEDIT to lose any current staff due to restructuring, attrition, and other events within OEDIT. These requests will protect key priorities for economic recovery and stimulus to lift Colorado's economy out of the COVID-19 pandemic. These reductions support the extension of FY 2021-22 budget funds and stimulus funds for programs and services, including the creation of a Strategic Fund for, and a reimagining of, the Minority Business Office, investments in OEDIT's Global Business Development Division's Strategic Fund, and other programming that will allow an evolving and nimble response to economic recovery over the next few years.

Anticipated Outcomes:

For the specific programs that are affected by these reductions, the divisions within OEDIT responsible for these programs will have to reallocate funding going forward to ensure that they continue to support the populations they serve. Additionally, many of the populations that these programs support may receive additional direct funding from other sources as part of Colorado's economic recovery package.

1. CTO's Promotion Line Item: -\$2,000,000

The reduction of \$2,000,000 to CTO's Promotion line item originated in OEDIT's FY 2020-21 budget. In order to prioritize OEDIT's funds and preserve funding for changing economic conditions in years to come, this reduction has been made ongoing starting in FY 2021-22. While the ongoing reduction of \$2,000,000 will force CTO to reprioritize in order to direct funds to their highest priority programs, the CTO will still be able to fulfill its core responsibilities and support promotion efforts -- albeit to a lesser degree, both internationally and domestically, for Colorado. Moreover, the funds freed up by this reduction will support Colorado's economic recovery going forward. If, going forward, OEDIT feels that the CTO is unable to fulfill its core responsibilities without these funds, it may go through the budgetary process to request an increase in funding in future years.

2. COFTM's Film Incentive Program: -\$500,000

As in the FY 2020-21 budget cycle, the ongoing reduction of \$500,000 will leave \$250,000 for COFTM's Film Incentive Program, and COFTM will ensure that these funds are specifically directed at films that promote Colorado. Incentivizing these films will have the greatest impact, as they will serve both as a promotional tool for Colorado and will still have the positive overall impact that these incentives were designed to have.

3. The Marketing & Communications Division: -\$270,000

In the FY 2020-21 budget cycle, OEDIT requested a one-time reduction of \$270,000 to this program. As Colorado looks ahead to economic recovery over the next few years, OEDIT requests an ongoing reduction to this program. If, going forward, OEDIT deems that these funds are needed to support the core functions of the Marketing and Communications Divisions, it may go through the budget process to request an increase in funding in future years.

4. The Leading Edge Program: -\$76,000

In the FY 2020-21 budget cycle, OEDIT took a \$76,000 reduction to this program, which eliminated all State funding for it. This reduction was ultimately recouped by federal funds from the CARES Act in FY 2020-21. Due to an effort by OEDIT to reprioritize high-priority programs stimulating economic recovery, OEDIT requests making this elimination of State funding ongoing starting in FY 2021-22. The funding from this program will ease stress on other pieces of OEDIT's budget and support other programs that target small businesses in Colorado.

Assumptions and Calculations:

The expected impacts of a continued reduction in FY 2021-22 are based on the real impacts that those reductions are having in FY 2020-21.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

N/A.

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-05 (OIT) Network Operating Efficiencies

Dept. Approval By: Patricia Nord

Supplemental FY 2020-21

OSPB Approval By: Cynthia Kelly

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$22,919,273	\$0	\$141,117,206	(\$599,987)	(\$599,987)
FTE		54.0	0.0	552.5	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$7,200,000	\$0	\$8,500,701	\$0	\$0
	CF	\$48,600	\$0	\$666,940	(\$48,600)	(\$48,600)
	RF	\$15,549,673	\$0	\$131,828,565	(\$551,387)	(\$551,387)
	FF	\$121,000	\$0	\$121,000	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$0	\$0	\$118,197,933	(\$551,387)	(\$551,387)
FTE		0.0	0.0	498.5	0.0	0.0
05. Office of Information Technology, (B) IT Infrastructure, (1) IT Infrastructure - Enterprise Solutions	GF	\$0	\$0	\$1,300,701	\$0	\$0
	CF	\$0	\$0	\$618,340	\$0	\$0
	RF	\$0	\$0	\$116,278,892	(\$551,387)	(\$551,387)
	FF	\$0	\$0	\$0	\$0	\$0

Total		\$22,919,273	\$0	\$22,919,273	(\$48,600)	(\$48,600)
FTE		54.0	0.0	54.0	0.0	0.0
05. Office of Information Technology, (C) Network, (1) Network - Public Safety Network	GF	\$7,200,000	\$0	\$7,200,000	\$0	\$0
	CF	\$48,600	\$0	\$48,600	(\$48,600)	(\$48,600)
	RF	\$15,549,673	\$0	\$15,549,673	\$0	\$0
	FF	\$121,000	\$0	\$121,000	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Governor's Office
Prioritized Request

**Interagency Approval or
Related Schedule 13s:**

Impacts Other Agency



Department Priority: R-05
Request Detail: OIT Network Services Operating Efficiencies

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$22,919,273	\$141,117,206	(\$599,987)	(\$599,987)
FTE	54.0	552.5	0	0
General Fund	\$7,200,000	\$8,500,701	\$0	\$0
Cash Funds	\$48,600	\$666,940	(\$48,600)	(\$48,600)
Reappropriated Funds	\$15,549,673	\$131,828,565	(\$551,387)	(\$551,387)
Federal Funds	\$121,000	\$121,000	\$0	\$0

Summary of Request

In FY 2021-22 and thereon, the Governor's Office of Information Technology (OIT) proposes a total reduction to the Network budget of (\$599,987) Reappropriated and Cash Funds. This is a 1.1 percent reduction in total funds to the FY 2020-21 Network budget.

Current Program:

The Network Services and Public Safety Communications Network (PSCN) provide essential government network services to state departments and operate under Colorado statute 24-37.5-103.

Network services provide quality, high speed broadband data communications and internet access statewide to Colorado state departments, schools, libraries, city and county government, health care providers, and institutions of higher education. OIT also maintains critical services including, network monitoring and core network availability. OIT network services employs 54.0 FTE and is funded through reappropriated funds.

The PSCN team is responsible for maintaining the Digital Trunk Radio System across the state, allowing for communication between public safety, public service, and other governmental agencies as either their primary source, or for interoperability emergency and operable communications. The maintained infrastructure consists of 238 active radio sites operating on five zone controllers and provides radio coverage to approximately 95 percent of the state highways. The PSCN employs 54.0 FTE and is funded primarily with reappropriated funds.

Problem or Opportunity:

With the economic downturn resulting from the Coronavirus pandemic dramatically reducing current and forecasted state revenues, OIT has assessed areas of cost for possible savings and efficiencies.

Proposed Solution:

In FY 2021-22 and ongoing OIT proposes reductions of \$599,987 Total Funds (\$48,600 Cash Funds, \$551,387 Reappropriated Funds) to the OIT Network Long Bill group, including the Network Administration, CSN CORE, Voice and Data, and PSCN appropriations.

OIT is proposing the following reductions to Network Services for FY 2021-22 and thereon totaling (\$405,861) Reappropriated Funds and (\$145,526) Reappropriated Funds in the Colorado TRAILS R-13 reduction.

Within the PSCN budget appropriation, OIT is proposing the reduction for FY 2021-22 and ongoing totaling (\$48,600) in operating cash funds. This reduction is from cash fund spending authority not fully utilized by the PSCN program.

No statute changes are required for this budget reduction proposal.

Anticipated Outcomes:

During the COVID-19 pandemic, OIT evaluated the cost of desk phone services for employees and was able to convert 243 OIT desk phones to Jabber softphones. Jabber is an alternative phone service that provides instant messaging, voice and video calls, voice messaging, desktop sharing, and conferencing. The Jabber softphone service allows employees to maintain a work phone number while working away from the office. This conversion will save \$19,767 annually and this savings is incorporated into the budget reduction total.

The TRAILS reduction will only impact the Colorado Department of Human Services (CDHS). Due to federal funding match changes, CDHS is unable to utilize state funding they are currently appropriated for the TRAILS project.

The reductions specific to the PSCN operating budget will have a minimal customer impact on service delivery for the program.

The reappropriated funds for these programs come from other state departments, so the proportion of the financial impact will be determined by the amount of rate reduction for each service multiplied by the department’s FY 2021-22 utilization of each.

Assumptions and Calculations:

This request proposes on-going reductions to operating budgets. OIT assessed the internal and external customer impact of the reductions and have categorized each as being low, medium, or high. The Table 1 below describes how OIT defines each impact.

Table 1. Definition of Customer Impact

Customer Impact	Definition
High	OIT customers directly impacted. OIT will be unable to keep services operational for customers.
Medium	OIT internal impact on service delivery, but little to no impact on external service delivery to customers and keeping services operational.
Low	No anticipated OIT internal or external customer impact on service delivery.

Table 2 below shows the cost estimate per OIT Long Bill line and the customer impact if reduced.

Table 2. OIT Proposed Reduction Customer Impact, Description, and Amount

Customer Impact (High, Medium, Low)	OIT Long Bill Line Location	Program Name/Description	FY 2021-22 Amount	FY 2022-23 Amount
Network Services Reductions				
Low	Network Administration	Operating Budget	(\$236,666)	(\$236,666)
Low	CSN CORE	Operating Budget	(\$121,575)	(\$121,575)
Low	Voice and Data	Operating Budget	(\$47,620)	(\$47,620)
Low	Voice and Data	Colorado TRAILS	(\$145,526)	(\$145,526)

		R-13		
Network Services Reductions Subtotal			(\$551,387)	(\$551,387)
Public Safety Communications Network Reductions				
Low	Public Safety Communications Network	Operating Funds	(\$48,600)	(\$48,600)
Public Safety Communications Network Reductions Subtotal			(\$48,600)	(\$48,600)
Network Services GrandTotal			(\$599,987)	(\$599,987)

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-06 (OIT) Infrastructure Operating Efficiencies

Dept. Approval By: Patricia Nord

Supplemental FY 2020-21

OSPB Approval By: Cynthia Kelly

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$0	\$0	\$118,197,933	(\$3,001,889)	(\$3,001,889)
FTE		0.0	0.0	498.5	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$1,300,701	\$0	\$0
	CF	\$0	\$0	\$618,340	\$0	\$0
	RF	\$0	\$0	\$116,278,892	(\$3,001,889)	(\$3,001,889)
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$0	\$0	\$118,197,933	(\$3,001,889)	(\$3,001,889)
FTE		0.0	0.0	498.5	0.0	0.0
05. Office of Information Technology, (B) IT Infrastructure, (1) IT Infrastructure - Enterprise Solutions	GF	\$0	\$0	\$1,300,701	\$0	\$0
	CF	\$0	\$0	\$618,340	\$0	\$0
	RF	\$0	\$0	\$116,278,892	(\$3,001,889)	(\$3,001,889)
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request?

Department of Governor's Office
Prioritized Request

**Interagency Approval or
Related Schedule 13s:**

Impacts Other Agency

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Department Priority: R-06
Request Detail: OIT Infrastructure Operating Efficiencies

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$0	\$118,197,933	(\$3,001,889)	(\$3,001,889)
FTE	0.0	498.5	0.0	0.0
General Fund	\$0	\$1,300,701	\$0	\$0
Cash Funds	\$0	\$618,340	\$0	\$0
Reappropriated Funds	\$0	\$116,278,892	(\$3,001,889)	(\$3,001,889)
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

In FY 2021-22 and thereon, the Governor's Office of Information Technology (OIT) proposes a total reduction to the Infrastructure budget by (\$3,001,889) Reappropriated Funds. This is a 8.8 percent reduction in total funds to the FY 2020-21 Infrastructure budget.

Current Program:

Server Management

OIT's Infrastructure program manages database services and infrastructure overhead is funded through reappropriated funds with 23.0 FTE. These functions are located in IT Server Management.

Mainframe Services

When OIT consolidated in 2008, the mainframe was being used by many state departments for legacy applications. Great efforts have been made in recent years to move those legacy applications off the mainframe. Currently, the mainframe supports twelve different state departments, however most of the utilization is tied to just three departments, the Colorado Department of Human Services (CDHS), Department of Revenue, and the Colorado Department of Labor and Employment. OIT mainframe service managers are actively working to retire this service offering and eliminate the state's need for a mainframe.

Infrastructure Administration

This budget manages database services and infrastructure overhead for the department. It supports Oracle Software, ADABAS Software, and associated overhead so business applications and service integration functionality can be accomplished. This further provides ongoing annual maintenance, manufacturer technical support, administration, and upgrade capability to sustain successful and efficient operations. This line item and the associated appropriations of FTE and personal services funding support the OIT Infrastructure Administration staff and operating functions.

Data Center Services

This line item manages facility services of the State Data Center for the department. It supports data center cabling, cleaning, communications, operations, power maintenance, and fire systems so business systems can operate and communicate in a controlled facility. This further provides ongoing annual maintenance, testing, administration, and support to sustain successful and efficient operations. This line item and the associated appropriations of FTE and personal services funding support the Data Center Services staff and operating functions.

Problem or Opportunity:

With the economic downturn resulting from the Coronavirus pandemic dramatically reducing current and forecasted state revenues, OIT has assessed all areas of cost for possible savings and efficiencies.

Proposed Solution:

OIT is proposing medium and low impact reductions to the budget within the Infrastructure Administration, Mainframe, Server Management and Data Center Services. OIT is proposing (\$24,471) in travel, (\$10,000) in training, (\$1,350,000) in Chief Technology Office (CTO) overhead, (\$1,482,306) in contract reductions, (\$1,406,286) in general operating costs, (\$69,760) reduction to CDHS TRAILS Decision Item. No statute changes are required for this budget reduction proposal.

Within the Server Management budget appropriation, OIT is proposing reducing total funds by (\$1,389,892). The operating reductions include: (\$20,000) in travel with low impact, (\$10,000) in training with low impact, (\$250,000) contract reductions with medium impact, (\$1,040,132) in overhead (CTO, Enterprise Architecture, Digital Transformation Director) with medium impact, and (\$69,760) in reduction to TRAILS R-13 with low impact.

Within the Mainframe appropriation, OIT is proposing reducing total funds by (\$477,443). The reductions include, (\$106,943) in low impact operating budgets, and (\$370,500) in medium impact contract reductions.

Within the Infrastructure budget appropriation, OIT is proposing reducing total funds by (\$1,121,493). The operating reductions include: (\$2,320) in travel with low impact, (\$137,367) in General Operating Budget with low impact, (\$831,806) in contract reductions with medium impact, and (\$150,000) CTO Overhead with low impact.

Within the Data Center Services budget appropriation, OIT is proposing reducing total funds by (\$13,061). The operating reductions include, (\$2,151) in travel with a low impact and (\$10,910) in general operating budget with a medium impact.

Anticipated Outcomes:

OIT assessed the internal and external customer impact of the reductions and have categorized each as being low or medium. OIT identified (\$498,811) in low impact reductions related to travel, training, general operating, cloud optimization and migration efficiencies, and decision item cost alignment (CDHS TRAILS). OIT identified (\$2,503,348) in medium impact reductions related to overhead, cloud migration, and contract reductions.

The reappropriated funds for this program come from other state departments, so the proportion of the financial impact will be determined by the amount of rate reduction for each service multiplied by the department’s FY 2021-22 utilization of each.

Assumptions and Calculations:

OIT assessed the internal and external customer impact of the reductions and have categorized each as being low, medium, or high. Table 1 below describes how OIT defines each impact.

Table 1. Definitions of Customer Impact

Customer Impact	Definition
High	OIT customers directly impacted. OIT will be unable to keep services operational for customers.
Medium	OIT internal impact on service delivery, but little to no impact on external service delivery to customers and keeping services operational.
Low	No anticipated OIT internal or external customer impact on service delivery.

Table 2 below shows the cost estimate per OIT Long Bill line and the estimated customer impact if removed.

Table 2. OIT Proposed Reduction Customer Impact, Description, and Amount

Customer Impact (High, Medium, Low)	OIT Long Bill Line	Program Name/Description	FY 2021-22	FY 2022-23
Low	IT Server Management	Travel and Training	(\$30,000)	(\$30,000)
Medium	IT Server Management	Contract Reductions (VMware)	(\$250,000)	(\$250,000)
Medium	IT Server Management	Overhead	(\$1,040,132)	(\$1,040,132)
Low	IT Server Management	Reduction to TRAILS R-13	(\$69,760)	(\$69,760)
Low	Mainframe	General Operating	(\$106,943)	(\$106,943)
Medium	Mainframe	Contract Reductions	(\$370,500)	(\$370,500)
Low	Infrastructure Admin	Travel	(\$2,320)	(\$2,320)
Low	Infrastructure Admin	General Operating	(\$137,367)	(\$137,367)
Medium	Infrastructure Admin	Contract Reductions (ADABAS)	(\$831,806)	(\$831,806)
Low	Data Center Services	Travel	(\$2,151)	(\$2,151)
Medium	Data Center Services	General Operating	(\$10,910)	(\$10,910)
Low	Infrastructure Admin	CTO, Data Strategy Office Overhead	(\$150,000)	(\$150,000)
Infrastructure Grand Total			(\$3,001,889)	(\$3,001,889)

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-07 (OIT) Security Operating Efficiencies

Dept. Approval By: Patricia Nord

Supplemental FY 2020-21

OSPB Approval By: Cynthia Kelly

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$15,600,998	(\$1,427,886)	(\$1,427,886)
	FTE	0.0	0.0	51.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$15,600,998	(\$1,427,886)	(\$1,427,886)
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$15,600,998	(\$1,427,886)	(\$1,427,886)
	FTE	0.0	0.0	51.0	0.0	0.0
05. Office of Information Technology, (D)	GF	\$0	\$0	\$0	\$0	\$0
Information Security, (1)	CF	\$0	\$0	\$0	\$0	\$0
Information Security - Information Security	RF	\$0	\$0	\$15,600,998	(\$1,427,886)	(\$1,427,886)
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Governor's Office
Prioritized Request

Interagency Approval or Related Schedule 13s:

Impacts Other Agency

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Department Priority: R-07
Request Detail: OIT Vacancy Savings and Contract Renegotiations

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$0	\$15,600,998	(\$1,427,886)	(\$1,427,886)
FTE	0.0	51.0	0.0	0.0
General Fund	\$0	\$0	\$0	\$0
Cash Funds	\$0	\$0	\$0	\$0
Reappropriated Funds	\$0	\$15,600,998	(\$1,427,886)	(\$1,427,886)
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

In FY 2021-22 and thereon, the Governor's Office of Information Technology (OIT) proposes a total reduction to the Security budget of (\$1,427,886) Reappropriated Funds. This is a 9.0 percent reduction in total funds to the FY 2020-21 Long Bill for these appropriations.

Current Program:

OIT is responsible for the state's information security governance, architecture, and compliance, as well as provisioning user accounts and overseeing day-to-day security operations. OIT's information security program aims to preserve the confidentiality, integrity, and availability of Colorado's data through the innovative use of the right people, processes, technology, and services.

The security administration team ensures the state adopts cohesive governance that is enterprise oriented. This line is funded with reappropriated funds and 3.0 FTE.

The security governance team provides consumable supplies and materials used for day-to-day IT security operations. This line is funded by reappropriated funds and 6.0 FTE.

The security operations team is tasked with working closely with federal, state, local and private sector partners. Security Operations actively gathers and analyzes information on cyber threats and vulnerabilities presented to the state's information systems, networks, and applications. This line is funded with reappropriated funds and 44.0 FTE.

Problem or Opportunity:

With the economic downturn resulting from the Coronavirus pandemic dramatically reducing current and forecasted state revenues, OIT has assessed all areas of cost for possible savings and efficiencies.

Proposed Solution:

In FY 2021-22 and thereon, OIT proposes a total reduction to the Information Security budget of (\$1,427,886) Reappropriated Funds. This total is broken down in the following areas: Security Administration reduction of (\$5,000), Security Operations reduction of (\$956,286), and Security Governance reduction of (\$466,600).

The reductions in the information security program were chosen in an effort to minimize the impact on customers and **not jeopardize the information security of the state**. With that objective, OIT selected only low and medium impact reductions, including: holding select vacant positions open, reducing operating spending, delaying specific contractor work, renegotiating contracts by working with vendors and suppliers, and delaying some projects that require special tools and licenses.

With the funds for this program reappropriated from other state departments, state departments served by OIT will be impacted by this reduction. The proportion of the financial impact will be determined by the amount of rate reduction for each service multiplied by the department's FY 2021-22 utilization of each.

OIT believes state departments supported by OIT's information security team are supportive of allowing a few of the vacant positions to remain unfilled since it will not impact IT security.

These reductions will have varying effects internally and externally, but provide an overall low to medium overall impact (see Table 2 below). No statute changes are required for this budget reduction proposal.

Anticipated Outcomes:

The customer impact should be low with no anticipated OIT internal or external customer impact on service delivery for reductions totaling \$1,427,886. A few reductions totaling \$298,286 will have a medium impact, defined as having an OIT internal impact on service delivery, and/or will require an investment of the security team’s time to achieve (such as the contract negotiations), but little to no impact on external service delivery to customers and keeping services operational.

The reappropriated funds for this program come from other state departments, so the proportion of the financial impact will be determined by the amount of rate reduction for each service multiplied times the department’s FY 2021-22 utilization of each.

Assumptions and Calculations:

OIT assessed the internal and external impact of the reductions and have categorized each as being low, medium or high. Table 1 below describes how OIT defines each impact.

Table 1. Defining Definitions of Customer Impact

Customer Impact	Definition
High	OIT customers directly impacted. OIT will be unable to keep services operational for customers.
Medium	OIT internal impact on service delivery, but little to no impact on external service delivery to customers and keeping services operational.
Low	No anticipated OIT internal or external customer impact on service delivery.

Table 2 below shows the cost estimate per OIT Long Bill line and the estimated customer impact if cut.

Table 2. OIT Proposed Reduction Customer Impact, Description, and Amount

Customer Impact (High, Medium, Low)	OIT Long Bill Line Location	Description/Rationale	Amount	FY 2022-23 and On-going Amount
Administration				
Low	Security Administration	Travel	(\$5,000)	(\$5,000)
Administration subtotal			(\$5,000)	(\$5,000)

Operations				
Low	Security Operations	Travel	(\$13,000)	(\$13,000)
Low	Security Operations	Hold 3.0 current vacancies open	(\$260,000)	(\$260,000)
Low	Security Operations	Palo Alto Resident Engineer	(\$385,000)	(\$385,000)
Medium	Security Operations	Contractors	(\$185,000)	(\$185,000)
Medium	Security Operations	IAM Contractors	(\$64,000)	(\$64,000)
Medium	Security Operations	Contract re-negotiations	(\$49,286)	(\$49,286)
Operations Subtotal			(\$956,286)	(\$956,286)
Governance				
Low	Security Governance	Travel	(\$12,500)	(\$12,500)
Low	Security Governance	Hold 1.0 current vacancies open	(\$95,000)	(\$95,000)
Low	Security Governance	Zix Licensing	(\$359,100)	(\$359,100)
Governance Subtotal			(\$466,600)	(\$466,600)
Grand Total			(\$1,427,886)	(\$1,427,886)

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-08 (OIT) Public Safety Network Technical Correction

Dept. Approval By: Patricia Nord

Supplemental FY 2020-21

OSPB Approval By: Cynthia Kelly

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$22,919,273	\$0	\$22,919,273	(\$2,000,000)	(\$2,000,000)
FTE		54.0	0.0	54.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$7,200,000	\$0	\$7,200,000	\$0	\$0
	CF	\$48,600	\$0	\$48,600	\$0	\$0
	RF	\$15,549,673	\$0	\$15,549,673	(\$2,000,000)	(\$2,000,000)
	FF	\$121,000	\$0	\$121,000	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$22,919,273	\$0	\$22,919,273	(\$2,000,000)	(\$2,000,000)
FTE		54.0	0.0	54.0	0.0	0.0
05. Office of Information Technology, (C) Network, (1) Network - Public Safety Network	GF	\$7,200,000	\$0	\$7,200,000	\$0	\$0
	CF	\$48,600	\$0	\$48,600	\$0	\$0
	RF	\$15,549,673	\$0	\$15,549,673	(\$2,000,000)	(\$2,000,000)
	FF	\$121,000	\$0	\$121,000	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Governor's Office
Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact

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Department Priority: R-08
Request Detail: OIT Public Safety Communications Network Technical Correction

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$22,919,273	\$22,919,273	(\$2,000,000)	(\$2,000,000)
FTE	54.0	54.0	0.0	0.0
General Fund	\$7,200,000	\$7,200,000	\$0	\$0
Cash Funds	\$48,600	\$48,600	\$0	\$0
Reappropriated Funds	\$15,549,673	\$15,549,673	(\$2,000,000)	(\$2,000,000)
Federal Funds	\$121,000	\$121,000	\$0	\$0

Summary of Request

In FY 2021-22 and thereon, the Governor's Office of Information Technology (OIT) proposes a total reduction to the Public Safety Communications Network (PSCN) appropriation of (\$2,000,000) Reappropriated Funds. This is a 8.7 percent reduction in total funds to the FY 2020-21 PSCN appropriation.

Current Program:

The PSCN provides essential government network services to state departments and operates under Colorado statute 24-37.5-103.

The PSCN team is responsible for maintaining the Digital Trunk Radio System across the state, allowing for communication between public safety, public service, and other governmental agencies as either their primary source, or for interoperability, emergency and operable communications. The maintained infrastructure consists of 241 active radio sites operating on five zone controllers and provides radio coverage to approximately 95 percent of the state highways. The PSCN employs 54.0 FTE and is funded primarily with reappropriated funds.

Problem or Opportunity:

OIT receives \$7,200,000 in General Fund that is reappropriated to the Public Safety Trust Fund and may be used by OIT for the PSCN. HB 18-1325 provided an additional \$2,000,000 in FY 2018-19 and FY 2019-20 to be transferred to the Public Safety Trust Fund. The FY 2020-21 Long Bill was reduced by the \$2,000,000 in General Fund, however the spending authority in reappropriated funds was not equally adjusted and remains at \$9,200,000. To align the spending authority back to the original budgeted amount of \$7,200,000, OIT is proposing the ongoing (\$2,000,000) reduction in reappropriated funds.

Proposed Solution:

In FY 2021-22 and thereon, OIT proposes a reduction of \$2,000,000 Reappropriated Funds to the PSCN appropriation. This is a reduction request of 3.75 percent to these FY 2020-21 Long Bill appropriations.

OIT is proposing an on-going reduction for FY 2021-22 and thereon totaling (\$2,000,000) in a technical adjustment for HB 18-1325 *Digital Trunked Radio System Coverage Gaps*. The corresponding Long Bill letter note will need the amount to be changed from the current \$9,200,000 to state: “Of this amount, \$7,200,000 shall be from the Public Safety Communications Trust Fund created in Section 24-37.5-506(1), C.R.S.”

The proposed solution will not affect service delivery, workload, inputs, outputs, outcomes, or customers as this house bill was limited to FY 2018-19 and FY 2019-20.

No statute changes are required for this budget reduction proposal.

Anticipated Outcomes:

The reductions to the PSCN technical adjustment will have no customer impact on service delivery for the program. The \$2,000,000 technical adjustment will realign the spending authority within the PSCN budget and the Public Safety Trust Fund.

Assumptions and Calculations:

OIT assessed the internal and external customer impact of the reductions and have categorized each as being low, medium, or high. Table 1 below describes how OIT defines each impact.

Table 1. Definitions of Customer Impact

Customer Impact	Definition
High	OIT customers directly impacted. OIT will be unable to keep services operational for customers.
Medium	OIT internal impact on service delivery, but little to no impact on external service delivery to customers and keeping services operational.
Low	No anticipated OIT internal or external customer impact on service delivery.

Table 2 below shows the cost estimate per OIT Long Bill line and the customer impact if reduced.

Table 2. OIT Proposed Reduction Customer Impact, Description, and Amount

Customer Impact (High, Medium, Low)	OIT Long Bill Line Location	Program Name/Description	FY 2021-22 Amount	Ongoing Amount
Public Safety Communications Network Reductions				
Low	Public Safety Communications Network	Technical Adjustment - HB 18-1325 Digital Trunked Radio System Coverage Gaps	(\$2,000,000)	(\$2,000,000)
Public Safety Communications Network Subtotal			(\$2,000,000)	(\$2,000,000)
Public Safety Communication Network Grand Total			(\$2,000,000)	(\$2,000,000)

Schedule 13

Office of the Governor

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-09 (OIT) Leased Space Savings

Dept. Approval By: Patricia Nord

Supplemental FY 2020-21

OSPB Approval By: Cynthia Kelly

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,448,010	\$0	\$3,448,010	(\$750,000)	(\$750,000)
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$3,448,010	\$0	\$3,448,010	(\$750,000)	(\$750,000)
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,448,010	\$0	\$3,448,010	(\$750,000)	(\$750,000)
	FTE	0.0	0.0	0.0	0.0	0.0
05. Office of Information Technology, (A) OIT Central Administration, (1) OIT Central Administration - Leased Space	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$3,448,010	\$0	\$3,448,010	(\$750,000)	(\$750,000)
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Governor's Office
Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact

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Department Priority: R-09
Request Detail: OIT Leased Space Savings

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$3,448,010	\$3,448,010	(\$750,000)	(\$750,000)
FTE	0.0	0.0	0.0	0.0
General Fund	\$0	\$0	\$0	\$0
Cash Funds	\$0	\$0	\$0	\$0
Reappropriated Funds	\$3,448,010	\$3,448,010	(\$750,000)	(\$750,000)
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

In FY 2021-22 and thereon, the Governor's Office of Information Technology (OIT) proposes a total reduction to the Leased Space budget of (\$750,000) Reappropriated Funds. This is a 22 percent reduction in total funds to the FY 2020-21 leased space budget.

Current Program:

OIT maintains three leases in the Leased Space budget: eFORT Data Center, Lakewood Data Center (LDC), and Pearl Plaza HQ office space. The state currently manages two data centers: the LDC and the eFORT Data Center. The LDC is owned by the state and leased through the Department of Personnel and Administration (DPA), while the eFORT Data Center is leased from a vendor who maintains the facility (i.e. providing power, cooling, and enforced physical access oversight and support). The two locations and the state's cloud first strategy enable OIT to provide backup and disaster recovery services. The OIT Data Center Operations team manages the colocation data centers at eFORT and the LDC. This team provides support for power and cooling delivery, and enforces physical security standards. Prior to the COVID-19 pandemic, the Pearl Plaza HQ office space staffed 385 employees as well as provided meeting rooms for OIT employees to interact with other state agencies and vendors.

Problem or Opportunity:

With the economic downturn resulting from the Coronavirus pandemic dramatically reducing current and forecasted state revenues, OIT has assessed all areas of cost for possible savings and efficiencies.

Proposed Solution:

In FY 2021-22 and thereon, OIT proposes a total reduction to the Leased Space budget of (\$750,000) Reappropriated Funds by reducing leased space needs and costs.

OIT intends to sign a new lease for the eFORT Data Center facility following negotiations with vendors who responded to a recent RFP. Currently, this is pending active negotiations. In spring of 2020, OIT worked with DPA to draft and release an RFP to vendors for the eFORT facility and services. The intent of the RFP was to determine if any lower cost options existed and if the facilities operations could be aligned with the long term strategy of the state regarding data centers.

The strategy for negotiating a new lease is based on the following principles:

- reducing utility expenses
- reducing co-located office space that is separate from the physical data center
- backloading costs over the five year term where possible to give the state more flexibility in FY 2021-22 and FY 2022-23
- better market pricing for services and facilities

Initial responses to the RFP indicate an annual cost reduction of \$750,000 is likely and possible to achieve for this facility. However, at this time negotiations are pending. The goal is to have a new lease agreement executed by January 1, 2021.

No statute changes are required for this budget reduction proposal.

Anticipated Outcomes:

Although negotiations are still underway, OIT estimates that renegotiating the eFORT Data Center facility lease will reduce the annual lease cost and provide savings in the amount of \$750,000 for FY 2021-22 and thereon for the next five years. The amount of savings as a result of sharing the Pearl Plaza office space with other agencies is unknown at this time. With the

negotiations and details for these two spaces still in process, OIT is offering an estimate of \$750,000 in anticipated savings for leased space between the two buildings.

Assumptions and Calculations:

Table 1. Defining Definitions of Customer Impact

Customer Impact	Definition
High	OIT customers directly impacted. OIT will be unable to keep services operational for customers.
Medium	OIT internal impact on service delivery, but little to no impact on external service delivery to customers and keeping services operational.
Low	No anticipated OIT internal or external customer impact on service delivery.

Table 2 below shows the cost estimate per OIT Long Bill line and the estimated customer impact if reduced.

Table 2. OIT Proposed Reduction Customer Impact, Description, and Amount

Customer Impact (High, Medium, Low)	Central Administration Cost	Rationale	FY 2021-22 Amount	FY 2022-23 and On-going Amount
Low	Leased Space	Renegotiated Lease & Space Sharing	(\$750,000)	(\$750,000)
Leased Space Grand Total			(\$750,000)	(\$750,000)