

**Schedule 13**

**Department of Higher Education**

**Funding Request for The FY 2019-20 Budget Cycle**

**Request Title**

**NP-02 OIT\_DI1 Essential Database Support**

Dept. Approval By: Tonya Covarrubias

**Supplemental FY 2018-19**

OSPB Approval By: [Signature]

**Budget Amendment FY 2019-20**

**X**

**Change Request FY 2019-20**

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$475,659</b>	<b>\$0</b>	<b>\$634,862</b>	<b>\$2,610</b>	<b>\$105</b>
FTE		0.0	0.0	0.0	0.0	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$100,000	\$0	\$150,000	\$0	\$0
	CF	\$340,754	\$0	\$435,629	\$2,610	\$105
	RF	\$34,905	\$0	\$49,233	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$475,659</b>	<b>\$0</b>	<b>\$634,862</b>	<b>\$2,610</b>	<b>\$105</b>
FTE		0.0	0.0	0.0	0.0	0.0
01. Department Administrative Office, (A) Administrative Office, (1) Administrative Office - Payments to OIT	GF	\$100,000	\$0	\$150,000	\$0	\$0
	CF	\$340,754	\$0	\$435,629	\$2,610	\$105
	RF	\$34,905	\$0	\$49,233	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Higher Education Non-Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact

**Schedule 13**

**Department of Higher Education**

**Funding Request for The FY 2019-20 Budget Cycle**

Request Title

**NP-03 OIT\_DI2 Securing IT Operations**

Dept. Approval By: Tonga Covarrubias

Supplemental FY 2018-19

OSPB Approval By: [Signature]

Budget Amendment FY 2019-20

Change Request FY 2019-20

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$475,659</b>	<b>\$0</b>	<b>\$634,862</b>	<b>\$54,369</b>	<b>(\$31,151)</b>
FTE		0.0	0.0	0.0	0.0	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$100,000	\$0	\$150,000	\$0	\$0
	CF	\$340,754	\$0	\$435,629	\$35,528	(\$20,356)
	RF	\$34,905	\$0	\$49,233	\$18,841	(\$10,795)
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$475,659</b>	<b>\$0</b>	<b>\$634,862</b>	<b>\$54,369</b>	<b>(\$31,151)</b>
FTE		0.0	0.0	0.0	0.0	0.0
01. Department Administrative Office, (A) Administrative Office, (1) Administrative Office - Payments to OIT	GF	\$100,000	\$0	\$150,000	\$0	\$0
	CF	\$340,754	\$0	\$435,629	\$35,528	(\$20,356)
	RF	\$34,905	\$0	\$49,233	\$18,841	(\$10,795)
	FF	\$0	\$0	\$0	\$0	\$0

**Auxiliary Data**

Requires Legislation? NO

Type of Request? Department of Higher Education Non-Prioritized Request      Interagency Approval or Related Schedule 13s:      No Other Agency Impact

**Schedule 13**

**Department of Higher Education**

**Funding Request for The FY 2019-20 Budget Cycle**

Request Title

**NP-04 OIT\_DI4 Application Refresh and Consolidation**

Dept. Approval By: Tonya Covarrubias

Supplemental FY 2018-19

OSPB Approval By: [Signature]

Budget Amendment FY 2019-20

Change Request FY 2019-20

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$475,659</b>	<b>\$0</b>	<b>\$634,862</b>	<b>\$7,332</b>	<b>\$0</b>
FTE		0.0	0.0	0.0	0.0	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$100,000	\$0	\$150,000	\$0	\$0
	CF	\$340,754	\$0	\$435,629	\$7,332	\$0
	RF	\$34,905	\$0	\$49,233	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$475,659</b>	<b>\$0</b>	<b>\$634,862</b>	<b>\$7,332</b>	<b>\$0</b>
FTE		0.0	0.0	0.0	0.0	0.0
01. Department Administrative Office, (A) Administrative Office, (1) Administrative Office - Payments to OIT	GF	\$100,000	\$0	\$150,000	\$0	\$0
	CF	\$340,754	\$0	\$435,629	\$7,332	\$0
	RF	\$34,905	\$0	\$49,233	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Higher Education Non-Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact

**Schedule 13**

**Department of Higher Education**

**Funding Request for The FY 2019-20 Budget Cycle**

Request Title

**NP-05 OIT\_DI5 Optimize Self-Service Capabilities**

Dept. Approval By: Tonya Covarrubias

Supplemental FY 2018-19

OSPB Approval By: 

Budget Amendment FY 2019-20

Change Request FY 2019-20

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$475,659</b>	<b>\$0</b>	<b>\$634,862</b>	<b>\$1,529</b>	<b>(\$278)</b>
FTE		0.0	0.0	0.0	0.0	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$100,000	\$0	\$150,000	\$0	\$0
	CF	\$340,754	\$0	\$435,629	\$1,529	(\$278)
	RF	\$34,905	\$0	\$49,233	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$475,659</b>	<b>\$0</b>	<b>\$634,862</b>	<b>\$1,529</b>	<b>(\$278)</b>
FTE		0.0	0.0	0.0	0.0	0.0
01. Department Administrative Office, (A) Administrative Office, (1) Administrative Office - Payments to OIT	GF	\$100,000	\$0	\$150,000	\$0	\$0
	CF	\$340,754	\$0	\$435,629	\$1,529	(\$278)
	RF	\$34,905	\$0	\$49,233	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Higher Education Non-Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact

**Schedule 13**

**Department of Higher Education**

**Funding Request for The FY 2019-20 Budget Cycle**

**Request Title**

**HC-01 Strengthen & Build Capacity for Historic Preservation**

Dept. Approval By: Tonya Covarrubias

**Supplemental FY 2018-19**

OSPB Approval By: [Signature]

**Budget Amendment FY 2019-20**

**X**

**Change Request FY 2019-20**

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$7,281,077</b>	<b>\$0</b>	<b>\$7,395,103</b>	<b>\$661,623</b>	<b>\$0</b>
FTE		63.0	0.0	63.0	0.0	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$0	\$0	\$0	\$661,623	\$0
	CF	\$7,090,758	\$0	\$7,201,387	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$190,319	\$0	\$193,716	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$1,187,208</b>	<b>\$0</b>	<b>\$1,212,229</b>	<b>\$299,934</b>	<b>(\$7,055)</b>
FTE		10.0	0.0	10.0	1.5	0.0
09. History Colorado, (A) Central Administration, (1) Central Administration - Central Administration	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$1,070,866	\$0	\$1,095,887	\$299,934	(\$7,055)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$116,342	\$0	\$116,342	\$0	\$0

<b>Total</b>		<b>\$1,482,010</b>	<b>\$0</b>	<b>\$1,497,666</b>	<b>\$85,340</b>	<b>(\$4,703)</b>
FTE		8.0	0.0	8.0	1.0	0.0
09. History Colorado, (A) Central Administration, (1) Central Administration - Facilities Management	GF	\$0	\$0	\$0	\$196,968	\$0
	CF	\$1,482,010	\$0	\$1,497,666	(\$111,628)	(\$4,703)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	<b>\$4,611,859</b>	<b>\$0</b>	<b>\$4,685,208</b>	<b>\$276,349</b>	<b>\$11,758</b>
	FTE	45.0	0.0	45.0	(2.5)	0.0
09. History Colorado, (B) History Colorado Museums, (1) History Colorado Museums - History Colorado Center	GF	\$0	\$0	\$0	\$464,655	\$0
	CF	\$4,537,882	\$0	\$4,607,834	(\$188,306)	\$11,758
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$73,977	\$0	\$77,374	\$0	\$0

Auxiliary Data			
<b>Requires Legislation?</b>	NO		
<b>Type of Request?</b>	Department of Higher Education Prioritized Request	<b>Interagency Approval or Related Schedule 13s:</b>	No Other Agency Impact

**Cost and FTE**

- History Colorado requests \$661,623 General Fund and ongoing to strengthen and build capacity for statutorily required core state historic preservation services of the State’s History.

**Current Program**

- History Colorado, through statute, is responsible for providing the State’s core historic preservation services by collecting and housing artifacts representative of the State’s history and preserving the State’s statutorily defined historic monuments.
- 5.0 FTE are responsible for over 15 million collections, 55 buildings, and over 425,400 total square feet.

**Problem or Opportunity**

- History Colorado is not receiving enough Limited Gaming funds to keep up with increasing operating costs and inflation.
- Limited Gaming funds are appropriated to multiple different agencies, and History Colorado’s share is determined by current statute.

**Consequences of Problem**

- Without funding to strengthen and build capacity for core historic preservation services, the agency’s statutorily required core historic preservation services will deteriorate.
- History Colorado will have to make difficult choices about whether to build much needed capacity in core historic preservation services or continue to stabilize its finances through investments in earned revenue.

**Proposed Solution**

- To ensure the agency is able to maintain financial stability and provide the state with its required services, History Colorado is requesting to cover half of the costs for these services with General Fund.
- The agency will use the freed-up Limited Gaming cash funds to repurpose FTE to help with preservation services, and will invest in revenue-building activities, such as additional marketing to increase attendance, targeted direct mailing to increase donations and membership acquisitions. It will also add a new point-of-sale system for the History Colorado Center that integrates the member and donor database to sales data to better understand how members are using their membership benefits.

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**COLORADO**  
 Department of Higher  
 Education- History Colorado

*John W. Hickenlooper*  
 Governor

*Steve Turner*  
 Executive Director

FY 2019-20 Funding Request | November 1, 2018

**Department Priority: HC-01**

**Request Detail: Strengthen and Build Capacity for Historic Preservation Services**

Summary of Incremental Funding Change for FY 2019-20	Total Funds	General Fund
Strengthen and Build Capacity for Core Historic Preservation Services	\$661,623	\$661,623

**Problem or Opportunity:**

History Colorado provides the State’s core historic preservation services. History Colorado is responsible for preserving Colorado’s history by collecting and housing artifacts representative of the State’s history and preserving historic places across the state. These services are required by C.R.S. § 24-80-202, 24-80-210, 24-80-212, 24-80-401, 24-80-501, and 24-80-502. Table One below outlines the statutes which make History Colorado the sole repository for the State’s historic artifacts and responsible for the State’s historic monument sites.

**Table One: Statutes Outlining History Colorado’s Role in Preserving the State’s History through Artifacts and Historic Monument Sites**

C.R.S. §	Title	Statute Text
24-80-202	Trustee for state - exchange duplicates - lending materials	<p>(1) Except as otherwise provided in part 1 of this article, the society shall be the trustee of the state and as such shall faithfully expend and apply all money received from the state to the uses and purposes directed by law, and shall hold its present and future collections and property for the state, and shall not sell, mortgage, transfer, or dispose of in any manner or remove from the Colorado state museum any article thereof, or part of the same, without authority of law.</p> <p>(2) Nothing in this section shall be construed to prevent the sale, exchange, or other disposition of materials held by the society that are determined by the president and board of directors of the society to be duplicates of other items held by the society, redundant examples of items of similar type held by the society, items that are beyond the scope of the society’s mission statement or collections policy, or items that are lacking in usefulness or historical value.</p> <p>(3) Nothing in this section shall be construed to prevent the loan for reasonable periods of time of materials or exhibits to responsible borrowers under adequate safeguards, or the transfer to other educational institutions of the state of property not deemed applicable to the purposes of the society.</p> <p>(4) Revenue generated by the sale of such properties shall be held and disbursed pursuant to section 24-80-209.</p>

C.R.S. §	Title	Statute Text
24-80-210	Collections classed and catalogued	Collections of a scientific or historical nature shall be properly classed and catalogued and shall be at all reasonable hours open for public inspection and examination but under such rules and regulations as shall be prescribed or adopted by said society.
24-80-212	Transfer of mineral exhibits and documents	On July 1, 1959, there shall be transferred from the bureau of mines of the state of Colorado to the state historical society that certain mineral exhibit presently maintained by the bureau of mines in the Colorado state museum building, together with all mineral and other collections, specimens, exhibits, displays, records, documents, cases, and other materials pertaining to said exhibits and all collections and exhibits subordinate thereto. The said exhibit shall be and remain from the date of such transfer part of the general collections of the state historical society as described in this part 2, subject to the obligations and powers of the state historical society as set forth in this part 2. That portion of the Colorado state museum building now occupied by the said exhibit shall be transferred on July 1, 1959, to the occupancy and control of the state historical society.
24-80-401	Title to historical, prehistorical, and archaeological resources	<p>(1) The state of Colorado reserves to itself title to all historical, prehistorical, and archaeological resources in all lands, rivers, lakes, reservoirs, and other areas owned by the state or any county, city and county, city, town, district, or other political subdivision of the state. Historical, prehistorical, and archaeological resources shall include all deposits, structures, or objects which provide information pertaining to the historical or prehistorical culture of people within the boundaries of the state of Colorado, as well as fossils and other remains of animals, plants, insects, and other objects of natural history within such boundaries.</p> <p>(2) As used in this part 4, "historical, prehistorical, and archaeological resources" includes, in addition to the specific site or deposit, rights-of-way access on state-owned land from a maintained public road for the exploration, protection, preservation, interpretation, and enhancement of the site or deposit proper.</p>
24-80-410	State monuments	The governor of the state of Colorado is hereby authorized, upon recommendation of the society and approval of both the state agency having jurisdiction over the same and the county or municipality within which the same are located, to declare by public proclamation that any particular historic and prehistoric or archaeological structures, deposits, sites, and other objects of scientific or historic interest that are situated upon lands owned by the state of Colorado shall be state monuments, and he may designate as a part thereof such state-owned parcels of land as he may deem necessary for the proper access, care, and management of the objects so designated.
24-80-501	Monuments enumerated - control	Bent's Old Fort on the Arkansas River, Chief Ouray Memorial near Montrose, Pike's Stockade on the Conejos River, Fort Garland in the San Luis Valley, Healy House and Dexter Cabin in Leadville, and such other historical sites and structures as may from time to time be acquired by the state historical society on behalf of the state of Colorado are hereby declared state historical monuments. The state historical society shall have exclusive management and control over such historical monuments and shall reconstruct, restore, repair, construct, install, and furnish, in its discretion and to the extent of moneys available to it, such buildings, museums, or other structures and such exhibits, displays, and other items on or in such historical monuments as it deems advisable.

C.R.S. §	Title	Statute Text
24-80-502	Survey - report - acquisition	The state historical society is hereby authorized to survey and study all sites and structures in Colorado deemed by it of historical interest or importance or suitable for local historical museums and to draft for submission to the general assembly and the governor and to revise from time to time a list and description of such sites and structures, together with its recommendations for their preservation, restoration, and construction, and a long-range program for the development of historical monuments in Colorado. The state historical society is further authorized, in its discretion and from time to time, to acquire on behalf of the state of Colorado by gift or devise or by purchase, to the extent moneys are available to it, such sites and structures in Colorado as it deems advisable for historical monuments.

As illustrated in Tables Two and Three below, the expenditures for the historic preservation services have decreased annually since the agency revamped its financial strategy to balance its budget in mid-FY 2015-16. The budget for FY 2018-19 is the first year an increase in expenditures is predicted for core historic preservation services, which include the Collections and Library Division and the Facilities-Community Museum and Historic Sites Division. The increase in expenditures for FY 2018-19 is primarily due to the agency's decision to give all employees (classified and non-classified) a 3.0 percent salary survey raise. Non-classified staff at the agency has not had a raise since FY 2013-14, due to the change in its financial strategy in FY 2015-16.

**Table Two: Core Historic Preservation Services Expenditures\***

<b>Historic Sites - FCIL</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 Expenditures</b>	<b>2019 Budget</b>
Payroll	\$249,052	\$245,088	\$238,595	\$241,199	\$263,886
Operations	\$40,591	\$28,905	\$22,446	\$24,731	\$15,372
Georgetown Loop	\$18,146	\$16,385	\$21,916	\$11,410	\$10,646
Historic Sites	\$14,791	\$6,675	\$2,795	\$11,839	\$10,005
Warehouses (house collections)	\$124,477	\$141,034	\$164,134	\$104,757	\$101,040
<b>Total:</b>	<b>\$447,057</b>	<b>\$438,088</b>	<b>\$449,884</b>	<b>\$393,936</b>	<b>\$400,949</b>
<b>Collections &amp; Library</b>	<b>2105</b>	<b>2017</b>	<b>2017</b>	<b>2018 Expenditures</b>	<b>2019 Budget</b>
Administration	\$1,202,566	\$1,052,021	\$924,979	\$858,543	\$955,256
Contemporary Collecting and Special Projects	\$0	\$0	\$0	\$34	\$0
Archives	\$61,375	\$30,157	\$30,210	\$25,507	\$78,965
Culture and Community	\$7,900	\$1,416	\$1,244	\$2,702	\$2,175
Collections Services	\$16,350	\$33,141	\$18,957	\$16,373	\$16,600
Library and Research Center	\$19,450	\$18,244	\$17,299	\$25,249	\$27,240
<b>Total:</b>	<b>\$1,307,641</b>	<b>\$1,134,979</b>	<b>\$992,690</b>	<b>\$928,410</b>	<b>\$1,080,236</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2018 Expenditures</b>	<b>2019 Budget</b>
Historic Sites - FCIL	\$447,057	\$438,088	\$449,884	\$393,936	\$400,949
Collections & Library	\$1,307,641	\$1,134,979	\$992,690	\$928,410	\$1,080,236
<b>Total:</b>	<b>\$1,754,698</b>	<b>\$1,573,067</b>	<b>\$1,442,574</b>	<b>\$1,322,345</b>	<b>\$1,481,185</b>

\*Expenditures are from the agency's board approved P&L reports

**Table Three: Change in Core Historic Preservation Services Expenditures**

<b>Historic Sites - FCIL</b>	<b>2015 to 2016</b>	<b>2016 to 2017</b>	<b>2017 to 2018</b>	<b>2018 to 2019</b>
Payroll	-1.59%	-2.65%	1.09%	9.41%
Operations	-28.79%	-22.35%	10.18%	-37.84%
Georgetown Loop	-9.70%	33.75%	-47.94%	-6.69%
Historic Sites	-54.87%	-58.13%	323.60%	-15.49%
Warehouses (house collections)	13.30%	16.38%	-36.18%	-3.55%
<b>Total:</b>	<b>-2.01%</b>	<b>2.69%</b>	<b>-12.44%</b>	<b>1.78%</b>
<b>Collections &amp; Library</b>	<b>2015 to 2016</b>	<b>2016 to 2017</b>	<b>2017 to 2018</b>	<b>2018 to 2019</b>
Administration	-12.52%	-12.08%	-7.18%	11.26%
Contemporary Collecting and Special Projects	0.00%	0.00%	0.00%	-100.00%
Archives	-50.86%	0.18%	-15.57%	209.58%
Culture and Community	-82.07%	-12.14%	117.17%	-19.51%
Collections Services	102.70%	-42.80%	-13.63%	1.39%
Library and Research Center	-6.20%	-5.18%	45.96%	7.88%
<b>Total:</b>	<b>-13.20%</b>	<b>-12.54%</b>	<b>-6.48%</b>	<b>16.35%</b>
	<b>2015 to 2016</b>	<b>2016 to 2017</b>	<b>2017 to 2018</b>	<b>2018 to 2019</b>
Historic Sites - FCIL	-2.01%	2.69%	-12.44%	1.78%
Collections & Library	-13.20%	-12.54%	-6.48%	16.35%
<b>Total:</b>	<b>-10.35%</b>	<b>-8.30%</b>	<b>-8.33%</b>	<b>12.01%</b>

History Colorado has dealt with multiple factors which have deteriorated the level of statutorily required historic preservation services it is able to provide in the recent past. These include: a reduction of the amount of limited gaming funds available to the agency due to the passage of Amendment 50; a new building that is being paid for through a COP, paid for by the agency’s limited gaming revenue and; a budget crisis that left an over two million hole in the agency’s cash reserves and resulted in a major change in the agency’s overall financial strategy.

**Limited Gaming Revenues:**

Table Four below shows an analysis on the history of limited gaming distributions over the past ten years. Over ten years, the Historical Society’s total increase in limited gaming funds was 8.5 percent, and total limited gaming funds increased 12.52 percent. In addition, over the last ten years, the average annual increase to the Historical Society’s limited gaming revenue has been 0.24 percent, while total limited gaming revenue increased at rate of 1.38 percent annually. Limited Gaming revenues are the agency’s only source of public funds, other than enterprise earned revenue cash funds it raises through earning revenue on its museums, programs and fee-based services. With History Colorado’s annual increases to Limited Gaming revenues increasing at an average of 0.24 percent, and most of History Colorado’s expenses increasing at a rate that is at least equal to inflation, the enterprise earned revenue funds have had to make up for any shortfalls in Limited Gaming funding.

**Table Four: Ten Year History of Limited Gaming Revenue Distributions\***

	2010	2011	2012	2013	2014	2015	2016	2017	Projected 2018	Projected 2019
<b>General Fund</b>	\$16,200,000	\$20,400,269	\$20,304,942	\$12,102,134	\$11,820,185	\$13,517,425	\$15,463,715	\$15,231,192	\$15,653,346	\$18,067,072
<b>Local Gov't Impact</b>	\$3,772,780	\$3,600,806	\$3,314,827	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
<b>CDOT</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Travel &amp; Tourism</b>	\$14,208,015	\$12,002,686	\$11,049,424	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
<b>Council on the Arts</b>	\$1,121,726	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Creative Industries</b>	\$0	\$1,200,269	\$883,954	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
<b>Film Incentive</b>	\$407,997	\$0	\$220,989	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>New Jobs Incentive</b>	\$1,291,231	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Colorado Office of Film</b>	\$0	\$0	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
<b>Innovative Higher Ed Research</b>	\$1,904,251	\$1,680,376	\$1,546,920	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000
<b>BioScience Discovery Evaluation</b>	\$5,500,000	\$4,320,967	\$3,977,793	\$5,500,000	\$5,500,000	\$0	\$0	\$0	\$0	\$0
<b>Advanced Industries Acceleration</b>	\$0	\$0	\$0	\$0	\$0	\$5,500,000	\$5,500,000	\$5,500,000	\$5,500,000	\$5,500,000
<b>Clean Energy Fund</b>										
<b>State Historical Society</b>	\$24,867,360	\$24,195,009	\$23,127,355	\$23,633,194	\$23,475,304	\$24,455,998	\$25,515,680	\$25,385,467	\$25,621,874	\$26,973,560
<b>Gilpin &amp; Teller County</b>	\$10,657,440	\$10,369,289	\$9,911,723	\$10,128,512	\$10,060,844	\$10,481,142	\$10,935,342	\$10,879,486	10980803	\$11,560,097
<b>Blackhawk, Central City &amp; Cripple Creek</b>	\$7,428,860	\$8,641,075	\$8,259,770	\$8,440,427	\$8,384,037	\$8,734,285	\$9,112,743	\$9,066,238	\$9,150,669	\$9,633,414
<b>Total Distributed</b>	<b>\$96,742,402</b>	<b>\$95,327,351</b>	<b>\$91,197,385</b>	<b>\$92,686,815</b>	<b>\$92,219,372</b>	<b>\$97,218,342</b>	<b>\$103,684,917</b>	<b>\$104,082,249</b>	<b>\$102,816,508</b>	<b>\$108,852,141</b>
<b>Total Administration Expense Deducted before Distribution</b>	\$14,067,108	\$10,622,508	\$12,360,115	\$11,958,159	\$14,103,328	\$13,981,725	\$14,561,705	\$15,022,463	\$16,925,549	\$16,925,549

\*This data is from the Department of Revenue's Limited Gaming Annual Fact Book and Abstract, found here: <https://www.colorado.gov/pacific/enforcement/industry-statistics-gaming>

Change \$	FY10 to FY11	FY11 to FY12	FY12 to FY13	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY16 to FY17	FY17 to FY18	FY18 to FY19	Average Change	Total 10 year Change
State Historical Society	-\$672,351	-\$1,067,654	\$505,839	-\$157,890	\$980,694	\$1,059,682	-\$130,213	\$236,407	\$1,351,686	\$234,022	\$2,106,200
Total Distributed	-\$1,415,051	-\$4,129,966	\$1,489,430	-\$467,443	\$4,998,970	\$6,466,575	\$397,332	\$1,265,741	\$6,035,633	\$1,345,527	\$12,109,739
Change %	FY10 to FY11	FY11 to FY12	FY12 to FY13	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY16 to FY17	FY17 to FY18	FY18 to FY19	Average Change	Total 10 year Change
State Historical Society	-0.69%	-1.12%	0.55%	-0.17%	1.06%	1.09%	-0.13%	0.23%	1.31%	0.24%	8.5%
Total Distributed	-1.46%	-4.33%	1.63%	-0.50%	5.42%	6.65%	0.38%	-1.22%	5.87%	1.38%	12.52%

### **Change in Financial Strategy**

In addition to limited gaming revenues increasing at a lower rate than the agency's costs for its core historic preservation services, the agency has undergone seismic shifts in its financial strategy. In the 2015 legislative session, the Governor and General Assembly took numerous steps to help History Colorado avert a fiscal crisis. History Colorado had begun spending into its reserve fund balance in FY 2012-13 and the forecast showed an increasingly precarious financial situation for History Colorado in out-years. While there were a variety of causes for the financial destabilization of the organization, the major factors were a decreasing appropriations of limited gaming funds without either a corresponding increase to earned revenue or decrease in expenses.

In 2015, legislative and administrative measures were implemented to increase the accountability of the organization and help it to change course. Senate Bill 15-225 changed the governance structure of History Colorado's Board. Senate Bill 15-225 reorganized the Board so that all nine members are now appointed by the Governor and four of those nine are subject to confirmation from the Senate, creating a more direct reporting relationship to the Governor and General Assembly through the Department of Higher Education. Prior to Senate Bill 15-225, Board members were elected to serve by their fellow Historical Society members. In addition, the Joint Budget Committee changed the structure of History Colorado's Long Bill section, adding greater specificity and transparency for the organization's funds, while enabling the Board to more effectively manage its budget. With the implementation of these changes, the primary charge for the organization, as outlined by the Governor, General Assembly, and new History Colorado Board was to become a fiscally sound and self-sustaining organization.

History Colorado has taken several steps over the last two years to stabilize its finances without having to use its reserve funds to balance its budget. When the new Board of Directors took control of the organization in FY 2015-16, it was clear from a five-year financial forecast that the Board's focus was on reducing expenses to align with revenue sources. The Board would also work on increasing earned revenue through strategic spending to offset the reduction in the annual increase of limited gaming funds. The Board of Directors began utilizing History Colorado's internal budget process as a planning and management tool for the organization to ensure the agency's annual expenditures do not exceed the revenue generated. The internal budget has informed many of the Board's decisions since it took control of the organization. For example, in order to reduce expenditures, the Board asked staff for voluntary early retirements, lay-offs and furloughs, reducing History Colorado's FTE from 131.4 to 105.3. In addition, non-classified History Colorado staff did not receive an on-going salary survey or merit pay increase in FY 2015-16 or FY 2017-18. The Board has also increased spending on strategic priorities to increase earned revenue, such as utilizing new, built in-house exhibits with History Colorado collections to refresh the Museums' offerings and bring in visitors.

In addition, the agency has various annual expenditures which it has little to no control over, such as non-personnel common policies, indirect cost assessments to the Department of Higher Education, and a COP payment for the History Colorado Center. Table Five below shows the expenses that are tied to statutorily required activities, or those which the agency has little to no control over in FY 2017-18. These costs have also increased at a rate larger than Limited Gaming revenue has increased (0.24 percent).

**Table Five: History Colorado FY 2017-18 Statutorily Required/ Lack of Control Expenditures**

<b>Statutorily Required Expenditures</b>	
COP	\$3,012,835.00
Regional Maintenance Capital Cash Funds	\$500,000.00
Non-Personnel POTS	\$968,898.00
Higher Education Indirect Cost	\$233,772.00
OAHP (State Portion)	\$697,008.00
Collections	\$948,269.00
Community Museums Facilities	\$393,935.90
<b>Total</b>	<b>\$6,754,717.90</b>

The new strategy, along with the statutorily required/limited control expenditure increases, have put the Board in a position where it must decide whether to invest funds in revenue building activities, such as exhibits, marketing and philanthropy, or to invest in core historic preservation services that do not typical bring in earned revenue. As balancing the budget and increasing the agency’s ability to earn revenues were the Governor and General Assembly’s top priorities for History Colorado, these have been the top priorities for the Board since it was created in FY 2015-16. As a result, the budgets of, and associated ability to deliver, core historic preservation services have reduced since FY 2014-15.

There is currently a fiscal structural hole in the agency’s finances, because it will continue to have to choose between funding its core historic preservation services or invest in revenue building activities. While the agency does believe that it can significantly increase its earned revenue over time, required services will continue to suffer until History Colorado has the structure and ability to sustain its earned revenue increases, which will take time.

***Proposed Solution:***

The agency proposes an investment of \$661,623 (half of the core historic preservation service’s 2018 expenditures) in General Funds to supplement its required services, as well as free up cash funds to build capacity within the core historic preservation service divisions and revenue building activities. This will speed up the agency’s capacity building for earned revenue activities, while ensuring its statutorily required duties do not deteriorate into a fiscal structural hole.

Table Five below outlines FY 2017-18 core historic preservation expenses by type.

<b>Table 5: FY 2017-18 Core Historic Preservation Expenses (from the Year End P&amp;L)</b>		
<b>Historic Sites - FCIL</b>	<b>Total 2018 Expenses</b>	<b>Request (Half)</b>
Payroll	\$241,199	\$120,599
Operations	\$24,731	\$12,365
Georgetown Loop	\$11,410	\$5,705
Historic Sites	\$11,839	\$5,920
Warehouses (house collections)	\$104,757	\$52,379
<b>Total:</b>	<b>\$393,936</b>	<b>\$196,968</b>

<b>Collections &amp; Library</b>	<b>Total 2018 Expenses</b>	<b>Request (Half)</b>
Administration	\$859,443	\$429,721
Contemporary Collecting and Special Projects	\$34	\$17
Archives	\$25,507	\$12,754
Culture and Community	\$2,702	\$1,351
Collections Services	\$16,373	\$8,187
Library and Research Center	\$25,249	\$12,625
<b>Total:</b>	<b>\$929,310</b>	<b>\$464,655</b>
Historic Sites - FCIL	\$393,936	\$196,968
Collections & Library	\$929,310	\$464,655
<b>Total:</b>	<b>\$1,323,245</b>	<b>\$661,623</b>

This will allow the agency to free up \$661,623 in gaming funds and earned revenue to invest in revenue building programs and to ensure it continues to have capacity to preserve the State's history in the present and future.

The agency would invest the available Cash Funds on the following items:

<b>Table 6: Proposed Expenditures with Available \$661,623 Cash Funds</b>		
<b>Proposed Expenditures</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Available</b>	<b>\$661,623</b>	<b>\$661,623</b>
Collections - 1.0 Collections Manager FTE	\$72,159	\$67,456
Collections - Build Capacity	\$40,000	\$40,000
Facilities - 1.0 Facilities Project Manager FTE	\$85,340	\$80,637
Central Services - 1.5 Gifts, Grants and Donations Accountant FTE	\$99,934	\$92,879
Philanthropy Strategic Expenditures	\$200,000	\$200,000
Marketing Strategic Expenditures	\$90,000	\$90,000
Exhibits Strategic Expenditures	\$74,190	\$90,651

***Anticipated Outcomes:***

If the proposal is approved, we anticipate the agency's ability and capacity to deliver quality statutorily required Core historic preservation services will continue into the foreseeable future. The proposal will also allow History Colorado to invest its cash funds in improving the agency's financial stability and sustainability through revenue building activities, as opposed to having to choose between providing core historic preservation services and balancing the budget.

The table below describes the investments that will be made in the agency's various divisions with



the freed up cash funds and the anticipated outcome of that investment. The FTE will be repurposed into positions that will support the core historic preservation services.

**Table 7: Proposed Investments**

Division/Investment	FY 2019-2020 Investment Amount	Anticipated Outcomes	Estimated ROI
<b>Collections</b>			
Collections - 1.0 Collections Manager FTE	\$72,159	Collections currently has 3.0 FTE to manage and care for over 15 million collections pieces, History Colorado Center storage, and one offsite storage facility. These staff are also responsible for accessioning and de-accessioning collection pieces and the collections portion of exhibit building at History Colorado and six community museums.	\$0
Collections - Accession/De-accession Consultants	\$40,000	To build space capacity for current and future collections, the agency needs to de-accession objects that are duplicative and in poor condition. Consultants are needed to assist with the backlog that has built up over the past three years. This is an ongoing process and will require funding for multiple years.	\$0
<b>Facilities</b>			
Facilities - 1.0 Facilities Project Manager FTE	\$85,340	The Facilities - Community Museums and Historic Sites division currently has 2.0 FTE project managers to maintain and restore 55 buildings (over 425,400 total square feet). This includes major projects, such as State and cash funded capital construction projects, and smaller controlled maintenance and emergency projects. Currently, the team does not have the capacity to manage projects and complete regular maintenance/reviews at all of its properties. The lack of regular maintenance/reviews in the past has led to more damage, and in turn, increased controlled maintenance/capital renewal needs. An additional FTE will give the team the capacity it needs to properly manage the State's Historic Sites.	\$0
<b>Central Services</b>			
Central Services - 1.5 Gifts, Grants and Donations Accountant FTE	\$99,934	History Colorado's change in financial strategy in FY 2015-16 has led to a substantial increase in the amount of gifts, grants and donations the agency receives annually. These additional types of funds require additional capacity in the Central Services - Finance division to manage, not only because the total amount of funds managed is increasing, but also because it will assist the Philanthropy division in reporting to its donors. The additional reporting will help Philanthropy better track donations and in turn, increase the probability of additional gifts.	\$250,000
<b>Philanthropy</b>			
Philanthropy - Development and Membership Acquisition Direct Mail	\$35,000	Direct mailers to increase membership and donations to History Colorado.	\$40,000
Philanthropy -Legacy Mailing - untapped populations	\$40,000	Mailers to target possible legacy donations to History Colorado	\$100,000

FY 2019-2020			
Division/Investment	Investment Amount	Anticipated Outcomes	Estimated ROI
Philanthropy -Print Marketing Collateral	\$20,000	Print marketing collateral will help keep History Colorado in potential donors minds after the initial presentation.	\$10,000
Philanthropy -Contract Staff to Develop and Process Acquisition Results	\$70,000	There is an on-going backlog of data entry for donation and membership acquisition results. When this data is put into the system and analyzed, Philanthropy staff can then more quickly target its outreach to potential donors.	\$80,000
Philanthropy -Point of Sale Conversion	\$35,000	A new point of sale system will integrate the sales system with the member and donor databases. This will enable Philanthropy staff to better target its outreach through knowledge of visits to museums, gift shop purchases and attendance to programming events.	\$10,000
<b>Marketing</b>			
Marketing -Paid Advertising, including social media and programmatic promotion	\$70,000	Additional paid advertisement to increase attendance to the museums and programming events.	\$80,500
Marketing -Video Production for digital advertising	\$10,000	Video production to increase the agency's presence in the digital advertising world and reach new audiences.	\$11,500
Marketing -Promotional Events and Outreach	\$10,000	Additional promotional events and outreach to reach new audiences and promote repeat visits to the museums.	\$11,500
<b>Exhibits</b>			
Exhibits -Coordinator for the Ballentine Gallery	\$74,190	History Colorado will soon begin the process of renovating a classroom space at the History Colorado Center in a gallery space that local communities, artists and non-profit groups can rent to display their exhibit. A coordinator for that gallery will increase the number of groups that can rent the space annually and in turn, increase earned revenue.	\$100,000

If the request is not funded, the agency's statutorily required core historic preservation services will continue to deteriorate, as costs for the COP, non-personnel POTS and other items outside the agency's control take up the majority of annual Limited Gaming revenue increases. Without additional funding, History Colorado will continue to have to make difficult choices about whether to build much needed capacity in core historic preservation services or continue to stabilize its finances through investments in earned revenue.

This budget request is directly linked to the Agency's Performance Plan goals of increasing engagement and reach, becoming financially stable, and maintaining an engaged and supported workforce.

***Assumptions and Calculations:***

Please see Attachment A for calculations for FTE cost assumption calculations.

**FTE Calculation Assumptions:**

**Operating Expenses** -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.

**Standard Capital Purchases** -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).

**General Fund FTE** -- New full-time General Fund positions are reflected in Year 1 as 0.9166 FTE to account for the pay-date shift. This applies to personal services costs only; operating costs are not subject to the pay-date shift.

Expenditure Detail		FY 2019-20		FY 2020-21	
<b>Personal Services:</b>					
Classification Title	Monthly	FTE		FTE	
Collections Manager	\$4,000	1.0	\$48,000	1.0	\$48,000
PERA			\$4,992		\$4,992
AED			\$2,400		\$2,400
SAED			\$2,400		\$2,400
Medicare			\$696		\$696
STD			\$91		\$91
Health-Life-Dental			\$7,927		\$7,927
<b>Subtotal Collections Manager, 1.0 FTE</b>		<b>1.0</b>	<b>\$66,506</b>	<b>1.0</b>	<b>\$66,506</b>
Classification Title	Monthly	FTE		FTE	
Facilities Project Manager	\$4,900	1.0	\$58,800	1.0	\$58,800
PERA			\$6,115		\$6,115
AED			\$2,940		\$2,940
SAED			\$2,940		\$2,940
Medicare			\$853		\$853
STD			\$112		\$112
Health-Life-Dental			\$7,927		\$7,927
<b>Subtotal Facilities Project Manager, 1.0 FTE</b>		<b>1.0</b>	<b>\$79,687</b>	<b>1.0</b>	<b>\$79,687</b>
Classification Title	Monthly	FTE		FTE	
Gifts, Grants and Donations Accountant (Accountant II)	\$4,200	1.5	\$75,600	1.5	\$75,600
PERA			\$0		\$0
AED			\$0		\$0
SAED			\$0		\$0
Medicare			\$0		\$0
STD			\$0		\$0
Health-Life-Dental			\$15,854		\$15,854
<b>Subtotal Gifts, Grants and Donations Accountant (Accountant II), 1.0 FTE</b>		<b>1.5</b>	<b>\$91,454</b>	<b>1.5</b>	<b>\$91,454</b>
<b>Subtotal Personal Services</b>		<b>3.5</b>	<b>\$237,647</b>	<b>3.5</b>	<b>\$237,647</b>

Expenditure Detail		FY 2019-20		FY 2020-21	
<b><i>Operating Expenses:</i></b>					
		FTE		FTE	
Regular FTE Operating	\$500	1.5	\$750	1.5	\$750
Telephone Expenses	\$450	1.5	\$675	1.5	\$675
PC, One-Time	\$1,230	1.5	\$1,845	-	
Office Furniture, One-Time	\$3,473	1.5	\$5,210	-	
Other					
Other					
Other					
Other					
<b><i>Subtotal Operating Expenses</i></b>			<b>\$8,480</b>		<b>\$1,425</b>
<b><u>TOTAL REQUEST</u></b>		<b>3.5</b>	<b><u>\$246,127</u></b>	<b>3.5</b>	<b><u>\$239,072</u></b>
<i>General Fund:</i>		-	\$0		\$0
<i>Cash funds:</i>		2.0	\$0	2.0	\$0
<i>Reappropriated Funds:</i>		-	\$0	-	\$0
<i>Federal Funds:</i>		-	\$0	-	\$0