

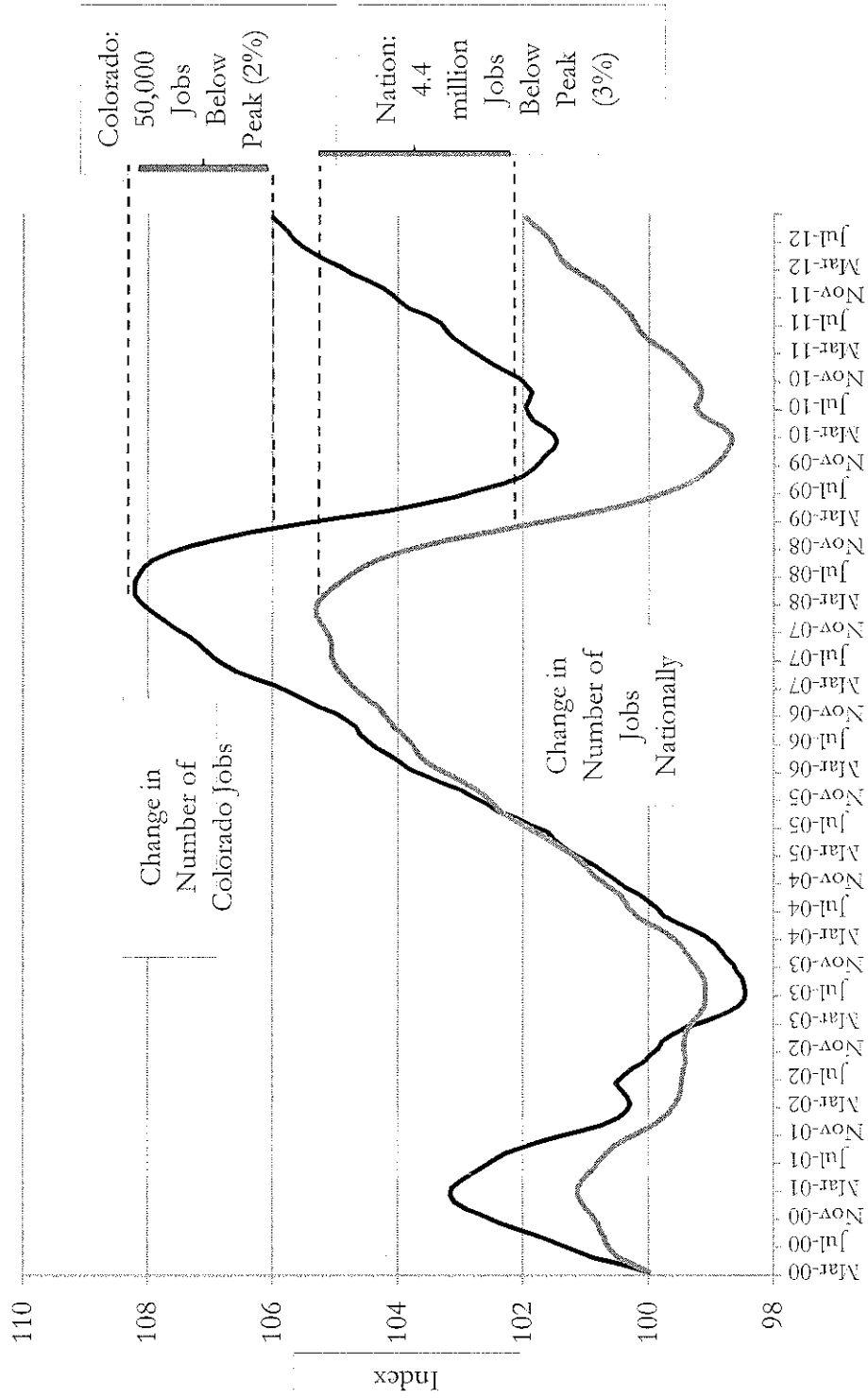


Presentation to Joint Senate and House Finance Committees

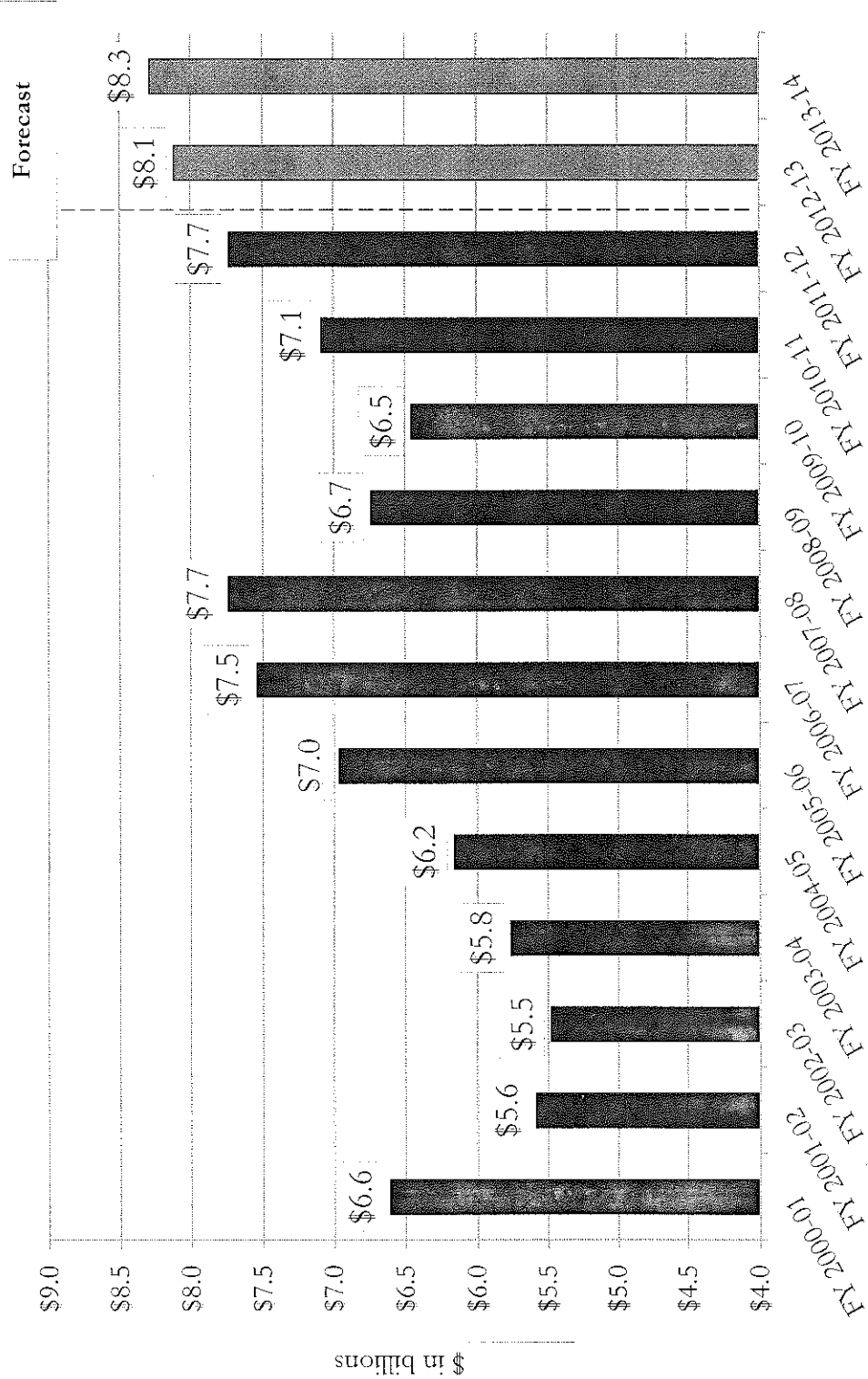
January 2013

Office of State Planning and Budgeting
Henry Sobanet, Director
www.colorado.gov/ospb

Change in Jobs Nationally and in Colorado

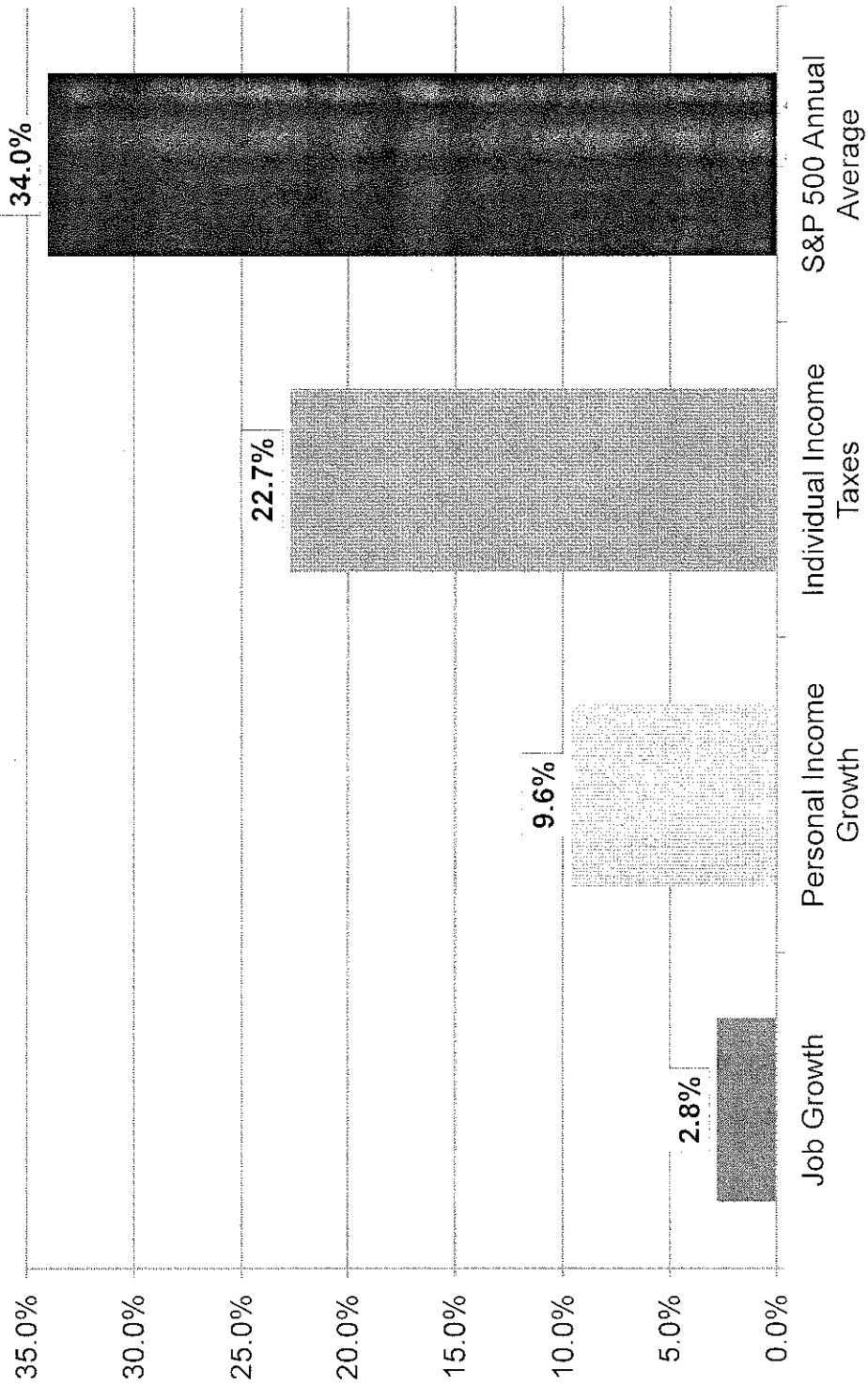


State General Fund Revenue, FY 2000-01 to FY 2013-14 Actual and Forecast

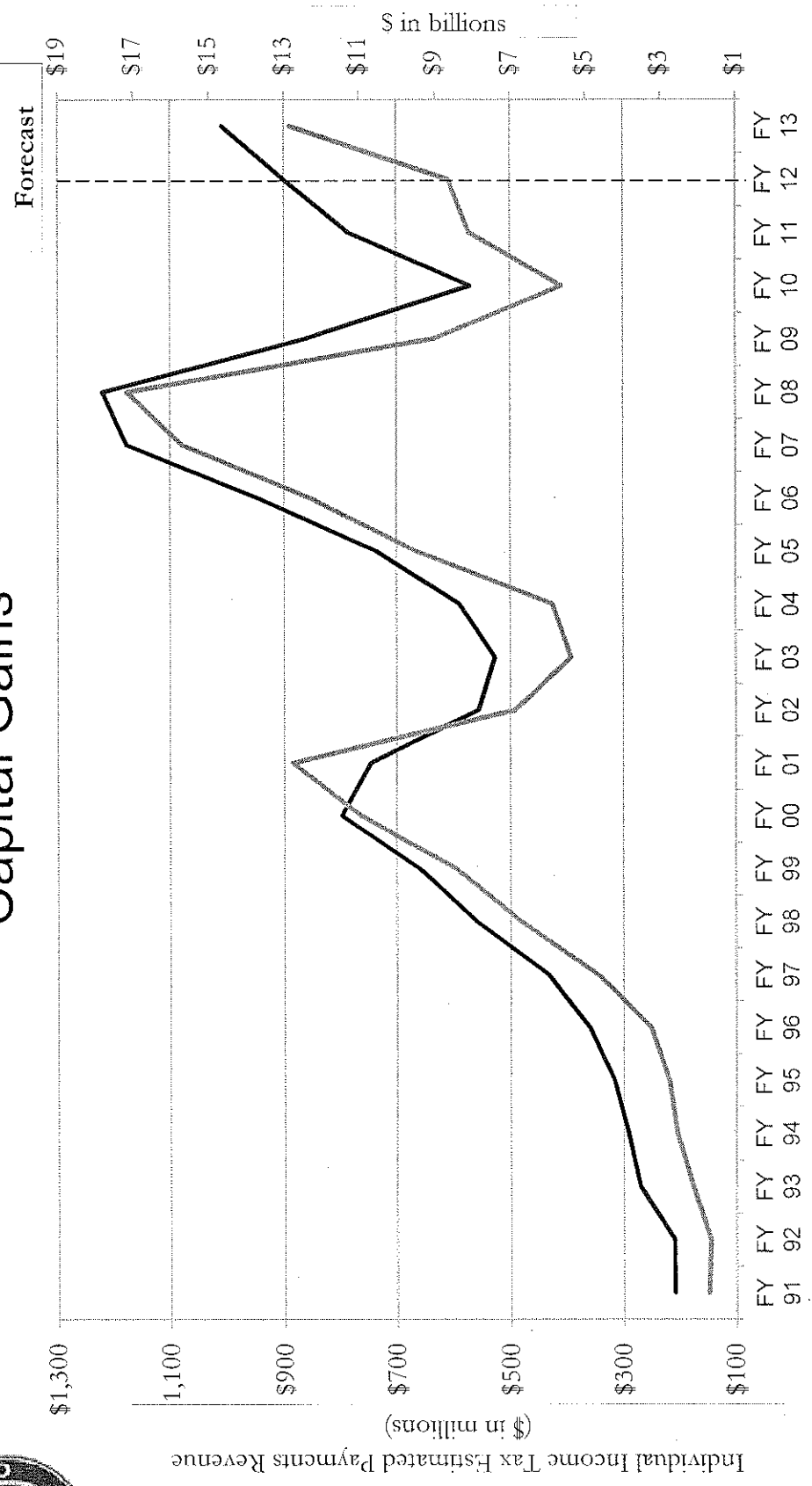




% Change, FY 2009-10 to FY 2011-12 in Jobs, Personal Income, Income Tax Revenue, and Stock Market



Estimated Income Tax Payments and Colorado Capital Gains

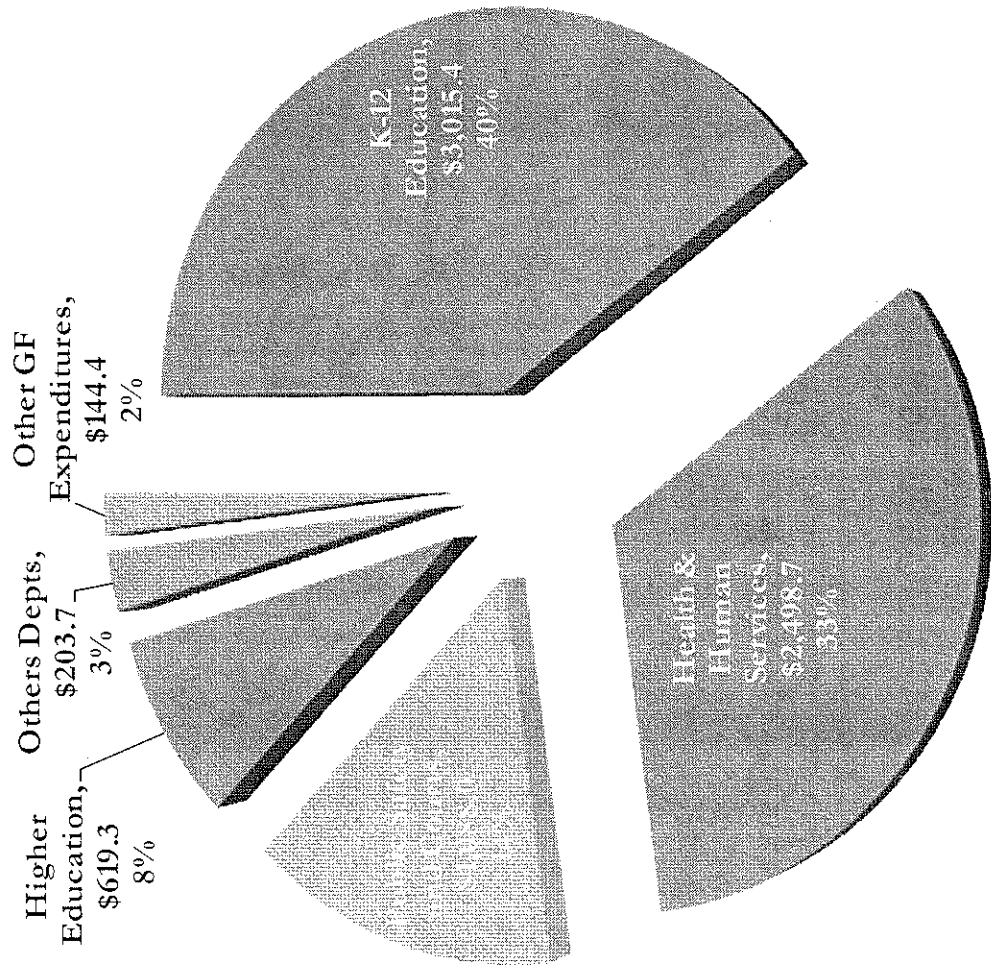


— Colorado Individual Income Estimated Tax Payments (Actual through FY 2011-12 and Forecast through FY 2012-13) - Left Axis

- - - Colorado Capital Gain Income (Actual through 2010, Forecast through 2012 based on the Congressional Budget Office's Projections of National Capital Gain Income) - Right Axis



State General Fund Spending





Governor Hickenlooper's FY 2013-14 Budget Request

Table 1: Total Funds (by major category)

	FY 2012-13 Total Funds	FY 2013-14 Total Funds	FY 2013-14 Change	FY 2013-14 % Change
Health Care Policy and Financing	\$5,561,158,114	\$6,036,722,041	\$475,563,927	8.6%
K-12 Education	4,421,710,962	4,634,730,118	213,019,156	4.8%
Higher Education	3,033,991,124	3,102,280,175	68,289,051	2.3%
Human Services	2,071,322,439	2,121,783,957	50,461,518	2.4%
Transportation	1,119,353,686	1,267,760,876	148,407,190	13.3%
Corrections	737,580,936	742,698,794	5,117,858	0.7%
Other Departments	<u>3,624,516,290</u>	<u>3,722,359,309</u>	<u>97,843,019</u>	<u>2.7%</u>
Subtotal Department budgets	20,569,633,551	21,628,335,270	1,058,701,719	5.1%
Controlled Maintenance Trust				
Fund	13,000,000	23,097,266	10,097,266	77.7%
Other Adjustments	628,687	15,712,476	15,083,789	N/A
Other GF				
Obligations/Expenditures	<u>173,483,361</u>	<u>209,100,446</u>	<u>35,617,085</u>	<u>20.5%</u>
Total	20,756,745,599	21,876,245,458	1,119,499,859	5.4%



Governor Hickenlooper's FY 2013-14 Budget Request

Table 2: General Fund (by major category)

	FY 2012-13 Total GF	FY 2013-14 Total GF	FY 2013-14 Change	FY 2013-14 % Change
K-12 Education	\$3,015,437,087	\$3,016,915,356	\$1,478,269	0.0%
Health Care Policy and Financing	1,857,115,475	2,031,840,027	174,724,552	9.4%
Corrections	651,332,037	655,570,996	4,238,959	0.7%
Higher Education	619,261,908	656,729,783	37,467,875	6.1%
Human Services	642,011,487	680,113,157	38,101,670	5.9%
Other Departments	<u>771,304,068</u>	<u>841,468,700</u>	<u>70,164,632</u>	<u>9.1%</u>
Subtotal Department budgets	7,556,462,062	7,882,638,019	326,175,957	4.3%
Controlled Maintenance Trust Fund	13,000,000	23,097,266	10,097,266	77.7%
Other Adjustments	628,687	15,712,476	15,083,789	N/A
Other GF Obligations/Expenditures	<u>173,483,361</u>	<u>209,100,446</u>	<u>35,617,085</u>	<u>20.5%</u>
Total	7,743,574,110	8,130,548,207	386,974,097	5.0%



LEAN 101

- While Toyota is well known for its improvement systems, Taiichi Ohno, the creator of the Toyota Production System, claimed he learned from the Indy 500, Ford's River Rouge Plant, and American supermarkets.
- Toyota consolidated years of change management thinking into a systematic approach they could roll out to their factories and business processes worldwide.
- Lean can be defined as a systematic approach of continuous improvement, based on principles and tools used for the identification and elimination of waste.
 - Waste is disrespectful of humanity because it wastes scarce resources.
 - Waste is disrespectful of individuals because it asks them to do work with no value.
 - We have an obligation as an organization to undertake a systematic approach to continuous improvement to demonstrate respect for our customers and employees.
- A key Lean principle is to focus on providing what the customer needs through an effective and efficient business process, referred to as a value stream.



Vision: Efficient, Effective, Elegant

October 2011: LEAN process improvement initiative started

- ✓ \$2.5 million from ARRA Federal funds

To date:

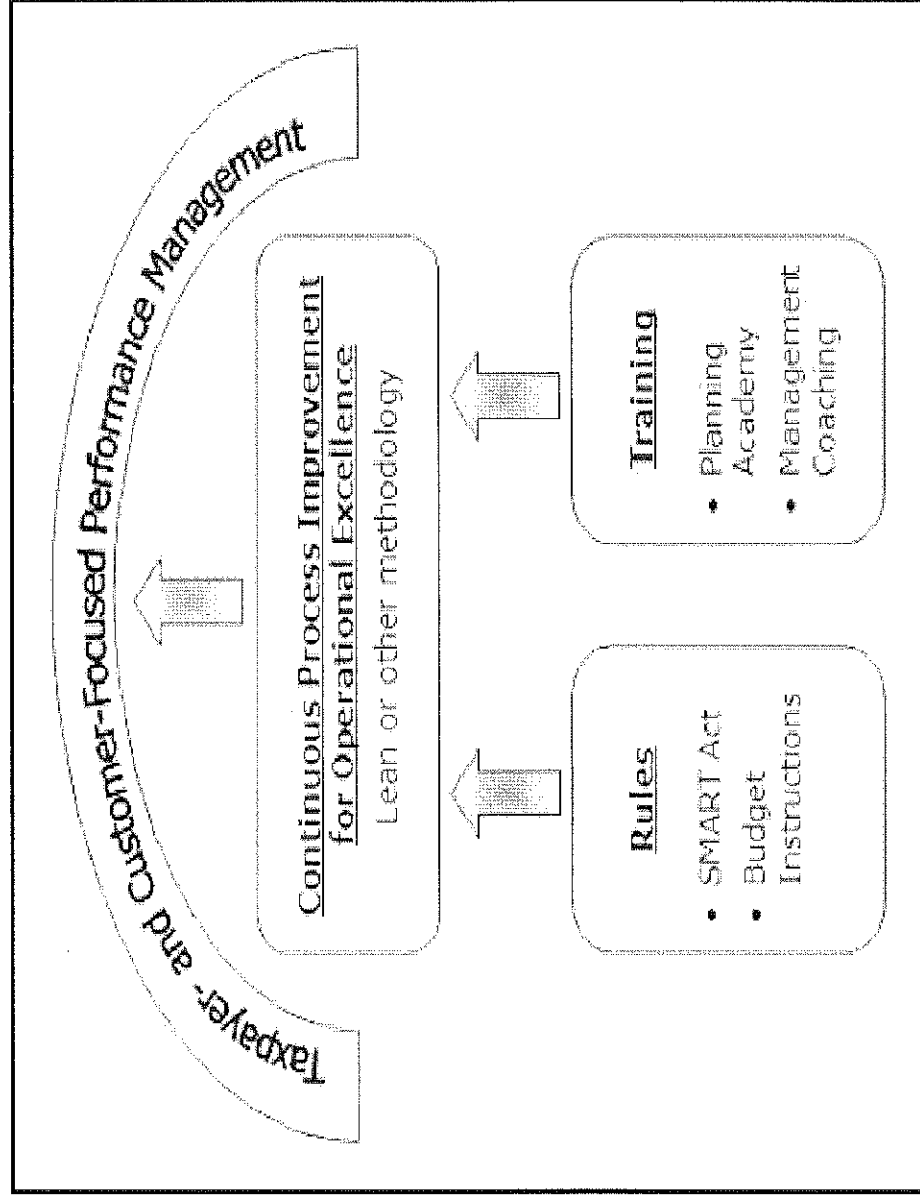
- ✓ 2,200 employees trained
- ✓ 500 employees participated directly in improvement events
- ✓ 75 projects through the program, and at least 75 more independently pursued.

Notable achievements include:

- ✓ 50% reduction in forms in the DOLA housing voucher program
- ✓ 26% reduction in DOC parole hearings
- ✓ 52% reduction in cycle time for CDLE Workers' Compensation dispute resolution
- ✓ Reduction in DOR tax remittance processing time from 30 days to 1 day



Vision: Efficient, Effective, Elegant





Current and Upcoming Work

- Prison Utilization Study
- SMART Act amendments
- LEAN continuation
- Negotiation of the FY 13-14 budget