

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2022-23 (and FY 2021-22)

DEPARTMENT OF PERSONNEL (including Operating Common Policies)

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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JANUARY 24, 2023

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DEPARTMENT OF PERSONNEL

DEPARTMENT OVERVIEW

The Department generally provides centralized human resources and administrative support functions in addition to offering centralized business services for state agencies.

The **Executive Director's Office** includes the Office of the State Architect and the Colorado State Employee Assistance Program (C-SEAP).

The **Division of Human Resources** establishes statewide human resource programs and systems to meet constitutional and statutory requirements and provides support services to state agency human resource offices. The Division also provides training resources to employees and conducts the Total compensation and employee engagement surveys.

Risk Management in the Division of Human Resources administers the state's coverage for workers' compensation, property, and liability insurance. The programs are funded through operating common policies allocated to each agency.

The **State Personnel Board**, located in the Department but constitutionally independent, oversees the State Personnel System pursuant to Article XII, Sections 13, 14, and 15 of the Colorado Constitution.

The purpose of the **Division of Central Services** is to realize efficiencies for the state through consolidated common business services including Integrated Document Solutions and Colorado State Archives.

Integrated Document Solutions provides document- and data-related support services, including print and design, mail operations, digital imaging, data entry, and manual forms and document processing.

Colorado State Archives collects, preserves, and provides access to historic and legal records for the state as well as provides best practices and guidelines for the administration of government created records.

The **Office of the State Controller** in the **Division of Accounts and Control** oversees state fiscal rules and maintains the state's financial records through the Colorado Operations Resource Engine (CORE), the state's accounting system, administered through **CORE Operations** common policy.

The **Office of Administrative Courts** provides a centralized, independent administrative law adjudication system, including hearing cases for workers' compensation, public benefits, professional licensing, and Fair Campaign Practices Act complaints filed with the Secretary of State.

The **Division of Capital Assets** provides planning and maintenance for capital assets owned or leased by the state.

Facilities Maintenance -- Capitol Complex provides building management for state-owned and certain leased facilities and includes assistance with electrical, elevator, plumbing, lighting, HVAC, grounds maintenance, security, and general maintenance or repair issues.

Fleet Management provides oversight for state fleet of vehicles including managing vehicle purchasing and reassignment; fuel, maintenance, repair, and collision management; end of life removal from system via auction and salvage; and operation of the State Motor Pool.

SUMMARY: FY 2021-22 APPROPRIATION AND RECOMMENDATION

| DEPARTMENT OF PERSONNEL: RECOMMENDED CHANGES FOR FY 2021-22 | | | | | | |
|---|----------------------|---------------------|---------------------|----------------------|---------------|--------------|
| | TOTAL FUNDS | GENERAL FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| FY 2021-22 APPROPRIATION | | | | | | |
| FY 2021-22 Appropriation | \$224,608,532 | \$20,640,304 | \$13,850,806 | \$190,117,422 | \$0 | 411.7 |
| CURRENT FY 2021-22 APPROPRIATION: | \$224,608,532 | \$20,640,304 | \$13,850,806 | \$190,117,422 | \$0 | 411.7 |
| RECOMMENDED CHANGES | | | | | | |
| Current FY 2021-22 Appropriation | \$224,608,532 | \$20,640,304 | \$13,850,806 | \$190,117,422 | \$0 | 411.7 |
| S3 Fleet fuel cost increase | 795,887 | 0 | 0 | 795,887 | 0 | 0.0 |
| RECOMMENDED FY 2021-22 APPROPRIATION: | \$225,404,419 | \$20,640,304 | \$13,850,806 | \$190,913,309 | \$0 | 411.7 |
| RECOMMENDED INCREASE/(DECREASE) | \$795,887 | \$0 | \$0 | \$795,887 | \$0 | 0.0 |
| Percentage Change | 0.4% | 0.0% | 0.0% | 0.4% | n/a | 0.0% |
| FY 2021-22 EXECUTIVE REQUEST | | | | | | |
| Request Above/(Below) Recommendation | \$6,602 | \$0 | \$0 | \$6,602 | \$0 | 0.0 |

REQUEST/RECOMMENDATION DESCRIPTIONS

S3 FLEET FUEL COST INCREASE: The request includes an increase of \$802,489 reappropriated funds to lift an overexpenditure restriction placed by the State Controller on the Fuel and Automotive Supplies line item in the Department’s Division of Capital Assets, Fleet Management Program and Motor Pool Services subdivision. The overexpenditure, authorized by Section 24-75-109 (1)(c), C.R.S., is a result of the unexpected increase in fuel costs in the Spring of 2022. The overexpenditure restriction is required by Section 24-75-109 (3), C.R.S. The recommendation is to appropriate \$795,887 reappropriated funds to the line item; this amount is based on the State Controller’s December 20, 2022 letter summarizing FY 2021-22 overexpenditures (see Appendix B).

SUMMARY: FY 2022-23 APPROPRIATION AND RECOMMENDATION

| DEPARTMENT OF PERSONNEL: RECOMMENDED CHANGES FOR FY 2022-23 | | | | | | |
|---|----------------------|---------------------|---------------------|----------------------|---------------|--------------|
| | TOTAL FUNDS | GENERAL FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | FTE |
| FY 2022-23 APPROPRIATION | | | | | | |
| H.B. 22-1329 (Long Bill) | \$230,446,221 | \$22,926,329 | \$11,477,215 | \$196,042,677 | \$0 | 424.8 |
| Other legislation | 6,943,125 | 4,656,864 | 389,406 | 1,896,855 | 0 | 18.4 |
| CURRENT FY 2022-23 APPROPRIATION: | \$237,389,346 | \$27,583,193 | \$11,866,621 | \$197,939,532 | \$0 | 443.2 |
| RECOMMENDED CHANGES | | | | | | |
| Current FY 2022-23 Appropriation | \$237,389,346 | \$27,583,193 | \$11,866,621 | \$197,939,532 | \$0 | 443.2 |
| S1 Labor Relation Services resources | 0 | 0 | 0 | 0 | 0 | 0.0 |
| S2 COWINS Partnership Agreement amendments | 0 | 0 | 0 | 0 | 0 | 0.0 |
| S3 Fleet fuel cost increase | 3,539,029 | 0 | 0 | 3,539,029 | 0 | 0.0 |
| S4 Capitol Complex staffing | 30,165 | 0 | 30,165 | 0 | 0 | 0.0 |
| S5 Capitol Complex maintenance materials costs | 310,733 | 0 | 310,733 | 0 | 0 | 0.0 |
| S6 Capitol Complex Leased Space refinance | 0 | 504,635 | 13 | (504,648) | 0 | 0.0 |
| S7 Annual fleet supplemental true-up | 0 | 0 | 0 | 0 | 0 | 0.0 |
| S8 CSEAP technical correction | 0 | 0 | 0 | 0 | 0 | 0.0 |
| SNP2 Public Health Emergency funding | 1,762,444 | 0 | 0 | 1,762,444 | 0 | 0.0 |
| SNP1 Annual fleet supplemental true-up | 99,007 | 0 | 558 | 98,449 | 0 | 0.0 |
| RECOMMENDED FY 2022-23 APPROPRIATION: | \$243,130,724 | \$28,087,828 | \$12,208,090 | \$202,834,806 | \$0 | 443.2 |
| RECOMMENDED INCREASE/(DECREASE) | \$5,741,378 | \$504,635 | \$341,469 | \$4,895,274 | \$0 | 0.0 |
| Percentage Change | 2.4% | 1.8% | 2.9% | 2.5% | n/a | 0.0% |
| FY 2022-23 EXECUTIVE REQUEST | \$244,633,386 | \$29,583,303 | \$12,437,428 | \$202,612,655 | \$0 | 455.2 |
| Request Above/(Below) Recommendation | \$1,502,662 | \$1,495,475 | \$229,338 | (\$222,151) | \$0 | 12.0 |

REQUEST/RECOMMENDATION DESCRIPTIONS

S1 LABOR RELATIONS SERVICES RESOURCES: The request includes an increase of \$174,042 General Fund and 1.3 FTE to supplement the resources of the Department’s Labor Relations Services team to address workload impact of the renegotiations of the Colorado Workers for Innovative New Solutions (COWINS) Partnership Agreement and side agreement negotiations. The recommendation is to deny the request.

S2 COLORADO WORKERS FOR INNOVATIVE NEW SOLUTIONS (COWINS) PARTNERSHIP AGREEMENT AMENDMENTS: The request includes an increase of \$1,267,083 General Fund and 8.8 FTE to begin implementing the amended provisions of the COWINS Partnership Agreement, which dictates that the State must place employees on a pay step plan based upon time in their current job series by July 1, 2024. The recommendation is to deny the request.

S3 FLEET FUEL COST INCREASE: The request includes an increase of \$6,192,126 reappropriated funds spending authority to the Fuel and Automotive Supplies line item in the Department’s Division of Capital Assets, Fleet Management Program and Motor Pool Services subdivision to address increases in fuel costs experienced in the Summer and Fall of 2022. The request also includes non-

prioritized requests in three departments for \$9.5 million total funds, including \$2.7 million General Fund, to adjust operating expenses to account for the increase in fuel costs. The non-prioritized requests include:

- \$1.7 million General Fund for the Department of Corrections;
- \$3.4 million total funds, including \$323,411 General Fund, for the Department of Natural Resources; and
- \$4.4 million total funds, including \$684,385 General Fund, for the Department of Public Safety.
- An (I) Note be affixed to the reappropriated funds appropriated to the Fuel and Automotive Supplies line item.

The recommendation is to appropriate \$795,887 reappropriated funds to the Fuel and Automotive Supplies line item in FY 2021-22 to lift the overexpenditure restriction; appropriate \$3,539,029 reappropriated funds to the Department's Fuel and Automotive Supplies line item; deny the non-prioritized adjustments in the Departments of Corrections, Natural Resources, and Public Safety; and deny the requested (I) Note.

S4 CAPITOL COMPLEX STAFFING: The request includes an increase of \$259,503 cash funds and 1.9 FTE to supplement the resources of the Department's Facilities Maintenance team, which provides maintenance service for the Capitol Complex and has experienced an increase in workload in the last three years. The recommendation is to appropriate \$30,165 reappropriated funds for contract work used to augment the work of State staff during the legislative session.

S5 CAPITOL COMPLEX MAINTENANCE CONTRACT COSTS: The request includes an increase of \$310,733 cash funds to address contract cost increases in the materials and services used to maintain the Capitol Complex. The recommendation is to approve this request.

S6 CAPITOL COMPLEX LEASED SPACE REFINANCE: The request includes a net zero refinance, including an increase of \$558,985 General Fund, an increase of \$13 cash funds, and a decrease of \$558,998 reappropriated funds from statewide indirect cost recoveries, to balance indirect cost expenditures with available revenue. The recommendation is to approve a net zero refinance, including an increase of \$504,635 General Fund, an increase of \$13 cash funds, and a decrease of \$504,648 reappropriated funds.

S7 ANNUAL FLEET SUPPLEMENTAL TRUE-UP: The request includes a decrease of \$2,820,898 reappropriated funds for its (7) Division of Capital Assets, (C) Fleet Management Program and Motor Pool Services, Vehicle Replacement Lease/Purchase line item. The request includes non-prioritized requests for incremental adjustments for most appropriated State agencies, resulting in a net decrease of \$1,365,424 total funds, including an increase of \$24,325 General Fund. The recommendation is to deny the requested decrease of reappropriated funds in the Vehicles Replacement Lease/Purchase line item in the Department of Personnel and to approve the following non-prioritized adjustments to departmental Vehicle Lease Payments line items:

- An increase of \$99,007 total funds, including \$558 cash funds and \$98,449 reappropriated funds, for the Department of Personnel;
- An increase of \$477,254 General Fund for the Department of Public Safety; and
- An increase of \$35,449 cash funds for the Department of Regulatory Agencies.

S8 COLORADO STATE EMPLOYEES ASSISTANCE PROGRAM (CSEAP) TECHNICAL CORRECTION:

The request includes a budget neutral shift of \$38,000 reappropriated funds from Colorado State Employees Assistance Program's Operating Expenses line item to their Personal Services line item to fix a technical error in the drafting of the FY 2022-23 Long Bill. The recommendation is to approve the request.

SNP2 PUBLIC HEALTH EMERGENCY FUNDING: The request includes an increase of \$1,762,444 reappropriated funds, transferred from the Department of Health Care Policy and Financing (S6 Eligibility redeterminations), for the Office of Administrative Courts for hearing officers to manage appeals related to Medicaid redetermination decisions. The recommendation is pending Committee action on the prioritized request in the Department of Health Care Policy and Financing, which is scheduled for presentation on Monday, January 23. Staff asks permission to include the corresponding appropriation in the Department's supplemental bill when the Committee acts on this request.

STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

SNP1 ANNUAL FLEET SUPPLEMENTAL TRUE-UP: The Department requests a reduction of \$99,007 total funds for the Department's share of statewide common policy for fleet vehicles. The staff recommendation for this request is pending Committee action on common policy supplementals. Staff will include the corresponding appropriation in the Department's supplemental bill based on Committee action on common policy supplementals.

PRIORITIZED SUPPLEMENTAL REQUESTS

S1 LABOR RELATIONS SERVICES RESOURCES

| | REQUEST | RECOMMENDATION |
|---------------|------------------|----------------|
| TOTAL | \$174,042 | \$0 |
| FTE | 1.3 | 0.0 |
| General Fund | 174,042 | 0 |
| Cash Funds | 0 | 0 |
| Federal Funds | 0 | 0 |

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? NO

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department disagree that this request meets supplemental criteria. The Department's request cites turnover between November 2021 and June 2022 and knowledge gained regarding workload through experience negotiating two State Entity Agreements as justification for the supplemental request. To the contrary, staff turnover and an improved understanding of workload expectations do not meet any of the above listed criteria; these are normal events in the course of a fiscal year.

DEPARTMENT REQUEST: The Department requests an increase of \$174,042 General Fund and 1.3 FTE to supplement the resources of the Department's Labor Relations Services unit to address workload impacts of the renegotiations of the Colorado Workers for Innovative New Solutions (COWINS) Partnership Agreement (Agreement) and State Entity Agreement negotiations.

| S1/R2 LABOR RELATIONS SERVICES RESOURCES | | |
|--|------------------|------------------|
| REQUEST | | |
| COST COMPONENT | FY 2022-23 | FY 2023-24 |
| Personal services | \$114,070 | \$456,282 |
| FTE | 1.25 | 5.0 |
| Centrally appropriated costs | 24,052 | 96,207 |
| Operating expenses | 35,919 | 3,675 |
| Total | \$174,042 | \$556,169 |

STAFF RECOMMENDATION: Staff recommends that the Committee deny this request.

STAFF ANALYSIS: The supplemental budget request seeks funding for five positions, prorated for one quarter of the fiscal year, which include: one labor relations negotiator, two prep negotiators, one program assistant, and one data analyst. This request is associated with the Department's FY 2023-24 R2 (Labor union support team) request, which includes full-year funding for these positions.

The three negotiators would assist the Chief Negotiator with preparing for the negotiation and assist with ongoing statewide negotiations. These FTE would also support State Entity Agreements (SEA) negotiations. The Department anticipates a total of 38 State Entity Agreements, which are defined in Article 1.28 of the Agreement and authorized by Section 24-50-1112 (3)(b), C.R.S. The Department estimates that each SEA will take 500 hours of employee time from Labor Relations Services, across two full time positions, with an additional 200 hours from subject matter experts. To date, two SEAs have been negotiated – one with the Department of Corrections and one with the Department of

Human Services. The request asks for range midpoint funding for each of the three negotiator positions.

The requested program assistant would coordinate administrative tasks related to the Labor Management Committees (LMC) and the Equity Diversity and Inclusion (EDI) Task Force, audit and coordinate the steward time reimbursement process, provide document control, and track general analytics for partnership agreement utilization. These functions are currently being conducted by existing staff. The data analyst would create and coordinate a data cleanup process across all State entities in preparation for side agreements. The request seeks range midpoint funding for the data analyst and range minimum funding for the program assistant.

Labor Relations Services also manages the Partnership Agreement Disputes (PADs) process for the State. There are three levels of PADs defined in Article 9.2 of the Agreement, with Level 2 PADS requiring the most attention of Labor Relations Services. A Level 2 PAD occurs when a covered employee appeals a Level 1 decision. The Partnership Agreement requires that a hearing for a Level 2 PAD be conducted within 10 working days of receipt of written notice of appeal. The Department reports that Level 2 PADs II each require 10 hours of staff time for researching, interviewing, and conducting a hearing. Labor Relations Services have received 15 Level 2 Partnership Agreement Disputes since the start of the fiscal year. At the current rate, the Department would require an additional 150 hours of staff time for the remainder of the fiscal year.

Staff recommends denial of the request because the conditions that would necessitate supplemental funding do not currently exist. The renegotiations of the COWINS Partnership Agreement are complete and became effective November 17, 2022. Likewise, the State Entity Agreement negotiations with the Departments of Corrections and Human Services are also complete. A tentative agreement with Corrections was reached on January 4, 2023. The agreement with Human Services became effective on January 12, 2023. As of the writing of this document, the State has not received a formal request from COWINS for the opening of negotiations for any additional State Entity Agreements.

S2 COLORADO WORKERS FOR INNOVATIVE NEW SOLUTIONS (COWINS) PARTNERSHIP AGREEMENT AMENDMENTS

| | REQUEST | RECOMMENDATION |
|---------------|--------------------|----------------|
| TOTAL | \$1,267,083 | \$0 |
| FTE | 8.8 | 0.0 |
| General Fund | 1,267,083 | 0 |
| Cash Funds | 0 | 0 |
| Federal Funds | 0 | 0 |

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

Data that was not available when the original appropriation was made.

Explanation: JBC staff and the Department agree that this request is the result of the ratification of the amended COWINS Partnership Agreement, which became effective on November 17, 2022, and includes new contractual requirements between the Executive Branch and Colorado Workers for Innovative New Solutions. These requirements include a significant adjustment to how state employees are compensated, driving an increase in workload.

DEPARTMENT REQUEST: The Department requests an increase of \$1,267,083 General Fund and 8.8 FTE to begin implementing the amended provisions of the collective bargaining agreement (Partnership Agreement) between the State of Colorado and Colorado Workers of Innovative New Solutions (COWINS), the certified employee organization for state employees. Article 31.6 of the Partnership Agreement dictates that the State must place employees on a pay step plan based upon time in their current job series by July 1, 2024.

| S2/R3 COWINS PARTNERSHIP AGREEMENT AMENDMENTS – REQUESTED ARTICLE 31.6 OPERATIONAL COSTS | | | |
|---|--------------------|--------------------|--------------------|
| COST COMPONENTS | FY 2022-23 | FY 2023-24 | FY 2024-25 |
| Personal services | \$673,529 | \$4,077,748 | \$2,088,956 |
| FTE | 8.8 | 49.5 | 25.0 |
| Centrally appropriated costs | 157,123 | 912,932 | 463,730 |
| Operating expenses | 436,431 | 241,383 | 118,375 |
| Total | \$1,267,083 | \$5,232,063 | \$2,671,061 |

STAFF RECOMMENDATION: Staff recommends that the Committee deny this request. This denial is based on internal staff discussions regarding the appropriate method for addressing the changes to the State’s pay plan as required by Article 31.6 of the Partnership Agreement. JBC staff is considering recommending legislation to put into statute the Article 31.6 requirements for adjustments to the State’s pay plan. A formal recommendation on whether or not to pursue standalone legislation will be made during Figure Setting for Compensation Common Policies, which is currently scheduled for Friday, January 27.

If separate legislation is pursued, the operational funding components to implement the Article 31.6 requirements should be appropriated through that legislation. If the Committee or General Assembly choose not pursue legislation, supplemental funding for this request can be provided through a Long Bill supplemental appropriation. Figure setting for the Department of Personnel is currently scheduled for Tuesday, February 28.

STAFF ANALYSIS: The supplemental budget request seeks additional resources to support the implementation of amendments to the Partnership Agreement. This request is associated with the Department’s R3 request for FY 2023-24. The Partnership Agreement is made up of 33 Articles covering the terms and conditions of employment as a classified state employee. The Agreement details allowable union activity and rights, the rights of employees and management, compensation and benefits, workplace standards, and the expectations for implementation of the Agreement. Parties to this agreement are the State and Colorado Works for Innovative New Solutions. The Partnership Agreement was initially ratified and became effective November 18, 2021. In the Fall of 2022, the State and COWINS reopened negotiations regarding Article 31, which addresses state employee wages. The amended Partnership Agreement was ratified and became effective November 17, 2022.

DEPARTMENT STAFFING PLAN FOR ARTICLE 31.6 IMPLEMENTATION

The supplemental request is for staffing resources to begin the process of implementing the provisions of Article 31.6 of the Partnership Agreement. The Department requests one-time, term-limited FTE funding and vendor engagement funding for the initial operating impacts of the amendments to the Partnership Agreement, which requires the State to place employees on a pay step plan based on time

in their current job series by July 1, 2024. The State must provide a preliminary placement notice to COWINS and each employee of their new compensation per the new pay step plan by March 31, 2024. From July 1, 2023 until March 31, 2024, the Department will partner with state agencies to review each employee’s personnel file to identify individual placement in the pay plan.

| ARTICLE 31.6 - DEPT. OF PERSONNEL IMPLEMENTATION TIMELINE | | | | |
|---|------------|-----------|-----------------|--------------|
| PROJECT PHASE | BEGIN DATE | END DATE | MONTHS IN PHASE | WORKING DAYS |
| Step System Build | 4/1/2023 | 7/1/2023 | 3 | 65 |
| Preliminary Placement Notice | 7/1/2023 | 4/1/2024 | 9 | 195 |
| Employee Placement Appeals | 4/1/2024 | 5/1/2024 | 1 | 22 |
| Appeal to Determination | 5/1/2024 | 5/15/2024 | 0 | 14 |
| Finalize Appeal Determination | 5/15/2024 | 6/15/2024 | 1 | 30 |

This process will be primarily a manual process, as the state does not currently have a human resources information system that can accomplish in the task. Assumptions for daily workload are based upon the Department’s recent experience validating similar requests for Temporary Public Service Loan Forgiveness at the federal level. This request includes 15.0 FTE, of which half are only for FY 2023-24, to complete the preliminary placement review and notification phase.

| PRELIMINARY PLACEMENT NOTICE - TECHNICIAN TEAM | |
|--|-------------|
| Total State Employees | 24,028 |
| Days for Evaluation | 195 |
| Required Total Daily Evaluations | 123 |
| Daily Evaluations per Employee | 8 |
| FTE Required for Daily Workload | 15.0 |

The Department will also be responsible for recruiting, hiring, and training a team of 27.0 term-limited FTE to be deployed to other State agencies. Once training is complete, these employees will collaborate with the centralized teams to analyze individual employee records through the Human Resources Data Warehouse (HRDW) and EMPL systems. Approximately 60 days after the Technician Team begins review, these 27.0 FTE will verify each record, employee notification, and appointing authority notification and documentation for accuracy. Review information will be centrally stored and managed by the Department of Personnel in the event that an employee appeals their pay plan placement decision within the appeal window (April 2024 - May 2024). On May 15, 2024, preliminary placement notices will be finalized and entered into the payroll system to allow time to ensure accurate payment starting July 1 of 2024. Following are the workload estimates provided by the Department for the 27.0 FTE, as well as the distribution of those FTE throughout the various departments.

| PRELIMINARY PLACEMENT NOTICE - AGENCY AND EMPLOYEE DATA VALIDATION, DOCUMENTATION, AND REVIEW | |
|---|-------------|
| Total State Employees | 24,028 |
| Days for Evaluation | 135 |
| Required Total Daily Evaluations | 178 |
| Daily Evaluations per Employee | 8 |
| Total FTE (term-limited) | 27.0 |

| DATA VALIDATION, DOCUMENTATION, AND REVIEW - FTE DISTRIBUTION BY DEPARTMENT | | | | | |
|---|---|--------------|----------------|------------|-----------|
| DEPARTMENT | 12- MONTH AVERAGE CLASSIFIED EMPLOYEE COUNT | % ALLOCATION | FTE ALLOCATION | FLOAT POOL | TOTAL FTE |
| Agriculture | 284 | 1% | 0.0 | 0.5 | 0.5 |

| DATA VALIDATION, DOCUMENTATION, AND REVIEW - FTE DISTRIBUTION BY DEPARTMENT | | | | | | |
|---|---|--------------|----------------|------------|-------------|--|
| DEPARTMENT | 12- MONTH AVERAGE CLASSIFIED EMPLOYEE COUNT | % ALLOCATION | FTE ALLOCATION | FLOAT POOL | TOTAL FTE | |
| Corrections | 5,639 | 23% | 6.0 | 0.0 | 6.0 | |
| Education | 143 | 1% | 0.0 | 0.5 | 0.5 | |
| Governor's Office (OIT only) | 454 | 2% | 0.0 | 1.0 | 1.0 | |
| Health Care Policy and Financing | 606 | 3% | 1.0 | 0.0 | 1.0 | |
| Higher Education | 5 | 0% | 0.0 | 0.0 | 0.0 | |
| Human Services | 4,565 | 19% | 4.0 | 0.0 | 4.0 | |
| Labor | 1,419 | 6% | 1.0 | 0.0 | 1.0 | |
| Law | 200 | 1% | 0.0 | 0.5 | 0.5 | |
| Local Affairs | 204 | 1% | 0.0 | 0.5 | 0.5 | |
| Military Affairs | 164 | 1% | 0.0 | 0.5 | 0.5 | |
| Natural Resources | 1,442 | 6% | 1.0 | 0.0 | 1.0 | |
| Personnel | 360 | 1% | 0.0 | 1.0 | 1.0 | |
| Public Health | 1,663 | 7% | 2.0 | 0.0 | 2.0 | |
| Public Safety | 1,785 | 7% | 2.0 | 0.0 | 2.0 | |
| Regulatory Agencies | 551 | 2% | 1.0 | 0.0 | 1.0 | |
| Revenue | 1,477 | 6% | 1.0 | 0.0 | 1.0 | |
| State | 128 | 1% | 0.0 | 0.5 | 0.5 | |
| Transportation | 2,909 | 12% | 3.0 | 0.0 | 3.0 | |
| Treasury | 30 | 0% | 0.0 | 0.0 | 0.0 | |
| Total | 24,028 | 100% | 22.0 | 5.0 | 27.0 | |

RESOURCES FOR VENDOR SERVICES

In FY 2022-23, the Department requests \$185,000 General Fund to procure vendor services to support the initial workload generated by the amended Partnership Agreement; this request would annualize to \$100,000 General Fund in FY 2023-24 and ongoing for continuing operations. The Department expects that the selected vendor will develop a capability for the Department to efficiently extract data from existing human resources systems, including HRDW and EPML. This project is expected to take approximately three-months to complete. Additionally, this vendor is expected to provide documentation and data tracking tools to manage the pay-step placement process. The Department will use these funds to hire project management staff to:

- work with the vendor on process development design;
- develop training materials in partnership with State agency subject matter experts; and
- train additional term-limited staff to be deployed for agency assistance in managing the workload.

JBC STAFF RECOMMENDATION

JBC staff recommends the denial of this supplemental request for inclusion in the Department’s supplemental bill. As referenced above, staff is considering a recommendation for separate legislation to codify the changes to the pay plan for state employees. It is standard practice to include the associated appropriations for the implementation of specific policies in the legislation authorizing those policies.

| JBC STAFF FISCAL ASSESSMENT FOR S2/R3 REQUEST | | | |
|---|------------------|--------------------|--------------------|
| COST COMPONENTS | FY 2022-23 | FY 2023-24 | FY 2024-25 |
| Personal services | \$356,547 | \$3,061,302 | \$1,606,851 |
| FTE | 8.8 | 49.5 | 25.0 |
| Centrally appropriated costs | 98,700 | 830,581 | 432,004 |
| Operating expenses | 245,330 | 400,325 | 33,750 |
| Total | \$700,577 | \$4,292,208 | \$2,072,605 |

Staff fiscal assumptions for this request are based on Committee policy for appropriating funding for new FTE. It is Committee policy to appropriate funding for new FTE at the range minimum; beyond fiscal prudence, this policy helps to control pay compression issues within the existing workforce. It is also Committee policy not to appropriate centrally appropriated costs (e.g., Health, Life, Dental) for requests for less than 20.0 new FTE in their first fiscal year. In this case, the 8.8 FTE shown in FY 2022-23 represent 35 new positions and carries a \$98,700 fiscal impact for centrally appropriated costs. As such, staff recommends the inclusion of these costs in FY 2022-23.

BACKGROUND

The Colorado Partnership for Quality Jobs and Services Act (H.B. 20-1153; Section 24-50-1101 et seq., C.R.S.) created a collective bargaining system between covered state employees and the State's Executive Branch. The Act requires the State to enter into a partnership agreement with certified employee organizations, defines the duties of the parties, and sets standards and procedure related to disputes. The Act defines covered employees as those who are employed in the State's personnel system with the following exceptions:

- Confidential employees;
- Managerial employees;
- Executive employees;
- The director, the director of the division of labor standards and statistics, the governor's designee, and employees working with either director to implement the Act;
- Administrative law judges and hearing officers;
- State troopers;
- Employees of the Legislative Branch; or
- Temporary appointees as described in Section 24-50-114, C.R.S.

For budgetary purposes, Sections 24-50-1111 and 24-50-1117, C.R.S., are the most pertinent. The former enunciates the duties of the State and the oversight role of the General Assembly. In particular, Section 24-50-1111 (6), C.R.S., referencing the State's budgeting process, directs that:

*“The provisions of a partnership agreement that require the expenditure of money shall be contingent upon the availability of money and the specific appropriation of money by the general assembly. **If the general assembly rejects any part of the request, or while accepting the request takes any action which would result in a modification of the terms of the cost item submitted to it, either party may reopen negotiations concerning economic issues.**”* [emphasis added]

Section 24-50-1117, C.R.S., states that for FY 2022-23 and subsequent fiscal years, the costs of “implementation or administration” of the Act “shall be paid from the [General Fund], subject to available appropriation.”

Please see Appendix C for a memo presented by the Office of Legislative Legal Services to the Joint Budget Committee on January 21, 2022, which provides additional information regarding H.B. 20-1153 and the COWINS Partnership Agreement.

S3 FLEET FUEL COST INCREASE

FUEL AND AUTOMOTIVE SUPPLIES ADJUSTMENT IN DEPT. OF PERSONNEL (FY 2021-22)

| | REQUEST | RECOMMENDATION |
|----------------------|------------------|------------------|
| TOTAL | \$802,489 | \$795,887 |
| FTE | 0.0 | 0.0 |
| General Fund | 0 | 0 |
| Cash Funds | 0 | 0 |
| Reappropriated Funds | 802,489 | 795,887 |
| Federal Funds | 0 | 0 |

FUEL AND AUTOMOTIVE SUPPLIES ADJUSTMENT IN DEPT. OF PERSONNEL (FY 2022-23)

| | REQUEST | RECOMMENDATION |
|----------------------|--------------------|--------------------|
| TOTAL | \$6,192,126 | \$3,539,029 |
| FTE | 0.0 | 0.0 |
| General Fund | 0 | 0 |
| Cash Funds | 0 | 0 |
| Reappropriated Funds | 6,192,126 | 3,539,029 |
| Federal Funds | 0 | 0 |

OPERATING EXPENSES ADJUSTMENT TO DEPTS. OF CORRECTION, NATURAL RESOURCES, AND PUBLIC SAFETY

| | REQUEST | RECOMMENDATION |
|----------------------|--------------------|----------------|
| TOTAL | \$9,530,030 | \$0 |
| FTE | 0.0 | 0.0 |
| General Fund | 2,748,646 | 0 |
| Cash Funds | 6,381,174 | 0 |
| Reappropriated Funds | 325,647 | 0 |
| Federal Funds | 74,563 | 0 |

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

An unforeseen contingency.

Explanation: JBC staff and the Department agree that this request is the result of unexpected increases in fuel costs during the 2022 calendar year.

DEPARTMENT REQUEST: The Department requests the following:

- An increase of \$802,489 reappropriated funds in FY 2021-22 to lift an overexpenditure restriction placed by the State Controller on the Fuel and Automotive Supplies line item in the Department's Division of Capital Assets, Fleet Management Program and Motor Pool Services subdivision.
- An increase of \$6,192,126 reappropriated funds spending authority in FY 2022-23 to the Fuel and Automotive Supplies line item in the Department's Division of Capital Assets, Fleet Management Program and Motor Pool Services subdivision to address increases in fuel costs experienced in the Summer and Fall of 2022. The request also includes non-prioritized requests in three departments for \$9.5 million total funds, including \$2.7 million General Fund, to adjust operating expenses to account for the increase in fuel costs. The non-prioritized requests include:
 - \$1.7 million General Fund for the Department of Corrections;

- \$3.4 million total funds, including \$323,411 General Fund, for the Department of Natural Resources; and
- \$4.4 million total funds, including \$684,385 General Fund, for the Department of Public Safety.
- An (I) Note be affixed to the reappropriated funds appropriated to the Fuel and Automotive Supplies line item.

STAFF RECOMMENDATION: Staff recommends that the Committee:

- appropriate \$795,887 reappropriated funds to the Fuel and Automotive Supplies line item in FY 2021-22 to lift the overexpenditure restriction;
- appropriate \$3,539,029 reappropriated funds to the Department’s Fuel and Automotive Supplies line item;
- deny the non-prioritized adjustments in the Departments of Corrections, Natural Resources, and Public Safety; and
- deny of the requested (I) Note.

If the Committee chooses to approve the non-prioritized elements of this request, staff recommends that the appropriation be implemented in the following manner:

- An appropriation of the approved amounts to the Operating Expenses line item in each of the departments’ Executive Director’s Office section of the Long Bill.
- Attach a Footnote to the aforementioned Operating Expenses line items stating the purpose and constraints of the appropriation, pursuant to Section 24-75-112 (2), C.R.S.
 - Draft language: “It is the General Assembly’s intent that \$x,xxx,xxx appropriated to this line item be expended only for payments to the Department of Personnel for use by the Fleet Management Program and Motor Pool Services for fuel and automotive supplies in state fiscal year 2022-23. It is the General Assembly’s intent that the amount identified in this footnote be expended for any motor pool mileage charge for the programs covered in this Part [xxx].”.

STAFF ANALYSIS: The supplemental budget request seeks several changes to appropriations in both FY 2021-22 and FY 2022-23 to address unexpected increases in the cost of fuel in calendar year 2022.

OVEREXPENDITURE RESTRICTION ON FY 2021-22 APPROPRIATION

The FY 2021-22 overexpenditure from the Fuel and Automotive Supplies line item is a result of unexpected increases in the cost of fuel in the Spring of 2022. This overexpenditure is statutorily authorized. Pursuant to Section 24-75-109 (1)(c), C.R.S., the Governor may approve a total of \$3.0 million in overexpenditures across all Executive Branch department, institutions, or agencies, except for the Department of Human Services. As reported by the State Controller¹, the line item was approved for an overexpenditure of \$795,887 reappropriated funds in FY 2021-22.

In accordance with Section 24-75-109 (3), C.R.S., the State Controller placed a restriction on the FY 2022-23 line item appropriation equal to the amount of the FY 2021-22 overexpenditure. Statute

¹ The State Controller delivered to the Joint Budget Committee a preliminary overexpenditure report on September 20, 2022 and a final report on December 20, 2022.

directs the Controller to “restrict, in an amount equal to said overexpenditure, the corresponding item or items of appropriation that are made in the general appropriation act for the fiscal year following the fiscal year for which the overexpenditure that is allowed occurs.” Statute further states that the restriction remains in place until “released in accordance with subsection (4) of this section.”

Section 24-75-109 (4)(a), C.R.S., provides the method by which the overexpenditure restriction may be lifted. Staff provides the language from statute below, in order to make clear a somewhat confusing process.

“(4)(a) The department, institution, or agency whose appropriation is restricted may request a supplemental appropriation for the fiscal year in which the overexpenditure occurred for the amount of any overexpenditure allowed pursuant to this section. If a supplemental appropriation is enacted for the overexpenditure or some portion thereof, the restriction on the succeeding fiscal year’s appropriation shall be released in the amount of the supplemental appropriation enacted.”

Statute does not require, but allows a department for whom a restriction has been enforced to submit a supplemental request for “the fiscal year in which the overexpenditure occurred,” rather than the fiscal year in which the restriction occurred. A departmental supplemental submission is not required for the General Assembly to act to lift a restriction. An appropriation in the fiscal year the overexpenditure occurred, to the line item or items in which it occurred, is required to lift the restriction on the following fiscal year’s appropriation. The logic being that authority to expend the amount must be provided in the fiscal year the expenditure occurred. The State Controller is only allowed to reduce the restriction by the amount appropriated.

PRIORITIZED REQUEST FOR SPENDING AUTHORITY IN DEPARTMENT OF PERSONNEL

The Department anticipates expenditures for fuel and automotive supplies to exceed the current FY 2022-23 appropriation by \$6.2 million. Expenditures from the Fuel and Automotive Supplies line item account for 59.2 percent of the current appropriation. The Department projects that total fuel expenditures will exceed \$16.5 million, with fuel expenditures in the second half of the fiscal year growing by 38.2 percent compared to the first half. These projections are based on market estimates from October 2022, when the request was in the drafting process, which projected gasoline costs between \$4.00 and \$4.27 per gallon.

| DEPARTMENT OF PERSONNEL EXPENDITURE PROJECTIONS FOR FUEL AND AUTOMOTIVE SUPPLIES LINE ITEM | | | | |
|--|-------------|-------------|-----------------------------|--------------------|
| COST COMPONENT | Q1 ACTUAL | Q2 ACTUAL* | Q3 & Q4 PROJECTION | TOTAL FY EXPENSE |
| Fuel | \$3,676,640 | \$3,269,676 | \$9,599,413 | \$16,545,729 |
| License/Title | 3,173 | 3,258 | 12,591 | 19,022 |
| Maintenance | 2,604,735 | 2,235,550 | 4,364,422 | 9,204,707 |
| Accidents | 255,227 | 301,003 | 736,135 | 1,292,365 |
| Total | \$6,539,775 | \$5,809,486 | \$14,712,562 | \$27,061,823 |
| | | | FY 2022-23 appropriation | \$20,869,697 |
| | | | <i>Requested adjustment</i> | <i>\$6,192,126</i> |

*Please note that Q2 close does not occur until January 27.

JBC staff projects a smaller growth in expenditures. According to the U.S. Energy Information Administration, the average retail price of regular-grade gasoline in 2023 will be \$3.32 per gallon and the average price in 2024 will be \$3.09 per gallon.² With this updated information, staff assumes no growth in Q3 and Q4 fuel expenditures; this hedges the drop in fuel prices against the possibility that miles driven by state employees may increase in the back half of the fiscal year. Staff also uses the projected expenditures for license and title, maintenance, and accidents provided by the Department because they account for smaller fractions of total expenditures and are not based on market conditions. In total, staff is projecting that FY 2022-23 expenditures for this line item will exceed current appropriations by \$3.5 million, or 17.0 percent. Staff recommends increasing the appropriation to the Fuel and Automotive Supplies line item by this projected amount.

| JBC STAFF EXPENDITURE PROJECTIONS FOR FUEL AND AUTOMOTIVE SUPPLIES LINE ITEM | | | | |
|--|-------------|-------------|-------------------------------|--------------------|
| COST COMPONENT | Q1 ACTUAL | Q2 ACTUAL* | Q3 & Q4 PROJECTION | TOTAL FY EXPENSE |
| Fuel | \$3,676,640 | \$3,269,676 | \$6,946,316 | \$13,892,632 |
| License/Title | 3,173 | 3,258 | 12,591 | 19,022 |
| Maintenance | 2,604,735 | 2,235,550 | 4,364,422 | 9,204,707 |
| Accidents | 255,227 | 301,003 | 736,135 | 1,292,365 |
| Total | \$6,539,775 | \$5,809,487 | \$12,059,464 | \$24,408,726 |
| | | | FY 2022-23 appropriation | \$20,869,697 |
| | | | <i>Recommended adjustment</i> | <i>\$3,539,029</i> |

*Please note that Q2 close does not occur until January 27.

NON-PRIORITIZED REQUESTS FOR INCREASED APPROPRIATIONS IN OTHER DEPARTMENTS

This request includes non-prioritized requests for appropriation increases in the Departments of Corrections, Natural Resources, and Public Safety. These requests total \$9.5 million total funds, including \$2.7 million General Fund, to adjust operating expenses to account for the increase in fuel costs, detailed as follows:

- \$1.7 million General Fund for the Department of Corrections;
- \$3.4 million total funds, including \$323,411 General Fund, for the Department of Natural Resources; and
- \$4.4 million total funds, including \$684,385 General Fund, for the Department of Public Safety.

Departments are charged a variable rate for use of fleet vehicles. Rates are developed to promote agency operational cost transparency, and promote effective utilization of the vehicles. A brief summary of the variable rate setting process is below:

- Each vehicle is assigned to an agency and a vocational category class code.
- The Fuel and Maintenance expense is tracked for each individual vehicle.
- The rates are developed using the agency’s previous fiscal year’s category class Fuel and Maintenance expense divided by the miles driven in that period by that category class of vehicle type. The formula is: (Maintenance + Fuel) / Miles traveled in Fiscal Year = Cost Per Mile (CPM) Agency Category Class.
- This method is used to help produce a rate per agency by vehicle vocational category.

² Kevin Hack, *EIA expects U.S. gasoline and diesel retail prices to decline in 2023 and 2024*, U.S. Energy Information Agency, Washington, D.C., January 12, 2023, <https://www.eia.gov/todayinenergy/detail.php?id=55179>.

Each department has a variable rate specific to their use. The FY 2022-23 variable rate for Corrections is \$0.438 per mile, the rate for Natural Resources is \$0.518 per mile, and the rate for Public Safety is \$0.483 per mile. The Department of Personnel calculated this portion of the request by taking the difference between the FY 2020-21 variable rate and the current rate, then multiplying the result by projected FY 2022-23 total miles driven for each department.

| NON-PRIORITIZED OPERATING EXPENSES REQUEST FOR SELECT DEPARTMENTS | | | | | |
|---|-----------------------------|-----------------------------|------------------|-------------------------|------------------|
| DEPARTMENT | FY 2022-23 VARIABLE RATE | FY 2020-21 VARIABLE RATE | RATE INCREASE | FY23 PROJECTED MILES | COST INCREASE |
| Public Safety | 0.483 | 0.230 | 0.253 | 17,829,633 | \$4,510,897 |
| Corrections | 0.438 | 0.225 | 0.213 | 8,173,007 | 1,740,850 |
| Natural Resources | 0.518 | 0.253 | 0.265 | 12,748,207 | 3,378,275 |
| Total requested | | | | | \$9,630,022 |

Based on the lower recommended adjustment to the Fuel and Automotive Supplies line item’s FY 2022-23 appropriation, JBC staff does not recommend the non-prioritized adjustments. A cash flow analysis of the Motor Fleet Management Fund, which supports the State’s Fleet Management program, projects that the Fund will have an available balance sufficient to cover the increased expenditures for fuel and automotive supplies.

| MOTOR FLEET MANAGEMENT FUND CASH FLOW SUMMARY | | | | |
|---|--------------|--------------|--------------|--------------|
| | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 |
| Beginning balance | \$11,009,049 | \$8,459,936 | \$6,333,039 | \$7,083,767 |
| Revenue | 39,158,092 | 45,109,290 | 44,167,428 | 44,167,428 |
| Expenditures | (41,707,205) | (47,236,187) | (43,416,700) | (43,850,867) |
| End balance | \$8,459,936 | \$6,333,039 | \$7,083,767 | \$7,400,328 |

REQUEST FOR (I) NOTE

The request to affix an (I) Note to the appropriation in the Fuel and Automotive Supplies line item is not allowable by statute. As dictated by the Headnotes in the FY 2022-23 Long Bill (Section 2 (1)(I)(III)), an (I) Note can only be applied “to a reappropriated funds figure when the amount is continuously appropriated...pursuant to a provision of state statute or the state constitution.” Appropriations in the Fuel and Automotive Supplies line item are expended from the Motor Fleet Management Fund, created in Section 24-30-1115 (1), C.R.S. The Fund is subject to annual appropriations, pursuant to Section 24-30-1115 (2), C.R.S. This request cannot be implemented short of a change to statute, which staff strongly recommends against.

S4 CAPITOL COMPLEX STAFFING

| | REQUEST | RECOMMENDATION |
|---------------|------------------|-----------------|
| TOTAL | \$259,503 | \$30,165 |
| FTE | 1.9 | 0.0 |
| General Fund | 0 | 0 |
| Cash Funds | 259,503 | 30,165 |
| Federal Funds | 0 | 0 |

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? NO

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department disagree that this request meets supplemental criteria. As noted below and reported by the department, the workload increases upon which this request is made have occurred over a multi-year period and were known prior to the setting of the FY 2022-23 budget.

DEPARTMENT REQUEST: The Department requests an increase of \$259,503 cash funds and 1.9 FTE to supplement the resources of the Department’s Facilities Maintenance team, which provides maintenance service for the Capitol Complex and has experienced an increase in workload in the last three years.

| S4/R6/BA3 CAPITOL COMPLEX STAFFING - REQUEST | | | |
|--|------------------|------------------|------------------|
| COST COMPONENT | FY 2022-23 | FY 2023-24 | FY 2024-25 |
| Personal Services | \$125,156 | \$503,301 | \$503,301 |
| FTE | 1.9 | 7.5 | 7.5 |
| Centrally appropriated costs | 33,384 | 133,537 | 133,537 |
| Operating Costs | 70,798 | 15,780 | 15,780 |
| Contract costs | 30,165 | 30,165 | 30,165 |
| Total | \$259,503 | \$682,783 | \$682,783 |

STAFF RECOMMENDATION: Staff recommends that the Committee appropriate \$30,165 reappropriated funds for contract costs, which is used to augment the work of State staff during the legislative session.

STAFF ANALYSIS: The supplemental budget request seeks additional staffing and contract funding to support the maintenance of the Capitol Complex. This request is associated with the Department’s R6/BA3 request for FY 2023-24. The Capitol Complex program manages 1.3 million square feet encompassing buildings such as the State Human Services Building, State Capitol, Legislative Annex, the State Services Building, the Governor’s Residence, the State Garage, and a variety of other facilities across the state. Facilities management includes housekeeping, grounds maintenance, and property management functions for the Capitol Complex adjacent to the State Capitol Building, 1881 Pierce Street, the Kipling Campus, and North Campus, the Governor’s Residence, as well as other facilities in Grand Junction and Camp George West.

The Department reports an increase in ongoing maintenance and groundskeeping work for Capitol Complex properties. The Facilities Management team reports a significant increase in tenant complaints regarding trash and other exterior building conditions. Work orders spiked during the first two fiscal years of the COVID-19 pandemic. The Department also cites two November 2021 articles from a local news agency, which discusses the how similar workload issues impacted the City and County of Denver and the Colorado Department of Transportation.

| ANNUAL FACILITIES MAINTENANCE WORK ORDERS ¹ | |
|---|-----|
| FY 2019-20 | 358 |
| FY 2020-21 | 495 |
| FY 2021-22 | 286 |
| FY 2022-23 | 199 |

¹ Fiscal Year figures calculated based on calendar year data provided by the Department of Personnel; FY 2022-23 data is projected based on 5-months of data.

The Department also indicates that workload increases are partially driven by the need to maintain the State Capitol. The Capitol is a public building that is available for small events without a reservation, and for larger events, via reservations made through the Governor’s Office. During the legislative session, the Governor’s Office decreases larger public event frequency in order to balance workload. However, the increase in smaller and unscheduled events has driven the need for additional custodial services in response to set up and breakdown following unscheduled smaller events. This demand often results in a need for ad-hoc cleaning, especially during the legislative session when the Capitol must be serviceable and available to the public at all times. While these unscheduled events did not frequently occur in the past, the frequency is now such that regular cleaning is foregone during the legislative session due to a lack of funding to pay employees overtime, and to budget for additional temporary labor at higher costs than the State pays for salaried custodians.

The Department is requesting additional \$30,165 cash funds in FY 2022-23 due to the escalating costs of custodial temporary labor. Contract work augments the work of State staff during the legislative session at the Capitol and at all other buildings in the Capitol Complex when State staff are not available due to illness, leave, or vacancies. The Department supplements its ongoing staffing footprint with 2,600 hours of seasonal temporary labor. These costs have historically been absorbed in personal services appropriations through vacancy savings. However, this practice has become less sustainable due to rapid escalation of labor costs in the custodial market. In May 2022, the cost of temporary custodial labor was increased by \$5.05 per hour from the previous rate.

| CUSTODIAL CONTRACT RATE HISTORY (2,600 HRS.) | | | |
|--|----------------|------------------------|------------------|
| | HOURLY RATE | TOTAL CONTRACT COST | ANNUAL CHANGE |
| FY 2019-20 | \$16.90 | \$43,940 | n/a |
| FY 2020-21 | 19.05 | 49,530 | \$5,590 |
| FY 2021-22 | 23.45 | 60,970 | 11,440 |
| FY 2022-23 | 28.50 | 74,100 | 13,130 |
| 4-year change | \$11.60 | \$30,160 | n/a |

The Department reports that the Facilities Management team currently has 6 vacant positions. The average time to fill positions, from posting to hire, is approximately 39 days. Assuming that supplemental appropriations become available April 1st for obligation and expenditure, this would mean that the Department would expect to onboard new hires mid-May. This assumes a successful hiring process; the Department has had difficulty filling posted positions for custodial and groundskeeping staff. As a result of the timing of the Legislature’s supplemental budgeting process and the Executive’s hiring process, funding the requested FTE would not address a primary justification for this request: additional staffing resources during the legislative session.

S5 CAPITOL COMPLEX MAINTENANCE CONTRACT COSTS

| | REQUEST | RECOMMENDATION |
|---------------|------------------|------------------|
| TOTAL | \$310,000 | \$310,000 |
| FTE | 0.0 | 0 |
| General Fund | 0 | 0 |
| Cash Funds | 310,000 | 0 |
| Federal Funds | 0 | 0 |

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

Data that was not available when the original appropriation was made and an unforeseen contingency.

Explanation: JBC staff and the Department agree that this request is the result of unanticipated cost increases in maintenance contract costs in FY 2022-23.

DEPARTMENT REQUEST: The Department requests an increase of \$310,733 cash funds to address contract cost increases in the materials and services used to maintain the Capitol Complex.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request.

STAFF ANALYSIS: The supplemental budget request seeks additional cash fund spending authority to address cost increases in the maintenance contracts for Capitol Complex facilities. This request is associated with the Department’s BA4 request for FY 2023-24. The Department's existing contract cost increases have ranged from 3.0 to 10.0 percent. In FY 2022-23, the Department received \$245,528 in additional cash funds to address inflationary pressure and fire testing and repair. The approved annualizations included an additional \$54,472 cash funds FY 2023-24 and an additional \$100,000 for FY 2024-25 and ongoing. These amounts were requested and approved based upon a 6.0-10.0 percent inflation assumption.

Unfortunately, the majority of new procured and renewed contracts increased considerably over the past two years. The Department’s FY 2022-23 request did not accurately anticipate the cost increases experienced, and the annualizations approved in last year’s request are insufficient to fully fund the cost increases. Actual contract renewals from FY 2020-21 to FY 2021-22 are shown below, as well as projected increases anticipated in FY 2022-23 and contract renewal dates.

| CAPITOL COMPLEX MAINTENANCE CONTRACT COSTS AND RENEWAL SCHEDULE | | | | | | |
|---|----------|----------|----------|----------------------------------|-----------------------|------------------------|
| CONTRACT ITEM | FY21 | FY22 | FY23* | CONTRACT ORIGINATION FISCAL YEAR | CURRENT CONTRACT YEAR | RENEWED CONTRACT START |
| Building Control Syst. | \$24,608 | \$25,347 | \$26,107 | 2020 | Year 4 of 5 | 2025 |
| Boilers | 8,447 | 22,104 | 24,480 | Renews Annually | n/a | n/a |
| Chemical Feeders | 113,620 | 113,620 | 113,620 | 2019 | Year 5 of 5 | 2024 |
| Chillers | 16,550 | 39,228 | 33,192 | 2022 | Year 2 of 5 | 2027 |
| Compressors | 4,893 | 7,847 | 10,303 | Renews Annually | n/a | n/a |
| Elevators | 190,477 | 231,107 | 190,136 | 2021 | Year 3 of 5 | 2026 |
| Fertilization | 53,245 | 56,970 | 56,970 | 2019 | Year 5 of 5 | 2024 |
| Floors/Carpets | 49,436 | 49,436 | 85,439 | 2023 | Year 1 of 1 | 2028 |

| CAPITOL COMPLEX MAINTENANCE CONTRACT COSTS AND RENEWAL SCHEDULE | | | | | | |
|---|-------------|-------------|-------------|----------------------------------|-----------------------|------------------------|
| CONTRACT ITEM | FY21 | FY22 | FY23* | CONTRACT ORIGINATION FISCAL YEAR | CURRENT CONTRACT YEAR | RENEWED CONTRACT START |
| Fire/Life Safety | 6,866 | 1,144 | 7,071 | 2023 | Year 1 of 1 | 2028 |
| Generators | 13,596 | 18,300 | 21,091 | Renews Annually | n/a | n/a |
| Ground Supplies | 156,354 | 156,354 | 157,444 | 2019 | Year 5 of 5 | 2024 |
| Ground Source Heat Pump | 0 | 105,888 | 105,888 | 2022 | Year 2 of 5 | 2027 |
| Landscaping Equipment | 10,000 | 10,000 | 10,000 | Renews Annually | n/a | n/a |
| Pest Control | 19,480 | 29,076 | 27,436 | 2023 | Year 1 of 1 | 2028 |
| Routine Cleaning | 760,231 | 1,019,024 | 1,082,500 | 2022 | Year 2 of 5 | 2027 |
| Tree Care | 97,800 | 75,000 | 65,000 | 2019 | Year 5 of 5 | 2024 |
| Trash Removal | 78,282 | 78,281 | 115,368 | 2023 | Year 1 of 1 | 2028 |
| Uniforms | 23,000 | 23,000 | 24,000 | Renews Annually | n/a | n/a |
| Pressure Washing | 10,000 | 10,000 | 10,000 | Renews Annually | n/a | n/a |
| Window Cleaning | 26,650 | 32,650 | 39,180 | Renews Annually | n/a | n/a |
| Work Order System | 33,000 | 33,000 | 33,000 | 2020 | Year 4 of 5 | 2025 |
| Grand Total | \$1,696,534 | \$2,137,376 | \$2,238,225 | | | |

* Projections provided by the Dept. of Personnel.

Given the variability in contract renewal schedules, as well as the unexpected increase in material and services costs experienced by the Department, JBC staff recommends the requested appropriation of \$310,000 cash funds.

S6 CAPITOL COMPLEX LEASED SPACE REFINANCE

| | REQUEST | RECOMMENDATION |
|----------------------|------------|----------------|
| TOTAL | \$0 | \$0 |
| FTE | 0.0 | 0.0 |
| General Fund | 558,985 | 504,635 |
| Cash Funds | 13 | 13 |
| Reappropriated Funds | (558,998) | (504,648) |
| Federal Funds | 0 | 0 |

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

A technical error in calculating the original appropriation.

Explanation: JBC staff and the Department agree that this request is the result of technical error in in the calculation of the fund splits for the Department's Capitol Complex Lease Space line item.

DEPARTMENT REQUEST: The Department requests a net zero refinance, including an increase of \$558,985 General Fund, an increase of \$13 cash funds, and a decrease of \$558,998 reappropriated funds from statewide indirect cost recoveries, to balance indirect cost expenditures with available revenue.

STAFF RECOMMENDATION: Staff recommends that the Committee approve a net zero refinance, including an increase of \$504,635 General Fund, an increase of \$13 cash funds, and a decrease of \$504,648 reappropriated funds.

STAFF ANALYSIS: The supplemental budget request seeks to fix a technical error in the calculation of the fund splits for the Department of Personnel’s Capitol Complex Leased Space line item. This error is the result of the interaction between the process used by JBC staff to set appropriations related to the Capitol Complex common policy and the method used by the Department to detail their incremental budget adjustment requests in the Schedule 3D. Schedule 3Ds are an official document submitted every November 1st that detail, line by line, each incremental adjustment requested by a department; these are the primary schedules from which JBC staff enter data. Each requested adjustment in the Schedule 3D has a unique identifier (e.g., TA-02 Statewide Common Policy Request or TA-05 Statewide Indirect Cost Recovery Adjustment). When entering this data into our database, JBC staff use a unique numerical code for each adjustment, known colloquially as an “IBC.”

The methodology used by staff to set appropriations related to the Capitol Complex common policy (and other operating common policies) mirrors closely the methodology used by the Department of Personnel to develop their requests. In this particular case, the fund split adjustments detailed in the Capitol Complex common policy request utilized a proportional allocation, by fund type, based on prior fiscal year fund splits. For example, in FY 2021-22 the Department’s appropriation for their Capitol Complex Lease Space line item was made up of 57.4 percent General Fund and that proportion was used to establish their FY 2022-23 requested General Fund. This proportional allocation method is used for every department subject to the common policy. After figure setting is completed, these proportional fund splits are used to calculate the incremental change for each department by fund type. The staff analyst with the common policy assignment then communicates the estimated change by fund type to the rest of the staff, with the caveat that the fund splits are estimates. Staff communicates this change by IBC, noting that the adjustments are to the base and exclusive of any other requested adjustment.

THE ERROR EXPLAINED

In the Department’s FY 2022-23 Schedule 3D, two base adjustments were requested: TA-02 Statewide Common Policy Request and TA-05 Statewide Indirect Cost Recovery Adjustment. By practice, these two adjustments were categorized and treated as distinct and unique budget adjustments. The former was logged as the Capitol Complex common policy adjustment and the latter as an Indirect Cost Assessment adjustment.

| FY 2022-23 SCHEDULE 3D - CAPITOL COMPLEX LEASED SPACE LINE ITEM REQUESTED ADJUSTMENTS | | | | | | |
|---|-------------|--------------|------------|----------------|---------------|-----|
| | TOTAL FUNDS | GENERAL FUND | CASH FUNDS | REAPPROP FUNDS | FEDERAL FUNDS | FTE |
| TA-02 Statewide Common Policy Request | \$285,874 | \$905,948 | (\$908) | (\$619,166) | \$0 | 0.0 |
| TA-05 Statewide Indirect Cost Recovery Adjustment | 0 | (504,648) | 0 | 504,648 | 0 | 0.0 |
| Total | \$285,874 | \$401,300 | (\$908) | (\$114,518) | \$0 | 0.0 |

In the submitted Capitol Complex Leased Space common policy documentation, however, the incremental adjustments identified were different than what was requested through TA-02. Unfortunately, staff did not catch this difference during the figure setting process. Upon review, and as best as staff can discern, the TA-05 refinance of reappropriated funds for General Fund was baked into the common policy’s documentation because this type of refinance is a regular occurrence in the line item. As a result, when JBC staff made the necessary budget adjustments in our database to record

figure setting actions related to the common policy, the TA-05 adjustment was treated as a separate action. This resulted in a double count of the TA-05 refinance.

This error was further obfuscated by recent changes in the Department’s appropriation for this line item. In the last two fiscal years, the Department has taken over responsibility for Capitol Complex leased space that was vacated by other departments: two floors at 1313 Sherman St. formerly occupied by the Department of Natural Resources and the entirety of the Capitol Annex that was vacated by the Department of Revenue. As a result of these vacancies, the Department of Personnel must use General Fund to cover the maintenance and upkeep of those spaces, increasing their General Fund appropriation by 153.4 percent since FY 2020-21. This change also meant that JBC staff has had to make manual adjustments outside of the common policy methodology to account for the changes.

RECOMMENDATION

JBC staff recommends the Committee approve the reversal of the TA-05 refinance that was incorporated in the FY 2022-23 Long Bill. Staff will also work with the Department to ensure this type of error does not occur again and that their Schedule 3Ds accurately reflect each discreet budget adjustment being requested for the Capitol Complex Leased Space line item.

S7 ANNUAL FLEET SUPPLEMENTAL TRUE-UP

VEHICLE REPLACEMENT LEASE/PURCHASE ADJUSTMENTS IN DEPARTMENT OF PERSONNEL

| | REQUEST | RECOMMENDATION |
|----------------------|----------------------|----------------|
| TOTAL | (\$2,820,898) | \$0 |
| FTE | 0.0 | 0.0 |
| General Fund | 0 | 0 |
| Cash Funds | 0 | 0 |
| Reappropriated Funds | (2,820,898) | 0 |
| Federal Funds | 0 | 0 |

ESTIMATED STATEWIDE ADJUSTMENTS FOR APPROPRIATED AGENCIES

| | REQUEST | RECOMMENDATION |
|----------------------|----------------------|------------------|
| TOTAL | (\$1,365,424) | \$611,710 |
| FTE | 0.0 | 0.0 |
| General Fund | 246,325 | 477,254 |
| Cash Funds | (1,596,715) | 36,007 |
| Reappropriated Funds | 36,663 | 98,449 |
| Federal Funds | (51,697) | 0 |

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

Data that was not available when the original appropriation was made; or an unforeseen contingency.

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made, specifically 4 months of actual lease payment data for the current fiscal year.

DEPARTMENT REQUEST: The Department requests a decrease of \$2,820,898 reappropriated funds for its (7) Division of Capital Assets, (C) Fleet Management Program and Motor Pool Services, Vehicle Replacement Lease/Purchase line item. There are associated non-prioritized requests for incremental

adjustments for most appropriated State agencies, resulting in a net decrease of \$1,365,424 total funds, including an increase of \$24,325 General Fund.

STAFF RECOMMENDATION: Staff recommends that the Committee approve in part and deny in part the request. Staff recommends the Committee deny the requested decrease of reappropriated funds in the Vehicles Replacement Lease/Purchase line item in the Department of Personnel and to approve the following non-prioritized adjustments to departmental Vehicle Lease Payments line items:

- An increase of \$99,007 total funds, including \$558 cash funds and \$98,449 reappropriated funds, for the Department of Personnel;
- An increase of \$477,254 General Fund for the Department of Public Safety; and
- An increase of \$35,449 cash funds for the Department of Regulatory Agencies.

STAFF ANALYSIS: The State Fleet Management Program is designed to manage all aspects of a vehicle’s life from the time of acquisition through disposal. The program facilitates all maintenance, repairs, fuel expense, accident repairs, and maintains a robust database with a detailed history for each vehicle. The State Fleet Management Program manages these vehicle assets for State agencies, helping to control unnecessary expenses, and oversees adherence to preventive maintenance schedules, while gaining economies of scale and significant price reductions by aggregating purchasing opportunities and funding resources.

In each of the last few fiscal years, the Department of Personnel has submitted this supplemental true-up to capture the difference between agency appropriations and actual need. Through this supplemental, the Department captures the differences created by any combination of the following:

- Replacements or purchases received before or after the budgeted date;
- Programmatic needs that drive the purchase of vehicles and/or options that were not factored into the original appropriation;
- Purchases or replacements that result from actions external to the typical replacement request (special bills or out-of-cycle requests);
- Out-of-cycle replacements due to wrecks (total losses); and
- Transfer of vehicles within a department’s programs due to need or changing requirements.

Based on staff’s similar recommendations in prior years to establish a standard policy for addressing individual department adjustments for increases of 10.0 percent or greater, and in conjunction with the following reversion analysis, staff recommends only the requested departmental adjustments for the Departments of Personnel, Public Safety (General Fund only), and Regulatory Agencies. The following two tables summarize the annual fleet supplemental request.

| FY 2022-23 DEPARTMENT OF PERSONNEL REQUESTED FLEET SUPPLEMENTAL TRUE-UP, THRESHOLD CALCULATION (10.0%) | | | | |
|--|--------------------------|----------------|----------------------|-----------------------|
| DEPARTMENTS | FY 2022-23 APPROPRIATION | PROJECTED NEED | REQUESTED ADJUSTMENT | ADJUSTMENT PERCENTAGE |
| Agriculture | \$381,404 | \$341,682 | (\$39,722) | (10.4%) |
| Corrections | 3,621,238 | 3,383,939 | (237,299) | (6.6%) |
| Early Childhood | 0 | 7,264 | 7,264 | n/a |
| Education | 36,302 | 39,051 | 2,749 | 7.6% |

| FY 2022-23 DEPARTMENT OF PERSONNEL REQUESTED FLEET SUPPLEMENTAL TRUE-UP, THRESHOLD CALCULATION (10.0%) | | | | |
|--|--------------------------|---------------------|----------------------|-----------------------|
| DEPARTMENTS | FY 2022-23 APPROPRIATION | PROJECTED NEED | REQUESTED ADJUSTMENT | ADJUSTMENT PERCENTAGE |
| Governor's Office | 152,206 | 144,815 | (7,391) | (4.9%) |
| Human Services | 1,194,994 | 1,415,235 | 220,241 | 18.4% |
| Judicial | 251,846 | 222,601 | (29,245) | (11.6%) |
| Labor & Employment | 209,850 | 216,596 | 6,746 | 3.2% |
| Law | 88,783 | 87,491 | (1,292) | (1.5%) |
| Local Affairs | 117,744 | 106,296 | (11,448) | (9.7%) |
| Military & Veterans Affairs | 81,399 | 87,119 | 5,720 | 7.0% |
| Natural Resources | 5,097,079 | 4,604,543 | (492,536) | (9.7%) |
| Personnel | 208,201 | 307,208 | 99,007 | 47.6% |
| Public Health & Environment | 331,447 | 390,357 | 58,910 | 17.8% |
| Public Safety | 11,087,612 | 10,356,182 | (731,430) | (6.6%) |
| Regulatory Agencies | 276,795 | 312,244 | 35,449 | 12.8% |
| Revenue | 738,765 | 756,278 | 17,513 | 2.4% |
| State | 10,144 | 10,395 | \$251 | 2.5% |
| Total - Appropriated Agencies | \$23,885,809 | \$22,789,296 | (\$1,096,513) | (4.6%) |

| ANNUAL FLEET NON-PRIORITIZED SUPPLEMENTAL REQUEST AND RECOMMENDATION FOR FY 2022-23 | | | | | | |
|---|----------------------|------------------|----------------------|-----------------|-------------------|----------------------|
| DEPARTMENT | DEPARTMENT REQUEST | | | | | STAFF RECOMMENDATION |
| | TOTAL FUNDS | GENERAL FUND | CASH FUND | REAPPROP. FUNDS | FEDERAL FUNDS | TOTAL FUNDS |
| Agriculture* | \$11,712 | \$4,919 | \$6,634 | \$0 | \$159 | \$0 |
| Corrections | (237,299) | (201,205) | (36,094) | 0 | 0 | 0 |
| Early Childhood* | 0 | 0 | 0 | 0 | 0 | 0 |
| Education | 2,749 | 2,749 | 0 | 0 | 0 | 0 |
| Governor's Office | (7,391) | (365) | 0 | (7,026) | 0 | 0 |
| Human Services* | (31,644) | (15,600) | 0 | (16,044) | 0 | 0 |
| Judicial | (29,245) | (29,245) | 0 | 0 | 0 | 0 |
| Labor & Employment | 6,746 | 518 | 3,984 | 7 | 2,237 | 0 |
| Law | (1,292) | 0 | 0 | 0 | (1,292) | 0 |
| Local Affairs* | (6,315) | (5,672) | 0 | (643) | 0 | 0 |
| Military & Veterans Affairs* | 0 | 0 | 0 | 0 | 0 | 0 |
| Natural Resources | (492,536) | 10,520 | (499,020) | (20,464) | 16,428 | 0 |
| Personnel | 99,007 | 0 | 558 | 98,449 | 0 | 99,007 |
| Public Health & Environment* | (1,700) | 0 | (1,546) | (154) | 0 | 0 |
| Public Safety | (731,430) | 477,254 | (1,121,993) | (17,462) | (69,229) | 477,254 |
| Regulatory Agencies | 35,449 | 0 | 35,449 | 0 | 0 | 35,449 |
| Revenue | 17,513 | 2,452 | 15,061 | 0 | 0 | 0 |
| State* | 252 | 0 | 252 | 0 | 0 | 0 |
| Total | (\$1,365,424) | \$246,325 | (\$1,596,715) | \$36,663 | (\$51,697) | \$611,710 |

* The requested amount provided to JBC staff in the submitted Schedule 13s for these departments deviated from the values noted in the prioritized request from Personnel.

Where the FY 2022-23 incremental adjustments submitted by the various departments in their Schedule 13s differ from the amounts cited in the prioritized request narrative submitted by the Department of Personnel, JBC staff deferred to the submitted Schedule 13 values.

VEHICLE LEASE PAYMENT REVERSION ANALYSIS

JBC Staff conducted a targeted reversion analysis of the Vehicle Lease Payment line items in the Departments of Personnel, Public Safety, and Regulatory Agencies. This analysis shows that the Departments tend to revert less of their Vehicle Lease Payment appropriations than the FY 2022-23 requested adjustments. In the last ten fiscal years for which actual expenditures are available:

- The Department of Personnel reverted an average of \$51,429 total funds, including \$740 cash funds and \$50,689 reappropriated funds.
- The Department of Public Safety reverted an average of \$1,472,160 total funds, including \$166,434 General Fund, \$1,107,824 cash funds, \$67,938 reappropriated funds, and \$129,964 federal funds.
- The Department of Regulator Agencies reverted an average of \$31,193 cash funds.

| 10-YEAR AVERAGE REVERSION OF SELECT DEPARTMENT VEHICLE LEASE PAYMENT LINE ITEMS | | | | | | |
|---|-------------|--------------|------------|----------------------|---------------|--|
| DEPARTMENT | TOTAL FUNDS | GENERAL FUND | CASH FUNDS | REAPPROPRIATED FUNDS | FEDERAL FUNDS | |
| Personnel | \$51,429 | \$0 | \$740 | \$50,689 | \$0 | |
| Public Safety | 1,472,160 | 166,434 | 1,107,824 | 67,938 | 129,964 | |
| Regulatory Agencies | \$31,193 | \$0 | \$31,193 | \$0 | \$0 | |

Given the reversion trends, staff recommends approval of these departments’ non-prioritized requests.

**S8 COLORADO STATE EMPLOYEE ASSISTANCE PROGRAM (CSEAP)
TECHNICAL CORRECTION**

| | REQUEST | RECOMMENDATION |
|----------------------|------------|----------------|
| TOTAL | \$0 | \$0 |
| FTE | 0.0 | 0.0 |
| General Fund | 0 | 0 |
| Cash Funds | 0 | 0 |
| Reappropriated Funds | 0 | 0 |
| Federal Funds | 0 | 0 |

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

A technical error in calculating the original appropriation.

Explanation: JBC staff and the Department agree that this request is the result of a technical error in the drafting of the FY 2022-23 Long Bill (H.B. 22-1329).

DEPARTMENT REQUEST: The Department requests a budget neutral shift of \$38,000 reappropriated funds from Colorado State Employees Assistance Program’s Operating Expenses line item to its Personal Services line item.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request.

STAFF ANALYSIS: The Department submitted a FY 2022-23 request for additional CSEAP resources to reduce wait time for services. The Joint Budget Committee opted to fund an alternative to the

Department’s request, which aligned with Article 8.2B of the Partnership Agreement. In calculating the fund splits for the JBC action, the Department mistakenly assigned the full-day crisis support and the threat assessment training funding to the Operating Expenses line item rather than the Personal Services line item. The vendors that provide these services are paid out of the Personal Services line item as required by state accounting rules. This supplemental request is associated with the Department’s BA6 request for FY 2023-24

NON-PRIORITIZED SUPPLEMENTAL REQUESTS

SNP2 PUBLIC HEALTH EMERGENCY FUNDING

| | REQUEST | RECOMMENDATION |
|----------------------|--------------------|--------------------|
| TOTAL | \$1,762,444 | \$1,762,444 |
| FTE | 0.0 | 0.0 |
| General Fund | 0 | 0 |
| Cash Funds | 0 | 0 |
| Reappropriated Funds | 1,762,444 | 1,762,444 |
| Federal Funds | 0 | 0 |

DEPARTMENT REQUEST: The Department requests an increase of \$1,762,444 reappropriated funds, transferred from the Department of Health Care Policy and Financing (S6 Eligibility redeterminations), for the Office of Administrative Courts for hearing officers to manage appeals related to Medicaid redetermination decisions.

STAFF RECOMMENDATION: Staff recommendation for this request is pending Committee action on the prioritized request in the Department of Health Care Policy and Financing, which is schedule for presentation on Monday, January 23. Staff asks permission to include the corresponding appropriation in the Department of Personnel’s supplemental bill when the Committee acts on this request.

STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies.

| DEPARTMENT'S PORTION OF STATEWIDE SUPPLEMENTAL REQUEST | TOTAL | GENERAL FUND | CASH FUNDS | REAPPROP. FUNDS | FEDERAL FUNDS | FTE |
|---|-----------------|--------------|--------------|-----------------|---------------|------------|
| SNP1 Annual fleet supplemental true-up | \$99,007 | \$0 | \$558 | \$98,449 | \$0 | 0.0 |
| DEPARTMENT'S TOTAL STATEWIDE SUPPLEMENTAL REQUESTS | \$99,007 | \$0 | \$558 | \$98,449 | \$0 | 0.0 |

STAFF RECOMMENDATION: The staff recommendation for these requests is pending Committee action on common policy supplementals. Staff asks permission to include the corresponding appropriations in the Department's supplemental bill when the Committee acts on common policy supplementals. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee at a later date to present the relevant analysis.

APPENDIX A: NUMBERS PAGES

*JBC Staff Supplemental Recommendations - FY 2021-22
Staff Working Document - Does Not Represent Committee Decision*

Appendix A: Numbers Pages

| | FY 2020-21 Actual | FY 2021-22 Appropriation | FY 2021-22 Requested Change | FY 2021-22 Rec'd Change | FY 2021-22 Total w/Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|
|--|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|

DEPARTMENT OF PERSONNEL
Anthony Gherardini, Executive Director

S3 Variable vehicle adjustment (CY23)

(7) DIVISION OF CAPITAL ASSETS

(C) Fleet Management Program and Motor Pool Services

| | | | | | |
|------------------------------|-------------------|-------------------|----------------|----------------|-------------------|
| Fuel and Automotive Supplies | <u>16,270,388</u> | <u>20,649,618</u> | <u>802,489</u> | <u>795,887</u> | <u>21,445,505</u> |
| General Fund | 0 | 0 | 0 | 0 | 0 |
| Cash Funds | 0 | 0 | 0 | 0 | 0 |
| Reappropriated Funds | 16,270,388 | 20,649,618 | 802,489 | 795,887 | 21,445,505 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

| | | | | | |
|--|------------|------------|------------|------------|------------|
| Total for S3 Variable vehicle adjustment (CY23) | 16,270,388 | 20,649,618 | 802,489 | 795,887 | 21,445,505 |
| <i>FTE</i> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| General Fund | 0 | 0 | 0 | 0 | 0 |
| Cash Funds | 0 | 0 | 0 | 0 | 0 |
| Reappropriated Funds | 16,270,388 | 20,649,618 | 802,489 | 795,887 | 21,445,505 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

| | | | | | |
|---|--------------|--------------|------------|------------|--------------|
| Totals Excluding Pending Items | | | | | |
| PERSONNEL | | | | | |
| TOTALS for ALL Departmental line items | 198,807,015 | 218,141,793 | 802,489 | 795,887 | 218,937,680 |
| <i>FTE</i> | <u>361.2</u> | <u>409.4</u> | <u>0.0</u> | <u>0.0</u> | <u>409.4</u> |
| General Fund | 29,555,851 | 20,065,817 | 0 | 0 | 20,065,817 |
| Cash Funds | 10,430,671 | 13,506,508 | 0 | 0 | 13,506,508 |
| Reappropriated Funds | 158,820,493 | 184,569,468 | 802,489 | 795,887 | 185,365,355 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

JBC Staff Supplemental Recommendations - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

| | FY 2021-22 Actual | FY 2022-23 Appropriation | FY 2022-23 Requested Change | FY 2022-23 Rec'd Change | FY 2022-23 Total w/Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|
|--|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|

DEPARTMENT OF PERSONNEL
Anthony Gherardini, Executive Director

S1 Labor union support team

(1) EXECUTIVE DIRECTOR'S OFFICE

(A) Department Administration

| | | | | | |
|--|------------------|------------------|-------------------|--------------|----------------------|
| Health, Life, and Dental | <u>4,162,542</u> | <u>4,504,044</u> | <u>13,791</u> 0.0 | <u>0</u> 0.0 | <u>4,504,044</u> 0.0 |
| General Fund | 1,535,053 | 1,560,284 | 13,791 | 0 | 1,560,284 |
| Cash Funds | 143,905 | 204,660 | 0 | 0 | 204,660 |
| Reappropriated Funds | 2,483,584 | 2,739,100 | 0 | 0 | 2,739,100 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Short-term Disability | <u>37,957</u> | <u>44,974</u> | <u>162</u> | <u>0</u> | <u>44,974</u> |
| General Fund | 15,721 | 18,645 | 162 | 0 | 18,645 |
| Cash Funds | 1,520 | 1,823 | 0 | 0 | 1,823 |
| Reappropriated Funds | 20,716 | 24,506 | 0 | 0 | 24,506 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| S.B. 04-257 Amortization Equalization Disbursement | <u>1,272,236</u> | <u>1,409,103</u> | <u>5,050</u> | <u>0</u> | <u>1,409,103</u> |
| General Fund | 568,494 | 581,580 | 5,050 | 0 | 581,580 |
| Cash Funds | 47,866 | 56,586 | 0 | 0 | 56,586 |
| Reappropriated Funds | 655,876 | 770,937 | 0 | 0 | 770,937 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

JBC Staff Supplemental Recommendations - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

| | FY 2021-22 Actual | FY 2022-23 Appropriation | FY 2022-23 Requested Change | FY 2022-23 Rec'd Change | FY 2022-23 Total w/Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|
| S.B. 06-235 Supplemental Amortization Equalization | | | | | |
| Disbursement | <u>1,272,215</u> | <u>1,409,103</u> | <u>5,050</u> | <u>0</u> | <u>1,409,103</u> |
| General Fund | 568,473 | 581,580 | 5,050 | 0 | 581,580 |
| Cash Funds | 47,866 | 56,586 | 0 | 0 | 56,586 |
| Reappropriated Funds | 655,876 | 770,937 | 0 | 0 | 770,937 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| (2) DIVISION OF HUMAN RESOURCES | | | | | |
| (F) Labor Relations Services | | | | | |
| Personal Services | <u>852,692</u> | <u>979,629</u> | <u>149,989</u> | <u>0</u> | <u>979,629</u> |
| FTE | 7.0 | 9.0 | 1.3 | 0.0 | 9.0 |
| General Fund | 5 | 979,629 | 149,989 | 0 | 979,629 |
| Cash Funds | 852,687 | 0 | 0 | 0 | 0 |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Total for S1 Labor union support team | <u>7,597,642</u> | <u>8,346,853</u> | <u>174,042</u> | <u>0</u> | <u>8,346,853</u> |
| FTE | <u>7.0</u> | <u>9.0</u> | <u>1.3</u> | <u>0.0</u> | <u>9.0</u> |
| General Fund | 2,687,746 | 3,721,718 | 174,042 | 0 | 3,721,718 |
| Cash Funds | 1,093,844 | 319,655 | 0 | 0 | 319,655 |
| Reappropriated Funds | 3,816,052 | 4,305,480 | 0 | 0 | 4,305,480 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

JBC Staff Supplemental Recommendations - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

| | FY 2021-22 Actual | FY 2022-23 Appropriation | FY 2022-23 Requested Change | FY 2022-23 Rec'd Change | FY 2022-23 Total w/Rec'd Change |
|---|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|
| S2 COWINS Partnership Agreement amendments | | | | | |
| (1) EXECUTIVE DIRECTOR'S OFFICE | | | | | |
| (A) Department Administration | | | | | |
| Health, Life, and Dental | <u>4,162,542</u> | <u>4,504,044</u> | <u>96,539</u> | <u>0</u> | <u>4,504,044</u> |
| General Fund | 1,535,053 | 1,560,284 | 96,539 | 0 | 1,560,284 |
| Cash Funds | 143,905 | 204,660 | 0 | 0 | 204,660 |
| Reappropriated Funds | 2,483,584 | 2,739,100 | 0 | 0 | 2,739,100 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Short-term Disability | <u>37,957</u> | <u>44,974</u> | <u>954</u> | <u>0</u> | <u>44,974</u> |
| General Fund | 15,721 | 18,645 | 954 | 0 | 18,645 |
| Cash Funds | 1,520 | 1,823 | 0 | 0 | 1,823 |
| Reappropriated Funds | 20,716 | 24,506 | 0 | 0 | 24,506 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| S.B. 04-257 Amortization Equalization Disbursement | <u>1,272,236</u> | <u>1,409,103</u> | <u>29,815</u> | <u>0</u> | <u>1,409,103</u> |
| General Fund | 568,494 | 581,580 | 29,815 | 0 | 581,580 |
| Cash Funds | 47,866 | 56,586 | 0 | 0 | 56,586 |
| Reappropriated Funds | 655,876 | 770,937 | 0 | 0 | 770,937 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| S.B. 06-235 Supplemental Amortization Equalization Disbursement | <u>1,272,215</u> | <u>1,409,103</u> | <u>29,815</u> | <u>0</u> | <u>1,409,103</u> |
| General Fund | 568,473 | 581,580 | 29,815 | 0 | 581,580 |
| Cash Funds | 47,866 | 56,586 | 0 | 0 | 56,586 |
| Reappropriated Funds | 655,876 | 770,937 | 0 | 0 | 770,937 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

JBC Staff Supplemental Recommendations - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

| | FY 2021-22 Actual | FY 2022-23 Appropriation | FY 2022-23 Requested Change | FY 2022-23 Rec'd Change | FY 2022-23 Total w/Rec'd Change |
|---|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|
| (2) DIVISION OF HUMAN RESOURCES | | | | | |
| (F) Labor Relations Services | | | | | |
| Personal Services | <u>852,692</u> | <u>979,629</u> | <u>673,529</u> | <u>0</u> | <u>979,629</u> |
| FTE | 7.0 | 9.0 | 8.8 | 0.0 | 9.0 |
| General Fund | 5 | 979,629 | 673,529 | 0 | 979,629 |
| Cash Funds | 852,687 | 0 | 0 | 0 | 0 |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Operating Expenses | <u>11,148</u> | <u>12,150</u> | <u>436,431</u> | <u>0</u> | <u>12,150</u> |
| General Fund | 0 | 12,150 | 436,431 | 0 | 12,150 |
| Cash Funds | 11,148 | 0 | 0 | 0 | 0 |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Total for S2 COWINS Partnership Agreement amendments | 7,608,790 | 8,359,003 | 1,267,083 | 0 | 8,359,003 |
| FTE | <u>7.0</u> | <u>9.0</u> | <u>8.8</u> | <u>0.0</u> | <u>9.0</u> |
| General Fund | 2,687,746 | 3,733,868 | 1,267,083 | 0 | 3,733,868 |
| Cash Funds | 1,104,992 | 319,655 | 0 | 0 | 319,655 |
| Reappropriated Funds | 3,816,052 | 4,305,480 | 0 | 0 | 4,305,480 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

JBC Staff Supplemental Recommendations - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

| | FY 2021-22 Actual | FY 2022-23 Appropriation | FY 2022-23 Requested Change | FY 2022-23 Rec'd Change | FY 2022-23 Total w/Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|
|--|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|

S3 Variable vehicle adjustment

(7) DIVISION OF CAPITAL ASSETS

(C) Fleet Management Program and Motor Pool Services

| | | | | | |
|---|-------------------|-------------------|------------------|------------------|-------------------|
| Fuel and Automotive Supplies | <u>21,672,186</u> | <u>20,869,697</u> | <u>6,192,126</u> | <u>3,539,029</u> | <u>24,408,726</u> |
| General Fund | 0 | 0 | 0 | 0 | 0 |
| Cash Funds | 0 | 0 | 0 | 0 | 0 |
| Reappropriated Funds | 21,672,186 | 20,869,697 | 6,192,126 | 3,539,029 | 24,408,726 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Total for S3 Variable vehicle adjustment | 21,672,186 | 20,869,697 | 6,192,126 | 3,539,029 | 24,408,726 |
| <i>FTE</i> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| General Fund | 0 | 0 | 0 | 0 | 0 |
| Cash Funds | 0 | 0 | 0 | 0 | 0 |
| Reappropriated Funds | 21,672,186 | 20,869,697 | 6,192,126 | 3,539,029 | 24,408,726 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

JBC Staff Supplemental Recommendations - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

| | FY 2021-22 Actual | FY 2022-23 Appropriation | FY 2022-23 Requested Change | FY 2022-23 Rec'd Change | FY 2022-23 Total w/Rec'd Change |
|---|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|
| S4 Capital complex staffing | | | | | |
| (1) EXECUTIVE DIRECTOR'S OFFICE | | | | | |
| (A) Department Administration | | | | | |
| Health, Life, and Dental | <u>4,162,542</u> | <u>4,504,044</u> | <u>22,066</u> | <u>0</u> | <u>4,504,044</u> |
| General Fund | 1,535,053 | 1,560,284 | 0 | 0 | 1,560,284 |
| Cash Funds | 143,905 | 204,660 | 22,066 | 0 | 204,660 |
| Reappropriated Funds | 2,483,584 | 2,739,100 | 0 | 0 | 2,739,100 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Short-term Disability | <u>37,957</u> | <u>44,974</u> | <u>178</u> | <u>0</u> | <u>44,974</u> |
| General Fund | 15,721 | 18,645 | 0 | 0 | 18,645 |
| Cash Funds | 1,520 | 1,823 | 178 | 0 | 1,823 |
| Reappropriated Funds | 20,716 | 24,506 | 0 | 0 | 24,506 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| S.B. 04-257 Amortization Equalization Disbursement | <u>1,272,236</u> | <u>1,409,103</u> | <u>5,570</u> | <u>0</u> | <u>1,409,103</u> |
| General Fund | 568,494 | 581,580 | 0 | 0 | 581,580 |
| Cash Funds | 47,866 | 56,586 | 5,570 | 0 | 56,586 |
| Reappropriated Funds | 655,876 | 770,937 | 0 | 0 | 770,937 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| S.B. 06-235 Supplemental Amortization Equalization Disbursement | <u>1,272,215</u> | <u>1,409,103</u> | <u>5,570</u> | <u>0</u> | <u>1,409,103</u> |
| General Fund | 568,473 | 581,580 | 0 | 0 | 581,580 |
| Cash Funds | 47,866 | 56,586 | 5,570 | 0 | 56,586 |
| Reappropriated Funds | 655,876 | 770,937 | 0 | 0 | 770,937 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

JBC Staff Supplemental Recommendations - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

| | FY 2021-22 Actual | FY 2022-23 Appropriation | FY 2022-23 Requested Change | FY 2022-23 Rec'd Change | FY 2022-23 Total w/Rec'd Change |
|---|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|
| (7) DIVISION OF CAPITAL ASSETS | | | | | |
| (B) Facilities Maintenance - Capitol Complex | | | | | |
| Personal Services | <u>3,389,598</u> | <u>3,747,063</u> | <u>155,321</u> | <u>30,165</u> | <u>3,777,228</u> |
| FTE | 50.9 | 55.7 | 1.9 | 0.0 | 55.7 |
| General Fund | 56,894 | 109,394 | 0 | 0 | 109,394 |
| Cash Funds | 0 | 0 | 155,321 | 30,165 | 30,165 |
| Reappropriated Funds | 3,332,704 | 3,637,669 | 0 | 0 | 3,637,669 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Operating Expenses | <u>2,715,806</u> | <u>3,022,409</u> | <u>70,798</u> | <u>0</u> | <u>3,022,409</u> |
| General Fund | 11,545 | 71,425 | 0 | 0 | 71,425 |
| Cash Funds | 0 | 245,528 | 70,798 | 0 | 245,528 |
| Reappropriated Funds | 2,704,261 | 2,705,456 | 0 | 0 | 2,705,456 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Total for S4 Capital complex staffing | 12,850,354 | 14,136,696 | 259,503 | 30,165 | 14,166,861 |
| FTE | <u>50.9</u> | <u>55.7</u> | <u>1.9</u> | <u>0.0</u> | <u>55.7</u> |
| General Fund | 2,756,180 | 2,922,908 | 0 | 0 | 2,922,908 |
| Cash Funds | 241,157 | 565,183 | 259,503 | 30,165 | 595,348 |
| Reappropriated Funds | 9,853,017 | 10,648,605 | 0 | 0 | 10,648,605 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

JBC Staff Supplemental Recommendations - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

| | FY 2021-22 Actual | FY 2022-23 Appropriation | FY 2022-23 Requested Change | FY 2022-23 Rec'd Change | FY 2022-23 Total w/Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|
|--|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|

S5 Capitol complex inflation

(7) DIVISION OF CAPITAL ASSETS

(B) Facilities Maintenance - Capitol Complex

| | | | | | |
|----------------------|------------------|------------------|----------------|----------------|------------------|
| Operating Expenses | <u>2,715,806</u> | <u>3,022,409</u> | <u>310,733</u> | <u>310,733</u> | <u>3,333,142</u> |
| General Fund | 11,545 | 71,425 | 0 | 0 | 71,425 |
| Cash Funds | 0 | 245,528 | 310,733 | 310,733 | 556,261 |
| Reappropriated Funds | 2,704,261 | 2,705,456 | 0 | 0 | 2,705,456 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

| | | | | | |
|---|------------|------------|------------|------------|------------|
| Total for S5 Capitol complex inflation | 2,715,806 | 3,022,409 | 310,733 | 310,733 | 3,333,142 |
| <i>FTE</i> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| General Fund | 11,545 | 71,425 | 0 | 0 | 71,425 |
| Cash Funds | 0 | 245,528 | 310,733 | 310,733 | 556,261 |
| Reappropriated Funds | 2,704,261 | 2,705,456 | 0 | 0 | 2,705,456 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

JBC Staff Supplemental Recommendations - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

| | FY 2021-22 Actual | FY 2022-23 Appropriation | FY 2022-23 Requested Change | FY 2022-23 Rec'd Change | FY 2022-23 Total w/Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|
|--|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|

S6 CCLS refinance for statewide indirects

(1) EXECUTIVE DIRECTOR'S OFFICE

(A) Department Administration

| | | | | | |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Capitol Complex Leased Space | 4,083,047 | 4,335,973 | 0 | 0 | 4,335,973 |
| General Fund | 2,342,014 | 2,161,865 | 558,985 | 504,635 | 2,666,500 |
| Cash Funds | 26,639 | 25,544 | 13 | 13 | 25,557 |
| Reappropriated Funds | 1,714,394 | 2,148,564 | (558,998) | (504,648) | 1,643,916 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

| | | | | | |
|--|------------|------------|------------|------------|------------|
| Total for S6 CCLS refinance for statewide indirects | 4,083,047 | 4,335,973 | 0 | 0 | 4,335,973 |
| <i>FTE</i> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| General Fund | 2,342,014 | 2,161,865 | 558,985 | 504,635 | 2,666,500 |
| Cash Funds | 26,639 | 25,544 | 13 | 13 | 25,557 |
| Reappropriated Funds | 1,714,394 | 2,148,564 | (558,998) | (504,648) | 1,643,916 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

JBC Staff Supplemental Recommendations - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

| | FY 2021-22 Actual | FY 2022-23 Appropriation | FY 2022-23 Requested Change | FY 2022-23 Rec'd Change | FY 2022-23 Total w/Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|
|--|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|

S7 Annual fleet supplemental

(7) DIVISION OF CAPITAL ASSETS

(C) Fleet Management Program and Motor Pool Services

| | | | | | |
|---|-------------------|-------------------|--------------------|------------|-------------------|
| Vehicles Replacement Lease or Purchase | <u>21,908,051</u> | <u>26,283,861</u> | <u>(2,820,898)</u> | <u>0</u> | <u>26,283,861</u> |
| General Fund | 0 | 0 | 0 | 0 | 0 |
| Cash Funds | 0 | 19,334 | 0 | 0 | 19,334 |
| Reappropriated Funds | 21,908,051 | 26,264,527 | (2,820,898) | 0 | 26,264,527 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Total for S7 Annual fleet supplemental | 21,908,051 | 26,283,861 | (2,820,898) | 0 | 26,283,861 |
| <i>FTE</i> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| General Fund | 0 | 0 | 0 | 0 | 0 |
| Cash Funds | 0 | 19,334 | 0 | 0 | 19,334 |
| Reappropriated Funds | 21,908,051 | 26,264,527 | (2,820,898) | 0 | 26,264,527 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

JBC Staff Supplemental Recommendations - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

| | FY 2021-22 Actual | FY 2022-23 Appropriation | FY 2022-23 Requested Change | FY 2022-23 Rec'd Change | FY 2022-23 Total w/Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|
| S8 CSEAP technical correction | | | | | |
| (1) EXECUTIVE DIRECTOR'S OFFICE | | | | | |
| (B) Statewide Special Purpose | | | | | |
| (I) Colorado State Employees Assistance Program | | | | | |
| Personal Services | 846,751 | 1,177,822 | 38,000 | 38,000 | 1,215,822 |
| FTE | 10.4 | 14.0 | 0.0 | 0.0 | 14.0 |
| General Fund | 0 | 0 | 0 | 0 | 0 |
| Cash Funds | 0 | 79,074 | 0 | 0 | 79,074 |
| Reappropriated Funds | 846,751 | 1,098,748 | 38,000 | 38,000 | 1,136,748 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Operating Expenses | 59,610 | 131,293 | (38,000) | (38,000) | 93,293 |
| General Fund | 0 | 0 | 0 | 0 | 0 |
| Cash Funds | 0 | 7,550 | 0 | 0 | 7,550 |
| Reappropriated Funds | 59,610 | 123,743 | (38,000) | (38,000) | 85,743 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Total for S8 CSEAP technical correction | 906,361 | 1,309,115 | 0 | 0 | 1,309,115 |
| FTE | 10.4 | 14.0 | 0.0 | 0.0 | 14.0 |
| General Fund | 0 | 0 | 0 | 0 | 0 |
| Cash Funds | 0 | 86,624 | 0 | 0 | 86,624 |
| Reappropriated Funds | 906,361 | 1,222,491 | 0 | 0 | 1,222,491 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |

JBC Staff Supplemental Recommendations - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

| | FY 2021-22 Actual | FY 2022-23 Appropriation | FY 2022-23 Requested Change | FY 2022-23 Rec'd Change | FY 2022-23 Total w/Rec'd Change |
|---|----------------------|-----------------------------|--------------------------------|----------------------------|------------------------------------|
| Totals Excluding Pending Items | | | | | |
| PERSONNEL | | | | | |
| TOTALS for ALL Departmental line items | 201,715,406 | 237,389,346 | 5,382,589 | 3,879,927 | 241,269,273 |
| <i>FTE</i> | <u>364.6</u> | <u>443.2</u> | <u>12.0</u> | <u>0.0</u> | <u>443.2</u> |
| General Fund | 18,073,096 | 27,583,193 | 2,000,110 | 504,635 | 28,087,828 |
| Cash Funds | 10,848,598 | 11,866,621 | 570,249 | 340,911 | 12,207,532 |
| Reappropriated Funds | 172,793,712 | 197,939,532 | 2,812,230 | 3,034,381 | 200,973,913 |
| Federal Funds | 0 | 0 | 0 | 0 | NaN |

APPENDIX B: STATE CONTROLLER'S
OVEREXPENDITURE LETTER - DECEMBER 20, 2022



COLORADO

Office of the State Controller

Department of Personnel & Administration

1525 Sherman St., 5th Floor

Denver, CO 80203

December 20, 2022

The Honorable Jared Polis
Governor
136 State Capitol Building
Denver, Colorado 80203

Dear Governor Polis:

Section 24-75-109, C.R.S. provides that State agencies may, within certain limits and with the approval of the State Controller and the Governor, make expenditures in excess of their legal appropriation. This letter sets forth fiscal year 2022 expenditures in excess of appropriated amounts and cash funds that have Annual Comprehensive Financial Report (ACFR) and receipt of the State Auditor's opinion on the financial statements, this letter is submitted for your review and approval with a summary follows:

Allowable Medicaid Overexpenditures per Section 24-75-109(1)(a), C.R.S.

The following Medicaid program overexpenditures allowed and approved without dollar limitation are:

Department of Health Care Policy and Financing:

Medical Services Premiums \$ 13,380,156 G

The Department overexpended the General Fund primarily due to lower-than-anticipated revenue in the Health Care Expansion Fund, which is used to offset the General Fund. The Department received \$9.8 million less revenue from that cash fund than projected to offset General Fund. There was an error in the forecast for the Health Care Expansion Fund that overinflated the projected amount of revenue used in the final appropriation for fiscal year 2022.

Behavioral Health Fee-for-Service Payments \$ 10,550 G and \$ 225,389 C

The Behavioral Health Fee-for-service appropriation covers expenditures for some of the behavioral health services rendered for Medicaid clients. The overexpenditure in the Healthcare Affordability and Sustainability (HAS) Fee cash fund and general funds occurred because of higher than anticipated utilization of Medicaid members funded by these sources. The Department also incorrectly calculated the federal match for these services in the request for funding. As a result, state funds are over-expended and federal funds are under-expended. Additionally, MAGI Parents (Modified Adjusted Gross Income) and Caretakers and MAGI Adults had a higher share of the Fee-For-Service (FFS) expenditure than expected based on forecasted caseload, which are funded through the HAS Fee. The FFS expenditure is historically volatile by nature of the program making it harder to forecast.



The Department overexpended cash funds due to higher-than-anticipated percentage of expenditure claimed at the lower/standard Federal Medical Assistance Percentage (FMAP) rate, rather than the higher ACA FMAP rate for members funded through the HAS Fee.

Allowable non-Medicaid Overexpenditures per Section 24-75-109(1)(b) C.R.S.

Department of Human Services non-Medicaid overexpenditures are allowable up to \$1,000,000. There were no Human Services non-Medicaid overexpenditures in fiscal year 2022.

Allowable Judicial Overexpenditures per Sections 24-75-109(1)(d) and 24-75-110 C.R.S.

Judicial Branch overexpenditures are allowable up to \$1,000,000. There were no Judicial Branch overexpenditures in fiscal year 2022.

Allowable Overexpenditures per Section 24-75-109(1)(c) C.R.S.

The following are overexpenditures incurred by State departments, other than Human Services, that are allowable up to a total of \$3,000,000 and have been approved:

Department of Personnel

Fleet Management Program and Motor Pool Services, Fuel and Automotive Supplies \$ 795,887 R

Instability in the world markets created an environment that produced the highest fuel prices in history. Additionally the aging fleet due to a lack of replacements in the past two fiscal years has driven maintenance cost up 28% year over year. This combination of events mandated funds be expended beyond the boundaries of the budgetary constraints issued.

Overexpenditures Not Allowed per Section 24-75-109(2)(b) C.R.S.

The following are overexpenditures incurred by State departments that are not allowed. In these instances, adequate revenue was not earned or cash reserves were not sufficient to cover the related expenditures. Section 24-75-109(2)(b) C.R.S. states that deficit fund balances are an unallowable overexpenditure.

Department of Transportation:

Highway Fund \$ 254,092 C

The fund is for the CDOT Sign Shop, which relies on revenue from sales of finished traffic signs. The negative fund balance is due to lagging sales post COVID-19 pandemic and increased inflation on materials and goods. The Sign Shop has started implementing new programmatic changes and a new fee structure in fiscal year 2023, which is forecasted to correct this negative fund balance.



Department of Labor and Employment:

Unemployment Insurance Fund \$ 681,411,583 C

Due to the recession caused by the COVID -19 pandemic, estimated unemployment insurance benefits payable exceeded available and estimated resources through fiscal year 2022. The Department has options available to address the deficit fund balance, including but not limited to, assessing unemployment insurance premium surcharges.

Department of Public Health and Environment:

Disaster Emergency Fund \$ 2,345,478 C

The COVID-19 expenditures in this fund are generally reimbursable from Federal Emergency Management Agency (FEMA) or statewide Disaster Emergency Fund. Due to a methodology change in the division since the COVID pandemic, the department is uncertain all the expenditures are qualified for FEMA reimbursement. The deficit fund balance is due to the timing of FEMA reimbursement and department reconciliation of qualified reimbursable expenditures.

Cash Fund Balance Deficits Occurring Only on the GAAP Basis

The funds discussed in this section incurred Medicaid expenditures that are deferred into the following fiscal year for budget compliance purposes. The deferral of expenditures is authorized in Section 25.5-8-108(5) C.R.S. However, those expenditures are recognized in the current fiscal year for financial statement presentation under Generally Accepted Accounting Principles (GAAP). The recognition of those expenditures on the GAAP basis resulted in fund balance deficits. Because the budget deferral related to the GAAP deficit fund balance complies with statute, no restriction of fiscal year 2023 spending authority is recommended.

Department of Health Care Policy and Financing

| | |
|---------------------------------------|----------------|
| <u>Colorado Autism Treatment Fund</u> | \$ 66,515 C |
| <u>Healthcare Expansion Fund</u> | \$ 1,689,828 C |
| <u>Adult Dental Fund</u> | \$ 922,294 C |



SUMMARY OF RESTRICTIONS

The recommended appropriation restrictions for fiscal year 2023 are listed in the table below:

| Department | Program | General Funds | Cash Funds | Reappropriated Funds |
|--------------------------------|--|----------------------|---------------------|-----------------------------|
| Health Care Policy & Financing | Medical Services Premiums | \$ 13,380,156 | | |
| Health Care Policy & Financing | Behavioral Health Fee-for-Services Payments | \$ 10,550 | \$ 225,389 | |
| Health Care Policy & Financing | Behavioral Health Capitation Payments | | \$ 3,763,258 | |
| Public Health & Environment | Disaster Emergency Fund | | \$ 2,345,478 | |
| Department of Personnel | Fleet Management Program and Motor Fuel Services | | | \$ 795,887 |
| | Total | \$ 13,390,706 | \$ 6,334,125 | \$ 795,887 |

Section 24-75-109(3), C.R.S. requires that a like amount be restricted in the year following the approved overexpenditure. Departments may submit fiscal year 2023 supplemental requests to the Office of State Planning and Budgeting for the General Assembly to release these restrictions. The Department of Transportation’s Highway Fund and the Department of Labor and Employment Unemployment Insurance Fund are continuously appropriated, thus restrictions are not recommended. No restrictions are recommended for the GAAP basis overexpenditures of Colorado Autism Treatment Fund Cash Fund, Healthcare Expansion Fund Cash Fund and Adult Dental Fund at the Department of Health Care Policy and Financing.

Sincerely,



Robert Jaros, CPA, MBA, JD
Colorado State Controller

- CC: Lauren Larson, Office of State Planning and Budgeting
Carolyn Kampman, Joint Budget Committee
Kim Bimestefer, Department of Health Care Policy and Financing
Tony Gherardini, Department of Personnel & Administration
Shoshana M. Lew, Department of Transportation



APPENDIX C: OFFICE OF LEGISLATIVE LEGAL
SERVICES – JANUARY 20, 2022 MEMORANDUM
PROVIDING AN OVERVIEW OF THE “COLORADO
PARTNERSHIP FOR QUALITY JOBS AND SERVICES ACT”
CREATE IN H.B. 20-1153

OFFICE OF LEGISLATIVE LEGAL SERVICES

COLORADO GENERAL ASSEMBLY



COLORADO STATE CAPITOL
200 EAST COLFAX AVENUE SUITE 091
DENVER, COLORADO 80203-1716

NICOLE H. MYERS
Senior Attorney

TEL: 303-866-2045 FAX: 303-866-4157
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MEMORANDUM

TO: Joint Budget Committee

FROM: Nicole Myers

DATE: January 20, 2022

SUBJECT: An Overview of the "Colorado Partnership for Quality Jobs and Services Act" created in H.B. 20-1153.¹

On June 3, 2020, the Colorado General Assembly enacted H.B. 20-1153 - Concerning the relationship between state employees and the state as their employer, and, in connection therewith, creating the "Colorado Partnership for Quality Jobs and Services Act", and making an appropriation. The bill was signed by Governor Polis and took effect on June 16, 2020. The following is a summary of the Colorado Partnership for Quality Jobs and Services Act (Act) as enacted in H.B. 20-1153.²

¹ This memorandum results from a request made to the authoring attorney in the Office of Legislative Legal Services (OLLS), a staff agency of the General Assembly. This memorandum reflects the legal analysis of the authoring attorney. This legal memorandum does not represent an official legal position of the OLLS, the General Assembly, or the State of Colorado and does not bind the members of the General Assembly. The memorandum is intended for use in the legislative process and as information to assist the members in the performance of their legislative duties.

² The Act is codified as part 11 of article 50 of title 24, C.R.S., and, as of the date of this memorandum, has not been amended.

1. Covered Employees: § 24-50-1102, C.R.S.

The Act requires the state and an employee organization that represents covered state employees to negotiate regarding wages, hours, and terms and conditions of employment and to cooperatively draft a mutually agreed upon written partnership agreement.³ The state and an employee organization may also negotiate regarding other issues by mutual agreement.⁴ However, neither side is required to agree to a proposal or make a concession.⁵ For the purposes of a partnership agreement pursuant to the Act, a "covered employee" is an employee who is employed in the state personnel system, but certain employees in the state personnel system, due to the nature and responsibilities of their jobs, are not considered covered employees and therefore are not able to participate in partnership agreements.⁶

2. Duties and Responsibilities of the Division of Labor Standards and Statistics and the State Personnel Director: §§ 24-50-1103 and 24-50-1104, C.R.S.

The Division of Labor Standards and Statistics within the Department of Labor and Employment (division) is required to enforce the Act and to promulgate rules as necessary for such enforcement. The division is authorized to adjudicate unfair labor practice charges that arise in connection with the partnership agreement process. The division is also authorized to conduct elections for employee organizations to become certified employee organizations, as discussed in more detail below. The state personnel director is required to promulgate rules in connection with any responsibility designated to the director pursuant to the Act.

3. Partnership Units and Certified Employee Organizations: §§ 24-50-1105 and 24-50-1106, C.R.S.

The Act creates one partnership unit in the state that consists of all covered employees. Any partnership units that were established pursuant to Executive Order

³ § 24-50-1112 (1), C.R.S.

⁴ § 24-50-1112 (2), C.R.S.

⁵ § 24-50-1112 (1), C.R.S.

⁶ Confidential employees, managerial employees, executive employees, the state personnel director, the director of the division of labor standards and statistics, the person the governor designates as the individual who will represent the state in the exercise of the state's responsibilities in connection with the Act, administrative law judges and hearing officers, state troopers, employees of the legislative branch, and temporary employees are excluded from the definition of "covered employee" pursuant to § 24-50-1102 (3), C.R.S.

D 028 07 (executive order), which preceded the Act and authorized partnership agreements, are merged into the single partnership unit. Covered employees in a partnership unit that was created by the executive order and who are represented by an employee organization that the partnership unit chose to exclusively represent it will continue to be represented by that employee organization. However, any future decisions regarding representation by an employee organization must be held pursuant to the Act and as part of the single statewide partnership unit.

An "employee organization" is a nonprofit organization that engages with the state as an employer regarding wages, hours, and terms and conditions of employment and represents or seeks to represent covered employees in a partnership unit.⁷ An employee organization that wants to represent an unrepresented partnership unit may file a petition with the division requesting that it hold an election to determine whether covered employees want to be represented by an employee organization (representation election). An employee organization requesting a representation election is required to submit a petition to the division signed by at least 30% of the covered employees in the partnership unit. The division is required to certify the employee organization that receives the majority of votes cast by the covered employees as the certified employee organization.

The division is not allowed to hold a representation election within the 24-month period immediately following the effective date of the Act or within 12 months of another representation election. A covered employee or an employee organization may initiate a process, specified in section 24-50-1106 (3), C.R.S, to decertify a certified employee organization for a partnership unit.

4. Rights of Covered Employees and Certified Employee Organizations: §§ 24-50-1107 and 24-50-1108, C.R.S.

Covered employees have the right to self-organize, to form, join, or assist an employee organization, and to work with an employee organization and communicate with other covered employees to form a partnership agreement or to discuss other work-related issues. Covered employees also have the right to refrain from any activities in connection with employee organizations and the partnership process. The state is required to provide certain personal information to a certified employee organization pursuant to section 24-50-1111 (3), C.R.S. This information includes a covered employee's home address, home and personal cell phone numbers, and personal e-mail address. A covered employee has the right to opt-out

⁷ § 24-50-1102 (7).

of the state providing any of their personal information to a certified employee organization.

A certified employee organization has the right to reasonable access to covered employees at work, through e-mail, and through other forms of communication. The meaning of "reasonable access" is determined through the partnership agreement process.

5. Duties of the Certified Employee Organization: § 24-50-1109, C.R.S.

In the negotiation of a partnership agreement, a certified employee organization is required to represent the interests of all covered employees, regardless of whether a covered employee is a member of the certified employee organization. In addition, any negotiated partnership agreement is required to apply equally to all covered employees, regardless of the covered employees' membership status in the certified employee organization. Neither of these requirements limits the state and a certified employee organization from having a partnership agreement that covers department or agency-specific issues. A certified employee organization is not required to represent covered employees in certain personnel actions⁸.

A certified employee organization is prohibited from threatening, facilitating, supporting, or causing a strike, work stoppage, work slowdown, group sickout, or any other action that would disrupt the daily functioning of the state or any of its agencies or departments. The state, a certified employee organization, or an employee may submit a controversy concerning one of these prohibited activities to the division for review. A certified employee organization can be sanctioned, fined, or decertified for engaging in these prohibited activities. An employee who engages in such activities may be subject to disciplinary action.

⁸ A certified employee organization is not required to represent a covered employee in the following circumstances: A personnel action when the employee is dismissed, suspended, or otherwise disciplined by the appointing authority upon written findings of failure to comply with standards of efficient service or competence, or for willful misconduct, willful failure or inability to perform job duties, or final conviction of a felony or any other offence that involves moral turpitude pursuant to Colo. Const. art. XII, § 13 (8); employee grievances pursuant to § 24-50-123, C.R.S.; when an employee is separated from employment pursuant to § 24-50-124, C.R.S.; disciplinary proceedings pursuant to § 24-50-125, C.R.S.; or discrimination appeals pursuant to § 24-50-125.3, C.R.S.

6. Executive and Management Rights: § 24-50-1110, C.R.S.

Nothing contained in the employee partnership process impairs the ability of the state to determine, carry out, and administer specified existing duties and rights of the state, including:

- Rights reserved to an appointing authority, the state personnel director, or the state personnel board;
- Determining and carrying out any mission, initiative, task, agenda, policy, or program;
- Establishing an overseeing budget, finances, and accounting;
- Determining the use of technology;
- Entering into and administering contracts pursuant to law;
- Making, amending, and enforcing personal conduct rules; or
- Taking actions that may be necessary to carry out government functions during an emergency.

7. Duties of the State: § 24-50-1111, C.R.S.

The state has several obligations pursuant to the Act. Not engaging in these obligations constitutes an unfair labor practice that can be subject to review by the division. The obligations include:

- Making payroll deductions for membership dues and other payments that covered employees authorize to be made to the certified employee organization and related entities;
- Providing information about every covered employee to a certified employee organization on a monthly basis, including information about the employee's job, salary, date of hire, work location, and work and personal phone numbers, e-mail addresses, and other contact information;
- Allowing a certified employee organization to meet with a newly hired covered employee;
- Allowing a certified employee organization to attend orientations for new covered employees; and
- Engaging in good faith in all aspects of the partnership process.

In addition, after the state and the certified employee organization reach a partnership agreement, the initial or supplemental budget request from the governor to the General Assembly is required to include sufficient appropriations to implement terms of the partnership agreement requiring the expenditure of money. The provisions of a

partnership agreement that require the expenditure of money are contingent on the availability of money and the specific appropriation of money by the General Assembly. If the General Assembly rejects any part of the governor's budget request, or if, while accepting the budget request, takes any action that would result in a modification of the terms of the item submitted to it, either the state or the certified employee organization may reopen negotiations concerning economic issues. The Act does not define "economic issue."

The state and its designees and agents are prohibited from:

- Taking any action or making any statement in favor of or in opposition to a covered employee's decision to participate in, select, or join an employee organization, or to refrain from these activities;
- Expending public money or resources for a negative campaign against an employee organization or providing assistance to any individual or group to engage in such a campaign;
- Interfering with, restraining, or coercing covered employees from exercising the rights granted by the Act;
- Discharging or discriminating against any covered employee because the employee filed an affidavit, or gave any information or testimony pursuant to the Act, or because the employee formed, joined, or chose to be represented by any employee organization, or refrained from any such activities;
- Refusing to participate in the partnership process once a certified employee organization is certified; and
- Refusing to participate in the partnership dispute resolution process.

It is an unfair labor practice for the state to engage in any of these activities.

8. Partnership Agreements: §§ 24-50-1112 and 24-50-1114, C.R.S.

Within certain timeframes, a certified employee organization and the state are required to begin meetings to discuss and cooperatively draft a mutually agreed upon written partnership agreement. The parties are required to bargain over wages, hours, and terms and conditions of employment for all covered employees. All other subjects are permissive and may be addressed by mutual agreement; except that the parties may not negotiate with respect to the statutory function of a department or agency of state government or regarding matters related to the Public Employees' Retirement Association. A partnership agreement is binding on the state, the certified employee organization, and covered employees after it is ratified by the certified employee organization and approved by the governor.

Certain issues are required to be negotiated between the certified employee organization and a designated employee of the governor's office. These issues include economic issues, matters that impact all covered employees, and other matters that require uniformity across all departments. Issues that impact covered employees in a single department or agency are required to be negotiated by the certified employee organization and the executive director of the applicable department. Any agreements between the certified employee organization and the executive director of a department are incorporated into the partnership agreement.

A partnership agreement is required to provide a grievance procedure to resolve disputes over the interpretation, application, and enforcement of any provision of the partnership agreement. Meetings held to negotiate a partnership agreement and grievance and arbitration proceedings are not open meetings as defined in law. In addition, records prepared or exchanged prior to submission of a final partnership agreement are not subject to the "Colorado Open Records Act⁹."

An existing partnership agreement continues in full force and effect until it is replaced by a subsequent partnership agreement.

9. Dispute Resolution: § 24-50-1113, C.R.S.

If disputes arise during the formation of a partnership agreement, the certified employee organization and the state are required to engage in the dispute resolution process established in section 24-50-1113, C.R.S., or in a mutually agreed upon alternate procedure. If the parties do not reach an agreement within 90 days after commencing meetings, either party may request that the matters on which the parties cannot reach agreement be sent to mediation with a mutually agreed upon mediator. If the parties do not reach an agreement on outstanding issues within 30 days of commencing mediation, the mediator is required to issue a recommendation on all of the outstanding issues. Either party may make the mediator's recommendation public. If, after mediation, the parties still cannot reach an agreement, the parties may enter into a partnership agreement on the issues on which they have reached agreement.

The state, the certified employee organization, or employees may submit any controversy concerning unfair labor practices of the state or a certified employee organization to the division for review.

⁹ The "Colorado Open Records Act" is created in part 2 of article 72 of title 24, C.R.S.

10. Judicial Review: § 24-50-1115, C.R.S.

The state or the certified employee organization may seek judicial review of the division's decisions or orders regarding the classification of covered employees, representation or decertification petitions, unfair labor practice charges, or rules or regulations issued by the division.