

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2023-24 (and FY 2022-23)

DEPARTMENT OF PERSONNEL (including Operating Common Policies)

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

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CONTENTS

Department Overview	1
Summary: FY 2022-23 Appropriation and Recommendation	2
Summary: FY 2023-24 Appropriation and Recommendation	3
Prioritized Supplemental Requests.....	5
S1 Central Payroll Staffing	5
S2 Professional Development Roll-forward.....	7
S3 Risk Management Common Policy Increase	8
S4 Fuel and Automotive Supplies.....	12
S5 CORE Common Policy Corrections	13
S6 Annual Fleet Supplemental True-up	15
Staff-initiated Supplemental Requests.....	17
Staff-initiated – S.B. 23-001 Implementation.....	17
Staff-initiated – DSG Common Policy correction	19
Previously Approved Interim Supplemental Request	20
June 1331 - State Fleet Maintenance	20
Statewide Common Policy Supplemental Requests.....	21
Appendix A: Numbers Pages.....	A-1

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, Colorado State Employee Assistance Program (C-SEAP), the Colorado Equity Office, and the Public-Private Collaboration Unit.

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 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						
FY 2022-23 Appropriation	\$243,018,509	\$28,788,405	\$12,208,090	\$202,022,014	\$0	452.0
CURRENT FY 2022-23 APPROPRIATION:	\$243,018,509	\$28,788,405	\$12,208,090	\$202,022,014	\$0	452.0
RECOMMENDED CHANGES						
Current FY 2022-23 Appropriation	\$243,018,509	\$28,788,405	\$12,208,090	\$202,022,014	\$0	452.0
June 1331 - State fleet maintenance	847,836	0	0	847,836	0	0.0
RECOMMENDED FY 2022-23 APPROPRIATION:	\$243,866,345	\$28,788,405	\$12,208,090	\$202,869,850	\$0	452.0
RECOMMENDED INCREASE/(DECREASE)	\$847,836	\$0	\$0	\$847,836	\$0	0.0
Percentage Change	0.3%	0.0%	0.0%	0.4%	n/a	0.0%
FY 2022-23 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

REQUEST/RECOMMENDATION DESCRIPTIONS

JUNE 1331 – STATE FLEET MAINTENANCE: The supplemental budget request sought an additional \$847,836 reappropriated funds spending authority in FY 2022-23 for the State Fleet Management’s Fuel and Automotive Supplies line item. The appropriation to the line item is from the Motor Fleet Management Fund, created in Section 24-30-1115 (1), C.R.S., which receives revenue from user fees from state agencies for use of state fleet vehicles. The Department experienced greater than anticipated fleet maintenance costs in the last quarter of FY 2022-23 and did not have sufficient spending authority to access revenue in the Fund. Staff recommended, and the Committee approved, the request.

SUMMARY: FY 2023-24 APPROPRIATION AND RECOMMENDATION

DEPARTMENT OF PERSONNEL: RECOMMENDED CHANGES FOR FY 2023-24						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION						
S.B. 23-214 (Long Bill)	\$270,682,213	\$43,215,517	\$17,518,235	\$209,948,461	\$0	521.5
Other legislation	779,759	658,938	0	120,821	0	2.2
CURRENT FY 2023-24 APPROPRIATION:	\$271,461,972	\$43,874,455	\$17,518,235	\$210,069,282	\$0	523.7
RECOMMENDED CHANGES						
Current FY 2023-24 Appropriation	\$271,461,972	\$43,874,455	\$17,518,235	\$210,069,282	\$0	523.7
S1 Central payroll staffing	0	0	0	0	0	0.0
S2 Professional development roll-forward	0	0	0	0	0	0.0
S3 Risk Management Common Policy increase	33,414,927	0	0	33,414,927	0	0.0
S4 Fuel and automotive supplies	7,139,900	0	0	7,139,900	0	0.0
S5 CORE Common Policy corrections	938,324	0	263,939	674,385	0	0.0
S6 Annual fleet supplemental true-up	0	0	0	0	0	0.0
Staff-initiated SB 23-001 implementation	0	(288,034)	288,034	0	0	0.0
Staff-initiated DSG Common Policy correction	0	0	0	0	0	0.0
Statewide common policy supplemental requests	3,500,980	762,284	2,759,626	(20,930)	0	0.0
RECOMMENDED FY 2023-24 APPROPRIATION:	\$316,456,103	\$44,348,705	\$20,829,834	\$251,277,564	\$0	523.7
RECOMMENDED INCREASE/(DECREASE)	\$44,994,131	\$474,250	\$3,311,599	\$41,208,282	\$0	0.0
Percentage Change	16.6%	1.1%	18.9%	19.6%	n/a	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$315,818,602	\$45,128,515	\$20,541,800	\$250,148,287	\$0	526.8
Request Above/(Below) Recommendation	(\$637,501)	\$779,810	(\$288,034)	(\$1,129,277)	\$0	3.1

REQUEST/RECOMMENDATION DESCRIPTIONS

S1 CENTRAL PAYROLL STAFFING: The request includes \$491,776 General Fund and 3.1 FTE, which represent eight new positions, for the Central Payroll Unit within the Division of Accounts and Control. The recommendation is to deny this request on the basis that it does not meet supplemental criteria.

S2 PROFESSIONAL DEVELOPMENT ROLL-FORWARD: The request includes roll-forward spending authority for a one-time FY 2023-24 \$8.0 million General Fund and 1.8 FTE appropriation for professional development programming. The recommendation is to deny the request on the basis that it does not meet supplemental criteria.

S3 RISK MANAGEMENT COMMON POLICY INCREASE: The request includes an increase of \$33.4 million reappropriated funds spending authority to address larger than expected liability claims in FY 2023-24. There are associated non-prioritized requests for incremental adjustments for the various state agencies, resulting in an increase of \$33.4 million total funds, including \$16.7 million General Fund. The recommendation is to approve the request and the associated non-prioritized requests affecting the various state agencies.

S4 FUEL AND AUTOMOTIVE SUPPLIES: The request includes an increase of \$7.1 million in reappropriated funds spending authority to address increase fuel and maintenance costs for the state fleet. The recommendation is to approve the request.

S5 CORE COMMON POLICY CORRECTIONS: The request includes an increase of \$938,324 total funds, including \$263,939 cash funds and \$674,385 reappropriated funds, for a technical correction to the Department's Payments to OIT and Payments for CORE and Support Modules line items. These request is itemized as follows:

- Payments to OIT: an increase of \$938,324 total funds, including \$73,324 cash funds and \$865,000 reappropriated funds; and
- Payments for CORE and Support Modules: a refinance of \$190,615 reappropriated funds with an equivalent amount of cash funds.

The recommendation is to approve the request.

S6 ANNUAL FLEET SUPPLEMENTAL TRUE-UP: The request includes a decrease of \$1,129,277 reappropriated funds for its Vehicle Replacement Lease/Purchase line item in the Division of Capital Assets. There are associated non-prioritized requests for incremental adjustments for most appropriated State agencies, resulting in a net decrease of \$1.4 million total funds, including a decrease of \$1.1 million General Fund. The recommendation is to deny the request on the basis that the majority of the associated non-prioritized requests are for reductions to the Vehicle Lease Payments line items in the various departments. The singular requested increase (\$2,818 General Fund) does not exceed the 10.0 percent increase threshold established by staff for supplemental approval.

STAFF-INITIATED – S.B. 23-001 IMPLEMENTATION: The recommendation is for the Committee to approve:

- a refinance of \$288,034 General Fund with an equivalent amount of cash funds from the Unused State-owned Real Property Cash Fund for the FY 2023-24 appropriation for the Public-Private Collaboration Unit;
- the inclusion of an (I) Note and letternote indicating that the cash fund appropriation is continuously appropriated and informational; and
- to change the current line item name (i.e., Public-Private Partnership Office) to reflect the statutory name of the Unit (i.e., Public-Private Collaboration Unit)

STAFF-INITIATED – DSG COMMON POLICY CORRECTION: The recommendation is for the Committee to approve a \$4.0 million General Fund reduction in the Department of Revenue to correct a technical error in the Document Solutions Group (DSG) Common Policy. There is no impact on the Department of Personnel's FY 2023-24 appropriation.

PRIORITIZED SUPPLEMENTAL REQUESTS

S1 CENTRAL PAYROLL STAFFING

	REQUEST	RECOMMENDATION
TOTAL	\$491,776	\$0
FTE	3.1	0.0
General Fund	491,776	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 is the result of data that was not available when the original appropriation was made. The Department contends that implementation of the Colorado Workers for Innovative and New Solutions (COWINS) Partnership Agreement, state employee remote work, and the implementation of a new time and leave solution constitutes new data. However, the COWINS Partnership Agreement has been in effect since November 2021 and the Department has submitted budget requests, including for additional staffing resources, related to the Agreement in each of the budget cycles since its ratification. State employees have been working remotely for a significant length of time and the Office of the State Controller has had a Flexible Work Arrangements Fiscal Policy in place since September 2021. This policy was updated in July of 2023, but administrative action does not constitute new data for supplemental purposes. Lastly, the Department received an IT Capital appropriation (\$14.2 million) in FY 2023-24 for Phase 2 of their Payroll Modernization Project. All of these elements indicate that the resources the Department is requesting could have been anticipated prior to figure setting last year. In fact, the Department requested funding for additional staff during the FY 2024-23 budget cycle, including for the Division of Accounts and Control, but the Committee rejected their request.

DEPARTMENT REQUEST: The Department requests \$491,776 General Fund and 3.1 FTE, which represent eight new positions, for the Central Payroll Unit within the Division of Accounts and Control.

STAFF RECOMMENDATION: Staff recommends that the Committee deny this request on the basis that it does not meet supplemental criteria.

STAFF ANALYSIS: The Central Payroll Unit in the Department's Office of the State Controller is responsible for processing payroll for all classified and non-classified employees in the executive, legislative, and judicial branches. The Unit currently has 9.0 FTE and utilizes the State's 35-year old payroll system to manage approximately 54 payroll cycles per year. The Unit is a business, systems, and services provider for all state agencies.

The Department is requesting funding for an additional 8 positions in the Central Payroll Unit to support its work related to the COWINS Partnership Agreement, human resources and payroll training, payroll taxes, and the transition to a new time and leave system. The Department is requesting funding for the positions at the range mid-point for each FTE, inclusive of centrally appropriated costs. For staffing for associated with the COWINS Partnership Agreement, the Department is seeking to hire one Data Management VI and two Data Management V positions. For human resources and payroll training the Department has requested funding for a Training Specialist III. The Department requests funding for an Accountant IV to address payroll tax workload. The staffing

request for managing the transition to a new time and leave system is for one Data Management VI and two Data Management V positions.

S1/R2 CENTRAL PAYROLL RESOURCES - DEPARTMENT REQUEST			
	FULL YEAR FTE	FY 2023-24 (PRORATED)	FY 2024-25 AND ONGOING
COWINS Partnership Agreement	3.0	\$125,337	\$452,128
HR and payroll training	1.0	68,421	93,937
Payroll taxes	1.0	41,561	149,768
Time and leave system	3.0	256,457	452,128
Total	8.0	\$491,776	\$1,147,961

The Department reports a substantial increase in the workload for the Central Payroll Unit. Their assessment indicates that the additional requirements for each of the four categories included in their request total an additional 12,980 hours per year, or 3,245 hours prorated for a quarter of the year. JBC staff assumes this proration to account for the legislative process and enactment of supplemental bills, and the hiring of new positions in April. Based on an assumed 2,080 hours per year for a full-time equivalent (FTE) employee, the FY 2023-24 prorated FTE count would be 1.6 FTE and the annualized FY 2024-25 FTE count would be 6.2 FTE.

DEPARTMENT WORKLOAD HOURS ESTIMATE		
WORKLOAD ELEMENT	ANNUAL HOURS	FY 2023-24 (Q4 PRORATION)
COWINS Partnership Agreement	1,900	475
HR and payroll training	3,000	750
Payroll taxes	2,080	520
Time and leave system	6,000	1,500
Total	12,980	3,245

The supplemental budget request does not meet supplemental criteria. The Department has not provided a compelling argument to show that the information provided in their budget submission narrative or in their responses to staff's questions was unavailable prior to figure setting for FY 2023-24. As previously stated, the use of employee remote work habits and the COWINS Partnership Agreement as justification for a supplemental request do not standup to scrutiny. State employee remote work policies were formalized in September 2021 by the Office of the State Controller and the COWINS Partnership Agreement has been effective since November 2021.

The one possible exception that may meet supplemental criteria is related to the portion of this request associated with the transition to a new time and leave system. The Department is currently in the process of migrating 13 departments from the old system to a new system. Unfortunately, that migration was paused in May of 2023 due to staffing constraints. However, the Department has utilized a portion of this FY 2023-24 IT Capital appropriation (\$14.2 million) for Phase 2 of their Payroll Modernization Project to hire the three positions in this request associated with their time and leave workload, which is directly related to the IT Capital project. As a result, there is no need for additional appropriations in FY 2023-24 to support those efforts.

The request is associated with a prioritized request for FY 2024-25 (R2) for the ongoing funding of these permanent positions. Should the Committee choose to approve the Department's supplemental request, staff recommends following established Committee policy for funding new FTE by using the

range minimums and exclusive of centrally appropriated costs. Additionally, staff would recommend excluding the three FTE that were hired using the FY 2023-24 IT Capital appropriation.

S2 PROFESSIONAL DEVELOPMENT ROLL-FORWARD

	REQUEST	RECOMMENDATION
TOTAL	\$0	\$0
FTE	0.0	0.0
General Fund	0	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 is the result of information that was unavailable at the time of the original appropriation. The inability of the Department to fully expend the appropriation does not constitute data that was not available at the time of the original appropriation. During figure setting for the Department's FY 2023-24 budget, JBC staff recommended denial the FY 2023-24 request in part out of concern the Department would be unable to fully expend the appropriation. The Committee approved a one-time \$8.0 million General Fund and 1.8 FTE appropriation in response to an OSPB comeback, which assumed fully expending the appropriation.

DEPARTMENT REQUEST: The Department requests roll-forward spending authority for a one-time FY 2023-24 \$8.0 million General Fund and 1.8 FTE appropriation for professional development programming.

STAFF RECOMMENDATION: Staff recommends that the Committee deny the request on the basis that it does not meet supplemental criteria.

STAFF ANALYSIS: The Professional Development line item appropriation is a result of the Department's FY 2023-24 request (R3) for funding related to the Colorado Workers for Innovative and New Solutions (COWINS) Partnership Agreement. As part of the request, the Department sought \$15.0 million General Fund for both FY 2023-24 and FY 2024-25. The Committee approved \$8.0 million General Fund and 1.8 FTE in one-time funding in response to an Office of Planning and Budgeting (OSPB) comeback, after staff recommended denial of the initial request.

The Professional Development appropriation provides a pool of funds that state employees can use to support their professional development goals. Of the FY 2023-24 appropriation, the Department has expended or encumbered \$5,756,185 to-date. The total number of employees that have requested professional development funds in the current fiscal year is 1,122 for such services as: certificate programs, conferences, professional memberships, professional development courses, leadership development course, and licensure programs.

FY 2023-24 PROFESSIONAL DEVELOPMENT EXPENDITURES AND ENCUMBRANCES	
COST COMPONENT	AMOUNT
Staffing costs	\$124,068

FY 2023-24 PROFESSIONAL DEVELOPMENT EXPENDITURES AND ENCUMBRANCES	
COST COMPONENT	AMOUNT
Department/agency reimbursements	2,507,508
Leadership development	2,054,609
State trainer training	70,000
Cornerstone software licensing	1,000,000
Total	\$5,756,185

The Department is continuing to pursue the implementation of the items listed above and plans to create detailed expenditure plans for larger projects, assuming their supplemental request is approved. The Department acknowledges that it is difficult to develop and implement such a program while utilizing the full appropriation within a single fiscal year. This was a key point made by JBC staff during the FY 2023-24 figure setting discussion for the original request. Neither then, nor now, has the Department provide a detailed expenditure plan that would justify the continuation of this appropriation.

While the Department has been able to provide some expenditure details, it has not provided or detailed the realized outcomes of this type of program. The Department puts forth two broad claims in support of this request:

- 1 that funding professional development will improve programs while reducing total state risk associated costs, and
- 2 that statewide professional development funding allows state employees to gain the skills necessary to move through their job series and achieve personal career goals.

However, the Department has provided no data, qualitative or quantitative, that support those claims. The State has provided professional development funding through the Center for Organizational Effectiveness for many years, and the General Assembly has supported the Center with General Fund in the last three fiscal years. However, the Department has not provided concrete and verifiable data to support the claims of the benefits of state-run professional development programming. The Professional Development appropriation was provided to assist state employees in covering training costs for programs outside the state. However, without data supporting the efficacy of such programs, staff's recommendation is denial of the request.

S3 RISK MANAGEMENT COMMON POLICY INCREASE

LIABILITY CLAIMS IN DEPARTMENT OF PERSONNEL

	REQUEST	RECOMMENDATION
TOTAL	\$33,414,927	\$33,414,927
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Reappropriated Funds	33,414,927	33,414,927
Federal Funds	0	0

ESTIMATED STATEWIDE ADJUSTMENTS FOR APPROPRIATED AGENCIES

	REQUEST	RECOMMENDATION
TOTAL	\$33,414,927	\$33,414,927
FTE	0.0	0.0
General Fund	16,666,466	16,666,466
Cash Funds	10,959,509	10,959,509
Reappropriated Funds	5,477,913	5,477,913
Federal Funds	311,039	311,039

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

[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 agree that this request is the result of data that was not available when the original appropriations was made and unforeseen contingencies.

DEPARTMENT REQUEST: The Department requests an increase of \$33.4 million reappropriated funds spending authority to address larger than expected liability claims in FY 2023-24. There are associated non-prioritized requests for incremental adjustments for the various state agencies, resulting in an increase of \$33.4 million total funds, including \$16.7 million General Fund.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request, and requests permission for JBC staff to make the necessary adjustment to the affected departments and agencies that appear as statewide non-prioritized supplemental requests. Staff also requests permission for the individual analysts to work with their departments to determine the appropriated fund source splits.

STAFF ANALYSIS: The Risk Management Unit is located within the Division of Human Resources. It manages the State's self-funded property, liability, and workers' compensation insurance programs. The State's Payment to Risk Management and Property Funds common policy consists of two programs: the Liability Program and the Property Program.

The Liability Program manages claims and lawsuits filed against the State for negligence in occurrences such as automobile accidents, employment discrimination, and road maintenance. During a typical year, approximately 1,800 liability claims are filed against the State, most of which are dismissed due to the Colorado Governmental Immunity Act (CGIA). The majority of expenditures from the Liability Premiums line item are related to federal law, where the focus is on civil rights and employment discrimination. For individual departments, the liability portion of department-wide expenditures is appropriated in the Payment to Risk Management and Property Funds line item.

The Liability program pays liability claims and expenses brought against the State. The program provides coverage to state agencies and employees for all tort and federal claims. Judgments for liabilities that do not involve federal law are limited pursuant to Section 24-10-114, C.R.S. The statutory limits judgements to \$424,000 per person and \$1,195,000 per occurrence. These limits do not apply to liabilities that pertain to federal law (e.g., Americans with Disabilities Act, age discrimination, gender discrimination, racial discrimination, etc.) and there is no damage limit for awards.

ANNUAL LIABILITY CLAIMS		
FISCAL YEAR	TOTAL	MONTHLY AVERAGE
FY 2018-19	\$15,997,484	\$1,332,391
FY 2019-20	5,510,099	299,389
FY 2020-21	3,941,223	328,435
FY 2021-22	6,817,659	568,138
FY 2022-23	4,330,618	319,437
Average	\$7,319,417	\$569,558

The Department reports that between FY 2018-19 and FY 2021-22 the Liability program experienced an average of \$5.1 million in claims per fiscal year. In FY 2022-23, liability claims more than tripled to \$16.0 million due to several large claims. Large claims include judgments, class action settlements, cyberattack expenses, and inmate claims. The number of large claims is anticipated to increase in FY 2023-24; the Department projects claims payouts of \$7.8 million for cybersecurity losses and \$21.5 million in payouts for liability claims. The FY 2023-24 Liability budget was set on an actuarially estimated liability claim expense of \$11.0 million. However, current FY 2023-24 estimates anticipate a claim expense of \$29.2 million. Additionally, in order to end FY 2022-23 without a negative fund balance, the Department transferred \$6,013,606 from the Workers' Compensation Fund to the Liability fund.

RISK MANAGEMENT FUND (LIABILITY) CASH FLOW			
	FY 2021-22	FY 2022-23	FY 2023-24
Beginning balance	\$0	\$0	\$0
Revenue	15,417,778	30,316,084	26,220,583
Expenditures	(15,417,778)	(30,316,084)	(50,057,677)
Ending balance	\$0	\$0	(\$23,837,094)

The Department reports that the Liability portion of the Risk Management Fund is projected to end the current fiscal year with a \$23.8 million deficit. Total expenditures, which include claims payouts, excess policy, legal services, and Colorado State Employee Assistance Program funding, are estimated to be \$50.1 million. This amount also includes the repayment of the \$6.0 million transfer from the Workers' Compensation account, pursuant to Section 24-30-1511.5 (2), C.R.S. In order to ensure the liquidity of the Risk Management Fund, the Department is request sufficient funding to cover the liability deficit, estimated remaining payments in the current fiscal year, and a fund balance adjustment to ensure a sufficient reserve for any unexpected claims or expenses.

FY 2023-24 LIABILITY SUPPLEMENTAL FUNDING	
FUNDING COMPONENTS	AMOUNT
Liability deficit	\$23,837,094
Estimated remaining FY 2023-24 liability claims	4,546,199
Target fund balance adjustment	5,031,633
Supplemental Request	\$33,414,926

The supplemental request of \$33.4 million total funds includes \$23.8 million to address the projected deficit, \$4.5 million for additional estimated claims in FY 2023-24, and a \$5.0 million fund balance reserve. The total cost of the supplemental request will be allocated to the various departments and agencies, resulting in a statewide General Fund increase of \$16.7 million. The following table details the by-department supplemental increases associated with this request.

**FY 2023-24 PAYMENTS TO RISK MANAGEMENT AND PROPERTY
LINE ITEM SUPPLEMENTAL ADJUSTMENTS**

DEPARTMENT	FY 2023-24 LONG BILL APPROPRIATION	FY 2023-24 ADJUSTED TOTAL	SUPPLEMENTAL ADJUSTMENTS				
			TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP FUNDS	FEDERAL FUNDS
Agriculture	\$269,885	\$495,886	\$226,001	\$137,017	\$88,984	\$0	\$0
Corrections	7,368,817	14,273,485	6,904,668	6,747,932	156,736	0	0
Education	727,516	1,504,490	776,974	776,974	0	0	0
Governor's Office	1,006,102	2,104,874	1,098,772	317,946	0	780,826	0
Health Care Policy & Financing	252,280	567,472	315,192	100,339	49,934	6,105	158,814
Higher Education	6,116,392	9,216,186	3,099,794	0	2,882,596	217,198	0
Human Services	3,247,542	5,894,431	2,646,889	2,298,184	0	348,705	0
Judicial	1,745,132	3,688,596	1,943,464	1,943,464	0	0	0
Labor & Employment	288,946	592,487	303,541	39,711	139,107	3,891	120,832
Law	393,081	884,210	491,129	130,529	64,601	278,651	17,348
Legislature	142,809	316,257	173,448	173,448	0	0	0
Local Affairs	117,844	247,883	130,039	45,974	27,292	56,773	0
Military Affairs	430,892	528,070	97,178	97,178	0	0	0
Natural Resources	1,575,650	2,474,741	899,091	75,949	801,697	12,993	8,452
Personnel	1,104,094	1,453,607	349,513	112,777	10,245	226,491	0
Public Health & Environment	1,083,657	2,296,759	1,213,102	145,272	0	1,067,830	0
Public Safety	4,596,081	10,220,087	5,624,006	3,158,376	0	2,465,630	0
Regulatory Agencies	322,015	695,301	373,286	12,565	342,308	12,820	5,593
Revenue	729,517	1,577,359	847,842	322,365	525,477	0	0
State	175,809	384,455	208,646	0	208,646	0	0
Transportation	6,679,986	12,341,872	5,661,886	0	5,661,886	0	0
Treasury	24,135	54,601	30,466	30,466	0	0	0
Total	\$38,398,182	\$71,813,109	\$33,414,927	\$16,666,466	\$10,959,509	\$5,477,913	\$311,039

ALLOCATIONS FOR INSTITUTIONS OF HIGHER EDUCATION

The following table outlines the allocations for institutions of higher education.

LIABILITY ALLOCATIONS FOR INSTITUTIONS OF HIGHER EDUCATION		
INSTITUTION	LIABILITY ALLOCATION	FY 2023-24 SUPPLEMENTAL LIABILITY ADJUSTMENT
Adams State University	0.0%	\$0
Arapahoe Community College	4.3%	131,757
Auraria Higher Education Center	2.1%	64,975
College Access Network/College Assist	0.0%	0
College Invest	0.4%	11,318
Colorado Commission on Higher Education	0.8%	25,230
Colorado School of Mines	0.0%	0
Colorado State University - Pueblo	10.2%	315,360
Community College of Aurora	2.8%	87,057
Community College System	7.2%	222,068
CSU - Global	1.1%	33,729
Denver Community College	4.3%	133,510
Front Range Community College	8.6%	265,734
History Colorado	1.6%	48,704
Lamar Community College	0.9%	26,586
Metropolitan State University of Denver	28.3%	878,218
Morgan Community College	1.2%	38,129
Northeastern Junior College	1.9%	57,750
Northwestern Community College	1.4%	43,790
Occupational Ed. Division	0.0%	0
Otero Junior College	1.9%	59,527
Pikes Peak Community College	9.9%	307,274

LIABILITY ALLOCATIONS FOR INSTITUTIONS OF HIGHER EDUCATION		
INSTITUTION	LIABILITY ALLOCATION	FY 2023-24 SUPPLEMENTAL LIABILITY ADJUSTMENT
Private Occupational	0.0%	649
Pueblo Community College	3.8%	118,451
Red Rocks Community College	4.4%	135,687
Trinidad State Junior College	3.0%	94,291
Western State Colorado University	0.0%	0
Allocation Totals	100.0%	\$3,099,794

S4 FUEL AND AUTOMOTIVE SUPPLIES

	REQUEST	RECOMMENDATION
TOTAL	\$7,139,900	\$7,139,900
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Reappropriated Funds	7,139,900	7,139,900
Federal Funds	0	0

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

[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 agree that this request is the result of data that was not available when the original appropriation was made.

DEPARTMENT REQUEST: The Department requests an increase of \$7.1 million in reappropriated funds spending authority to address increase fuel and maintenance costs for the state fleet.

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

STAFF ANALYSIS: The State Fleet Management program is supported by user agency fees deposited in the Motor Fleet Management Fund (Fund) created in Section 24-30-1115, C.R.S. The Fund covers fuel, maintenance, licenses and titles, vehicle lease payments, and accident expenses. To finance these day-to-day operations, the variable rate setting process determines how much state agencies will contribute to the Fund the following fiscal year. All costs of managing and operating the program are billed to state agencies via the variable rates and monthly lease payments.

Based on year to date utilization, as well as comparison to past fiscal year actuals, Department projections indicate that State Fleet Management will exceed its spending authority by the end of March 2024. Through the first half of FY 2023-24, the Department has expended \$13.3 million (63.5 percent) of its fiscal year appropriation. The Department projects it will spend \$27.3 million for the full fiscal year. The supplemental request of \$7.1 million reappropriated funds spending authority includes a buffer in excess of the projected FY 2023-24 total expenditure.

FY 2023-24 FUEL AND AUTOMOTIVE SUPPLIES EXPENDITURES				
	Q1 ACTUALS	Q2 ACTUALS	Q3 + Q4 PROJECTION	TOTAL
Fuel	\$3,689,867	\$3,149,932	\$6,853,015	\$13,692,814
Maintenance	2,566,659	2,966,108	5,609,221	11,141,988
Accident expenses	443,703	430,143	651,118	1,524,964
Vehicle licenses	3,202	6,499	9,701	19,402
Outstanding expenses	0	0	909,667	909,667
Total	\$6,703,431	\$6,552,682	\$14,032,722	\$27,288,835
			FY 2023-24 appropriation	20,869,697
			Projected difference	6,419,138
			Add'l buffer (11.2%)	720,762
			Supplemental recomm.	\$7,139,900

Fuel prices and maintenance costs have been difficult to predict, and the increase in miles driven associated with the continued post pandemic return to standard operations requires additional funding in FY 2023-24. In FY 2022-23, the Department spent \$25,256,562 in Fuel and Automotive Supplies, exceeding the initial spending authority by \$4,386,865. The Department's projections for maintenance costs in its FY 2022-23 supplemental request (January 2023) proved to be lower than actual expenditures, resulting in the requested and approved June 2023 interim supplemental request (see page 20).

S5 CORE COMMON POLICY CORRECTIONS

	REQUEST	RECOMMENDATION
TOTAL	\$938,324	\$938,324
FTE	0.0	0.0
General Fund	0	0
Cash Funds	263,939	263,939
Reappropriated Funds	674,385	674,385
Federal Funds	0	0

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

[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 agree that this request is the result of technical errors in calculating the original appropriations.

DEPARTMENT REQUEST: The Department requests an increase of \$938,324 total funds, including \$263,939 cash funds and \$674,385 reappropriated funds, for a technical correction to the Department's Payments to OIT and Payments for CORE and Support Modules line items. These request is itemized as follows:

- Payments to OIT: an increase of \$938,324 total funds, including \$73,324 cash funds and \$865,000 reappropriated funds; and
- Payments for CORE and Support Modules: a refinance of \$190,615 reappropriated funds with an equivalent amount of cash funds.

There is an associated non-prioritized request in the Office of Information Technology in the Governor's Office for commensurate spending authority associated with the adjustments to the Payments to OIT line item.

STAFF RECOMMENDATION: **Staff recommends that the Committee approve the request** and requests permission for the staff affected by the associated non-prioritized request to make the necessary adjustments.

STAFF ANALYSIS: The supplemental budget request is for technical corrections to two line items associated with the CORE Common Policy. The Payments to OIT line item is a line that is set by the OIT Common Policy. The Payments for CORE and Support Modules line item is used to recover the program costs for the CORE Common Policy. There are technical deficiencies in the appropriations for both line items that are a result of miscommunications.

During the FY 2023-24 figure setting for the CORE Common Policy, the program costs of the common policy were reduced by \$781,176 for contracts transferred to the Office of Information Technology (OIT) in the Office of the Governor from the Department of Personnel. An additional inflationary increase of \$83,824 was presumed to be requested in the Payments to OIT line item. However, the Department of Personnel submitted the \$865,000 transfer as a technical adjustment to the Payments to OIT line item rather than a prioritized request. As such, JBC staff assumed that the adjustments were accounted for through the OIT Common Policy, meaning the adjustments were part of the final figure setting information communicated to staff. However, OIT did not account for this transfer in their common policy request and the transfer was not included in the Payments to OIT appropriation for the Department of Personnel. The miscommunication between the Department and OIT resulted in under-appropriations for both agencies.

The Department of Personnel recently identified an additional need of \$73,324 for contract adjustments not previously expected in FY 2023-24. This adjustment is included as a cash fund increase to the Payments to OIT line item. OIT does not currently have the spending authority to charge the Department for the recently transferred and new contracts in its Enterprise Solutions line item. As a result, there is a non-prioritized request for \$938,324 reappropriated funds spending authority for the Office of Information Technology.

The second technical error is a result of miscommunications between JBC staff. During the FY 2023-24 figure setting process, staff amended its CORE Common Policy recommendation to correct a technical error in their original recommendation. The amended recommendation was approved by the Committee on March 13, 2023 during the staff "comeback" process. This change resulted in additional adjustments to the CORE Operations line item in the various departments. However, several of these additional adjustments were not included by staff and not part of their departments' appropriations in the FY 2023-24 Long Bill. This technical error resulted in the Department of Personnel receiving \$190,615 less in payments from departments than anticipated. The Department is requesting, and JBC staff is recommending, to refinance this amount from reappropriated funds to cash funds from the Supplier Database Cash Fund (Section 24-10-202.5 (2)(a), C.R.S.). The Supplier Database Cash Fund is projected to have an FY 2023-24 year-end balance of \$8.9 million, more than enough to support the increased expenditures.

S6 ANNUAL FLEET SUPPLEMENTAL TRUE-UP

VEHICLE REPLACEMENT LEASE/PURCHASE ADJUSTMENTS IN DEPARTMENT OF PERSONNEL

	REQUEST	RECOMMENDATION
TOTAL	(\$1,129,277)	\$0
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Reappropriated Funds	(1,129,277)	0
Federal Funds	0	0

ESTIMATED STATEWIDE ADJUSTMENTS FOR APPROPRIATED AGENCIES

	REQUEST	RECOMMENDATION
TOTAL	(\$1,431,697)	\$0
FTE	0.0	0.0
General Fund	(1,091,445)	0
Cash Funds	(377,890)	0
Reappropriated Funds	81,628	0
Federal Funds	(43,990)	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 \$1,129,277 reappropriated funds for its Vehicle Replacement Lease/Purchase line item in the Division of Capital Assets. There are associated non-prioritized requests for incremental adjustments for most appropriated State agencies, resulting in a net decrease of \$1.4 million total funds, including a decrease of \$1.1 million General Fund.

STAFF RECOMMENDATION: Staff recommends that the Committee deny the request. The majority of the associated non-prioritized requests are for reductions to the Vehicle Lease Payments line items in the various departments. The singular requested increase (\$2,818 General Fund) does not exceed the 10.0 percent increase threshold established by staff for supplemental approval.

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, staff does not recommend any FY 2023-24 supplemental adjustment for departmental vehicle lease payments. The following two tables summarize the annual fleet supplemental request.

FY 2023-24 DEPARTMENTAL REQUESTED FLEET SUPPLEMENTAL TRUE-UP, THRESHOLD CALCULATION (10.0%)				
	FY 2022-23 APPROPRIATION	PROJECTED NEED	REQUESTED ADJUSTMENT	ADJUSTMENT PERCENTAGE
Agriculture	364,820	362,879	(1,941)	(0.5%)
Corrections	3,459,902	3,420,268	(39,634)	(1.1%)
Early Childhood	8,906	7,288	(1,618)	(18.2%)
Education	35,112	37,930	2,818	8.0%
Governor's Office	23,185	14,128	(9,057)	(39.1%)
Human Services	1,367,595	1,344,560	(23,035)	(1.7%)
Judicial	258,140	234,941	(23,199)	(9.0%)
Labor & Employment	255,706	192,794	(62,912)	(24.6%)
Law	83,975	72,138	(11,837)	(14.1%)
Local Affairs	134,148	115,781	(18,367)	(13.7%)
Military & Veterans Affairs	93,969	83,070	(10,899)	(11.6%)
Natural Resources	5,203,394	5,141,773	(61,621)	(1.2%)
Personnel	244,250	223,263	(20,987)	(8.6%)
Public Health & Environment	498,738	391,369	(107,369)	(21.5%)
Public Safety	11,618,623	10,821,590	(797,033)	(6.9%)
Regulatory Agencies	412,563	349,574	(62,989)	(15.3%)
Revenue	943,837	758,906	(184,931)	(19.6%)
State	16,776	10,431	(\$6,345)	(37.8%)
Total - Appropriated Agencies	\$25,023,639	\$23,582,683	(\$1,440,956)	(5.8%)

ANNUAL FLEET SUPPLEMENTAL REQUEST AND RECOMMENDATION FOR FY 2023-24						
DEPARTMENT	DEPARTMENT REQUEST					STAFF RECOMMENDATION
	TOTAL	GENERAL FUND	CASH FUND	REAPPROPRIATED FUNDS	FEDERAL FUNDS	TOTAL
Agriculture	(\$1,941)	(\$815)	(\$1,100)	\$0	(\$26)	\$0
Corrections	(39,634)	(34,640)	(4,994)	0	0	0
Early Childhood	(1,618)	(1,618)	0	0	0	0
Education	2,818	2,818	0	0	0	0
Governor's Office	(9,057)	(9,057)	0	0	0	0
Human Services	(23,035)	(11,287)	0	(11,748)	0	0
Judicial*	(13,941)	(13,941)	0	0	0	0
Labor & Employment	(62,912)	(4,951)	(35,062)	(221)	(22,678)	0
Law	(11,837)	(3,542)	0	(7,475)	(820)	0
Local Affairs	(18,367)	(12,987)	(3,909)	(1,471)	0	0
Military & Veterans Affairs	(10,899)	(5,116)	0	0	(5,783)	0
Natural Resources	(61,621)	0	(40,378)	(6,560)	(14,683)	0
Personnel	(20,987)	0	(57)	(20,930)	0	0
Public Health & Environment	(107,369)	0	(102,769)	(4,600)	0	0
Public Safety	(797,032)	(996,309)	64,644	134,633	0	0
Regulatory Agencies	(62,989)	0	(62,989)	0	0	0
Revenue	(184,931)	0	(184,931)	0	0	0
State	(6,345)	0	(6,345)	0	0	0
Total	(\$1,431,697)	(\$1,091,445)	(\$377,890)	\$81,628	(\$43,990)	\$0

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

Where the FY 2023-24 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.

STAFF-INITIATED SUPPLEMENTAL REQUESTS

STAFF-INITIATED – S.B. 23-001 IMPLEMENTATION

	REQUEST	RECOMMENDATION
TOTAL	\$0	\$0
FTE	0.0	0.0
General Fund	0	(288,034)
Cash Funds	0	288,034
Federal Funds	0	0

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

[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 identified information that was not available at the time the original appropriation was made. Senate Bill 23-001 (Authority Of Public-private Collaboration Unit For Housing) was signed into law on May 20, 2023, after the 2023 legislative session ended, and changed statute to remove the requirement that the Public-Private Collaboration Unit be funded with General Fund.

DEPARTMENT REQUEST: The Department did not request this fund source change. However, the Department is aware of staff's recommendation.

STAFF RECOMMENDATION: Staff recommends that the Committee approve:

- a refinance of \$288,034 General Fund with an equivalent amount of cash funds from the Unused State-owned Real Property Cash Fund for the FY 2023-24 appropriation for the Public-Private Collaboration Unit;
- the inclusion of an (I) Note and letternote indicating that the cash fund appropriation is continuously appropriated and informational; and
- to change the current line item name (i.e., Public-Private Partnership Office) to reflect the statutory name of the Unit (i.e., Public-Private Collaboration Unit)

STAFF ANALYSIS: The Public-Private Collaboration Unit, authorized by Article 94 of Title 24, C.R.S., was created by S.B. 22-130 (State Entity Authority For Public-private Partnerships). The Unit is tasked with identifying and prioritizing partnership opportunities, providing technical assistance to state agencies, and tracking partnerships. State public entities are allowed to enter into public-private partnerships, pursuant to requirements detailed in Section 24-94-104, C.R.S. The bill also created the Public-Private Partnership Subcommittee of the Economic Development Commission to review proposed partnerships that involve state property beginning September 1, 2022. Additionally, the bill modified the Unused State-owned Real Property Cash Fund to be continuously appropriated for the purposes of supporting the Unit (Section 24-82-102.5 (5)(a), C.R.S.) and authorized the transfer of \$15.0 million General Fund into the Cash Fund. However, a provision in the original statute required the General Assembly to appropriate General Fund for the standard operating expenses of the Unit.

Article 94 of Title 24, C.R.S., was amended by S.B. 23-001 (Authority Of Public-private Collaboration Unit For Housing), authorizing the Unit to seek, accept, and expend gifts, grants, or donations, and expanded the allowable uses of money in the fund to include public projects that provide housing. The bill further authorized the Unit to:

- accept proceeds from real estate transactions and revenue from public-private partnership agreements;
- use real property deeded to the DPA to execute public-private projects that provide housing;
- act as the real estate agent for the DPA in the purchase, transfer, sale, exchange, or disposal of real property;
- enter into agreements for easements, deed restrictions, or leases; and
- use requests for information to solicit public-private projects that provide housing.

Senate Bill 23-001 transferred \$5.0 million from the General Fund and \$8.0 million from the Housing Development Grant Fund to the Unused State-owned Real Property Cash Fund. Lastly, the bill repealed the statutory provision requiring the General Assembly to appropriate General Fund to support the Unit's standard operating expenses. The bill was signed into law by the Governor on May 20, 2023, after the 2023 legislative session was concluded.

In response to the FY 2023-24 Multiple Department RFI #1 (Continuously Appropriated Cash Funds), the Department reports the estimated current available balance of the Unused State-owned Real Property Cash Fund at \$16.8 million. Given this balance and the repeal of the provision requiring General Fund to support standard operating expenses, JBC staff believes it prudent and appropriate

to adjust the FY 2023-24 Long Bill appropriation for the Public-Private Collaboration Unit to switch the funding source from General Fund to cash funds from the Unused State-owned Real Property Cash Fund. The appropriation will have an (I) Note and letternote affixed to indicate that the cash funds are continuously appropriated and shown for informational purposes.

STAFF-INITIATED – DSG COMMON POLICY CORRECTION

OPERATING EXPENSE, INTEGRATED DOCUMENT SOLUTIONS IN DEPARTMENT OF PERSONNEL

	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

IDS PRINT PRODUCTION, TAXATION BUSINESS GROUP IN DEPARTMENT OF REVENUE

	REQUEST	RECOMMENDATION
TOTAL	\$0	(\$4,036,701)
FTE	0.0	0.0
General Fund	0	(4,036,701)
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**

[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 made a technical error in the calculation and drafting of the original appropriation.

DEPARTMENT REQUEST: The Department did not request this reduction. However, the Department of Revenue and OSPB are aware of the technical error and reference it in the January 2 budget transmittal letter (Attachment 2, page 8).

STAFF RECOMMENDATION: Staff recommends that the Committee approve a \$4.0 million General Fund reduction in the Department of Revenue to correct a technical error in the Document Solutions Group (DSG) Common Policy. There is no impact on the Department of Personnel's FY 2023-24 appropriation.

STAFF ANALYSIS: The supplemental budget request is the result of a technical error in the calculation and drafting of the FY 2023-24 appropriation in the Department of Revenue for the Document Solutions Group Common Policy. This technical error has its origin in the FY 2021-22 budget cycle. In FY 2021-22, as a result of a recommended and approved budget request, the DSG Common Policy allocation to the Department of Revenue was split between two separate line items in its Taxation Business Group budgetary division: IDS Print Production and Document Management. During the FY 2022-23 and FY 2023-24 budget cycles and figure setting, this line item

split was not accounted for in the documentation provided by the Department of Personnel and used by JBC Staff for recommending the DSG Common Policy. Rather, the Department of Revenue common policy allocation was determined and recommended in aggregate. This lack of granularity led to a miscommunication between JBC staff and resulted in an over appropriation to the IDS Print Production line item in both FY 2022-23 and FY 2023-24. This granularity issue has been addressed in the FY 2024-25 budget submissions.

During the 2023 legislative session, S.B. 23-199 (Marijuana License Applications and Renewals) included a provision to capture the FY 2022-23 over-appropriation before it reverted to the General Fund, transferring \$4,094,849 General Fund to the Marijuana Cash Fund. This transfer ensured the solvency of the Marijuana Cash Fund, which the Department of Revenue projects will have an FY 2023-24 year-end balance of \$1.3 million. While timely and necessary, this capture of reversions is not a budgetary best practice; it is far less accurate than allowing an over appropriation to revert and for the General Assembly to determine the needs of a particular program. What would happen if the program that received the original appropriation used more of their appropriation than anticipated by the reversion transfer? This method of funding is less accurate and less transparent.

The FY 2023-24 General Fund appropriation to the IDS Print Production line item in the Department of Revenue is similarly over-appropriated by \$4.0 million. JBC staff recommends a supplemental adjustment to the line item, reducing its General Fund appropriation by the amount indicated in the above tables. This will ensure the General Assembly has a clear and transparent view of the General Fund available for the current fiscal year, providing the Committee and Assembly the opportunity to prioritize the use of the additional General Fund.

PREVIOUSLY APPROVED INTERIM SUPPLEMENTAL REQUEST

JUNE 1331 - STATE FLEET MAINTENANCE

	REQUEST	APPROVED
TOTAL	\$847,836	\$847,836
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Reappropriated Funds	847,836	847,836
Federal Funds	0	0

DEPARTMENT REQUEST: The Department requests an increase of \$847,836 reappropriated funds in FY 2022-23 for unanticipated state fleet maintenance expenditures.

SUMMARY: The supplemental budget request sought an additional \$847,836 reappropriated funds spending authority in FY 2022-23 for the State Fleet Management's Fuel and Automotive Supplies line item. The appropriation to the line item is from the Motor Fleet Management Fund, created in Section 24-30-1115 (1), C.R.S., which receives revenue from user fees from state agencies for use of state fleet vehicles. The Department experienced greater than anticipated fleet maintenance costs in

the last quarter of FY 2022-23 and does not have sufficient spending authority to access revenue in the Fund.

FY 2022-23 ESTIMATED FUEL AND MAINTENANCE EXPENSES						
COST COMPONENT	Q1 ACTUAL	Q2 ACTUAL	Q3 ACTUAL	Q4 PROJECTION	PERIOD 13 PROJECTION	TOTAL
Fuel	\$3,676,640	\$3,270,650	\$3,020,313	\$3,598,846	\$0	\$13,566,449
Maintenance	2,604,735	2,235,345	2,253,305	2,483,333	862,433	10,439,151
Accidents	255,227	299,156	302,859	380,810	0	1,238,052
License/Title	3,173	3,258	2,880	3,600	0	12,911
Total	\$6,539,775	\$5,808,409	\$5,579,357	\$6,466,589	\$862,433	\$25,256,563
FY 2022-23 appropriation						\$24,408,726
Requested adjustment						\$847,837

This request was related to a January 2023 supplemental request submitted by the Executive Branch, a modified version of which was approved by the Committee and General Assembly through the Department of Personnel's supplemental bill (S.B. 23-127). In January, the Department sought an additional \$6.2 million reappropriated funds spending authority, but was appropriated an additional \$3.5 million based on the JBC staff analysis. The difference between the Department's January 2023 request and the subsequent staff recommendation hinged on an analysis of projected fuel costs in FY 2022-23. As the table below shows, staff's projections anticipated lower fuel costs for FY 2022-23. Unfortunately, neither the Department nor JBC staff anticipated the higher maintenance costs experienced. Updated projections provided by the Department for their June 2023 interim supplemental indicated that maintenance costs for FY 2022-23 would exceed \$10.4 million, or roughly \$1.2 million more than estimated in January 2023.

JANUARY 2023 VS JUNE 2023 FUEL AND MAINTENANCE PROJECTIONS			
COST COMPONENT	JANUARY 2023 PROJECTION		JUNE 2023 PROJECTION (DEPARTMENT)
	DEPARTMENT	JBC STAFF	
Fuel	\$16,545,729	\$13,892,632	\$13,566,449
Maintenance	9,204,707	9,204,707	10,439,151
Accidents	1,292,365	1,292,365	1,238,052
License/Title	19,022	19,022	12,911
Total	\$27,061,823	\$24,408,726	\$25,256,563

COMMITTEE ACTION: Staff recommended, and the Committee approved, the 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
SNP OIT Real time billing	\$3,172,454	\$625,171	\$2,547,283	\$0	\$0	0.0
SNP Risk management	349,513	137,113	212,400	0	0	0.0
DPA Annual fleet supplemental	(20,987)	0	(57)	(20,930)	0	0.0
DEPARTMENT'S TOTAL STATEWIDE SUPPLEMENTAL REQUESTS	\$3,500,980	\$762,284	\$2,759,626	(\$20,930)	\$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 2023-24
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2023-24 Requested Change	FY 2023-24 Rec'd Change	FY 2023-24 Total w/Rec'd Change
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DEPARTMENT OF PERSONNEL
Anthony Gherardini, Executive Director

S1 Central payroll staffing

(1) EXECUTIVE DIRECTOR'S OFFICE

(A) Department Administration

Health, Life, and Dental	<u>4,447,285</u>	<u>6,388,409 0.0</u>	<u>34,269</u>	<u>0</u>	<u>6,388,409 0.0</u>
General Fund	1,585,401	2,796,088	34,269	0	2,796,088
Cash Funds	123,507	217,065	0	0	217,065
Reappropriated Funds	2,738,377	3,375,256	0	0	3,375,256
Federal Funds	0	0	0	0	0
Short-term Disability	<u>41,760</u>	<u>54,613</u>	<u>485</u>	<u>0</u>	<u>54,613</u>
General Fund	15,856	27,122	485	0	27,122
Cash Funds	1,672	1,639	0	0	1,639
Reappropriated Funds	24,232	25,852	0	0	25,852
Federal Funds	0	0	0	0	0
Paid Family Medical Leave Insurance	<u>0</u>	<u>0</u>	<u>1,454</u>	<u>0</u>	<u>0</u>
General Fund	0	0	1,454	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2023-24 Requested Change	FY 2023-24 Rec'd Change	FY 2023-24 Total w/Rec'd Change
S.B. 04-257 Amortization Equalization Disbursement	<u>1,365,618</u>	<u>1,815,755</u>	<u>16,156</u>	<u>0</u>	<u>1,815,755</u>
General Fund	565,211	894,591	16,156	0	894,591
Cash Funds	54,846	54,722	0	0	54,722
Reappropriated Funds	745,561	866,442	0	0	866,442
Federal Funds	0	0	0	0	0
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>1,365,618</u>	<u>1,815,755</u>	<u>16,156</u>	<u>0</u>	<u>1,815,755</u>
General Fund	565,211	894,591	16,156	0	894,591
Cash Funds	54,846	54,722	0	0	54,722
Reappropriated Funds	745,561	866,442	0	0	866,442
Federal Funds	0	0	0	0	0
(5) DIVISION OF ACCOUNTS AND CONTROL					
(A) Financial Operations and Reporting					
(1) Financial Operations and Reporting					
Personal Services	<u>3,106,712</u>	<u>3,225,516</u>	<u>364,966</u>	<u>0</u>	<u>3,225,516</u>
FTE	31.1	29.5	3.1	0.0	29.5
General Fund	3,106,712	3,225,516	364,966	0	3,225,516
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Operating Expenses	<u>119,221</u>	<u>138,303</u>	<u>58,290</u>	<u>0</u>	<u>138,303</u>
General Fund	119,221	138,303	58,290	0	138,303
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2023-24 Requested Change	FY 2023-24 Rec'd Change	FY 2023-24 Total w/Rec'd Change
Total for S1 Central payroll staffing	10,446,214	13,438,351	491,776	0	13,438,351
<i>FTE</i>	<u>31.1</u>	<u>29.5</u>	<u>3.1</u>	<u>0.0</u>	<u>29.5</u>
General Fund	5,957,612	7,976,211	491,776	0	7,976,211
Cash Funds	234,871	328,148	0	0	328,148
Reappropriated Funds	4,253,731	5,133,992	0	0	5,133,992
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Appropriation	FY 2023-24 Requested Change	FY 2023-24 Rec'd Change	FY 2023-24 Total w/Rec'd Change
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S2 Professional development roll-forward

(2) DIVISION OF HUMAN RESOURCES

(A) Human Resource Services

(I) State Agency Services

State Employee Professional Development	<u>8,000,000</u>	<u>0</u>	<u>0</u>	<u>8,000,000</u>
FTE	1.8	0.0	0.0	1.8
General Fund	8,000,000	0	0	8,000,000

Total for S2 Professional development roll-forward	8,000,000	0	0	8,000,000
<i>FTE</i>	<u>1.8</u>	<u>0.0</u>	<u>0.0</u>	<u>1.8</u>
General Fund	8,000,000	0	0	8,000,000

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

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R3 Risk Management Common Policy increase

(2) DIVISION OF HUMAN RESOURCES

(C) Risk Management Services

Liability Claims	<u>15,999,028</u>	<u>10,391,477</u>	<u>33,414,927</u>	<u>33,414,927</u>	<u>43,806,404</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	15,999,028	10,391,477	33,414,927	33,414,927	43,806,404
Federal Funds	0	0	0	0	0

Total for R3 Risk Management Common Policy increase	15,999,028	10,391,477	33,414,927	33,414,927	43,806,404
<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	15,999,028	10,391,477	33,414,927	33,414,927	43,806,404
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

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S4 Fuel and automotive supplies

(7) DIVISION OF CAPITAL ASSETS

(C) Fleet Management Program and Motor Pool Services

Fuel and Automotive Supplies	<u>24,608,311</u>	<u>20,869,697</u>	<u>7,139,900</u>	<u>7,139,900</u>	<u>28,009,597</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	24,608,311	20,869,697	7,139,900	7,139,900	28,009,597
Federal Funds	0	0	0	0	0

Total for S4 Fuel and automotive supplies	24,608,311	20,869,697	7,139,900	7,139,900	28,009,597
<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	24,608,311	20,869,697	7,139,900	7,139,900	28,009,597
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

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S5 CORE Common Policy corrections

(1) EXECUTIVE DIRECTOR'S OFFICE

(A) Department Administration

Payments to OIT	<u>5,545,990</u>	<u>7,153,559</u>	<u>938,324</u>	<u>938,324</u>	<u>8,091,883</u>
General Fund	1,789,542	2,096,045	0	0	2,096,045
Cash Funds	162,571	201,360	73,324	73,324	274,684
Reappropriated Funds	3,593,877	4,856,154	865,000	865,000	5,721,154
Federal Funds	0	0	0	0	0

(5) DIVISION OF ACCOUNTS AND CONTROL

(C) CORE Operations

Payments for CORE and Support Modules	<u>6,496,505</u>	<u>5,890,480</u>	<u>0</u>	<u>0</u>	<u>5,890,480</u>
General Fund	0	0	0	0	0
Cash Funds	2,223,408	4,399,708	190,615	190,615	4,590,323
Reappropriated Funds	4,273,097	1,490,772	(190,615)	(190,615)	1,300,157
Federal Funds	0	0	0	0	0

Total for S5 CORE Common Policy corrections	12,042,495	13,044,039	938,324	938,324	13,982,363
<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	1,789,542	2,096,045	0	0	2,096,045
Cash Funds	2,385,979	4,601,068	263,939	263,939	4,865,007
Reappropriated Funds	7,866,974	6,346,926	674,385	674,385	7,021,311
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

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S6 Annual fleet supplemental true-up

(7) DIVISION OF CAPITAL ASSETS

(C) Fleet Management Program and Motor Pool Services

Vehicles Replacement Lease or Purchase	<u>21,983,820</u>	<u>28,082,298</u>	<u>(1,129,277)</u>	<u>0</u>	<u>28,082,298</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	21,983,820	28,082,298	(1,129,277)	0	28,082,298
Federal Funds	0	0	0	0	0

Total for S6 Annual fleet supplemental true-up	21,983,820	28,082,298	(1,129,277)	0	28,082,298
<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	21,983,820	28,082,298	(1,129,277)	0	28,082,298
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

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Staff-initiated SB23-001 implementation

(1) EXECUTIVE DIRECTOR'S OFFICE

(B) Statewide Special Purpose

(V) Other Statewide Special Purpose

Public-Private Partnership Office	<u>266,732</u>	<u>288,034</u>	<u>0</u>	<u>0</u>	<u>288,034</u>
FTE	1.5	3.0	0.0	0.0	3.0
General Fund	0	288,034	0	(288,034)	0
Cash Funds	266,732	0	0	288,034	288,034
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Total for Staff-initiated SB23-001 implementation	<u>266,732</u>	<u>288,034</u>	<u>0</u>	<u>0</u>	<u>288,034</u>
FTE	<u>1.5</u>	<u>3.0</u>	<u>0.0</u>	<u>0.0</u>	<u>3.0</u>
General Fund	0	288,034	0	(288,034)	0
Cash Funds	266,732	0	0	288,034	288,034
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

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Staff-initiated DSG Common Policy correction

(4) DIVISION CENTRAL SERVICES

(B) Integrated Document Solutions

Operating Expenses	<u>24,809,659</u>	<u>22,786,220</u>	<u>0</u>	<u>0</u>	<u>22,786,220</u>
General Fund	0	0	0	0	0
Cash Funds	980,537	980,537	0	0	980,537
Reappropriated Funds	23,829,122	21,805,683	0	0	21,805,683
Federal Funds	0	0	0	0	0

Total for Staff-initiated DSG Common Policy correction	24,809,659	22,786,220	0	0	22,786,220
<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	980,537	980,537	0	0	980,537
Reappropriated Funds	23,829,122	21,805,683	0	0	21,805,683
Federal Funds	0	0	0	0	0

Totals Excluding Pending Items					
PERSONNEL					
TOTALS for ALL Departmental line items	233,651,288	271,461,972	40,855,650	41,493,151	312,955,123
<i>FTE</i>	<u>381.8</u>	<u>523.7</u>	<u>3.1</u>	<u>0.0</u>	<u>523.7</u>
General Fund	20,931,821	43,874,455	491,776	(288,034)	43,586,421
Cash Funds	10,299,237	17,518,235	263,939	551,973	18,070,208
Reappropriated Funds	202,420,230	210,069,282	40,099,935	41,229,212	251,298,494
Federal Funds	0	0	0	0	0