



JOINT BUDGET COMMITTEE STAFF FY 2020-21 BUDGET BRIEFING SUMMARY

Colorado General Assembly
Joint Budget Committee

Department of Personnel

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 32,000 full time equivalent (FTE) staff, excluding the Department of Higher Education. In addition, the Department provides general support services for state agencies which include: oversight of procurement and financial activities and CORE operations; state archives; maintenance of Capitol Complex buildings, provision of central business services, and management of the State's motor vehicle fleet; administrative law judge services; coordination of capital construction and controlled maintenance projects and centralized lease management; administration of the State's personnel selection, classification, compensation, and employee benefit programs; and oversight of the State's liability, property, and workers' compensation insurance programs. The Department's FY 2019-20 appropriation represents approximately 0.6 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF PERSONNEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION:						
SB 19-207 (Long Bill)	\$210,322,472	\$14,980,606	\$16,939,500	\$178,402,366	\$0	426.7
Other legislation	727,130	652,790	0	74,340	0	0.0
TOTAL	\$211,049,602	\$15,633,396	\$16,939,500	\$178,476,706	\$0	426.7
FY 2020-21 REQUESTED APPROPRIATION:						
FY 2019-20 Appropriation	\$211,049,602	\$15,633,396	\$16,939,500	\$178,476,706	\$0	426.7
R1 Paid family leave	0	0	0	0	0	0.0
R2 Telematics for state fleet vehicles	404,643	0	0	404,643	0	1.0
R3 CORE information security audit finding	79,376	0	0	79,376	0	0.0
R4 Streamlining electronic document processing	15,910	3,605	0	12,305	0	0.0
R6 Technical correction SB 19-135 appropriation	0	0	0	0	0	0.0
R7 Unused authority for license plate registrations	(1,000,000)	0	(1,000,000)	0	0	0.0
R8 Collections services refinance and restructure	(1,284,435)	166,394	(1,763,923)	313,094	0	(23.4)
R9 Postage spending authority reduction	(3,000,000)	0	0	(3,000,000)	0	0.0
R10 Statewide planning services unused spending authority	(980,000)	(980,000)	0	0	0	0.0
Centrally appropriated line items	1,918,431	536,229	(287,485)	1,669,687	0	0.0
Annualize prior year budget action	1,356,828	298,993	(2,104)	1,059,939	0	0.0
Annualize prior year legislation	297,091	56,057	139,254	101,780	0	0.0
Technical adjustments	70,033	39,110	30,923	0	0	0.0
Nonprioritized request items	36,494	7,647	105	28,742	0	0.0
Subtotal	\$208,963,973	\$15,761,431	\$14,056,270	\$179,146,272	\$0	404.3

DEPARTMENT OF PERSONNEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OPERATING COMMON POLICY PROGRAMS ADJUSTMENTS						
Property program	\$2,874,729	\$0	\$0	\$2,874,729	\$0	0.0
R5 Annual fleet vehicle request	1,416,155	0	0	1,416,155	0	0.0
Capitol complex program	377,785	0	32,188	345,597	0	0.0
CORE program	0	0	(763,776)	763,776	0	0.0
Workers Compensation program	(1,345,961)	0	0	(1,345,961)	0	0.0
Liability program	(346,570)	0	0	(346,570)	0	0.0
Subtotal	\$2,976,138	\$0	(\$731,588)	\$3,707,726	\$0	0.0
TOTAL	\$211,940,111	\$15,761,431	\$13,324,682	\$182,853,998	\$0	404.3
INCREASE/(DECREASE)	\$890,509	\$128,035	(\$3,614,818)	\$4,377,292	\$0	(22.4)
Percentage Change	0.4%	0.8%	(21.3%)	2.5%	n/a	(5.2%)

R1 PAID FAMILY LEAVE: The Department request includes an increase of \$10.0 million total funds statewide, including \$5.5 million General Fund and \$4.5 million from various other sources, to provide agencies with funding for state employees utilizing up to eight weeks of paid family leave in FY 2020-21. The request increases to \$10.3 million total funds including \$5.7 million General Fund in FY 2021-22. This request provides additional funding for those employed by agencies in critical positions—positions that must remain filled at all times—including work centers open 24 hours a day and 7 days a week, direct care positions, and hourly non-exempt positions. If funded as requested, the Department would reimburse state agencies for the actual difference between the amount paid to the employee on leave and the cost to ensure his or her duties and/or shifts are fulfilled. [For more information on this request, please see the issue on page 23 of the JBC Staff Budget Briefing for Statewide Compensation from November 12, 2019.](#)

R2 TELEMATICS FOR STATE FLEET VEHICLES: The request includes an increase of \$404,643 reappropriated funds and 1.0 FTE in FY 2020-21 for the installation and ongoing support of telematics units in all fleet vehicles managed by the Department’s State Fleet Management Program. The Department will work with its vendor to retrofit the existing fleet over the next four fiscal years, targeting a quarter of the fleet each year. New vehicles will be delivered to assigned agencies with telematics devices already installed. The Department is seeks 1.0 FTE to manage the data, provide change management associated with the information, and communicate with agency fleet managers. See [Issue: R2 Telematics for State Fleet Vehicles](#) for a more detailed discussion about this request.

R3 CORE INFORMATION SECURITY AUDIT FINDING: The request includes an increase of \$79,376 reappropriated funds to implement policies recommended by the Office of the State Auditor as part of the [Statewide Single Audit Fiscal Year Ended June 30, 2017](#). The audit included three findings related to information security of data maintained in the Colorado Open Resource Engine (CORE), i.e., the state’s IT system for financial accounting and payroll. The Department was able to resolve two of the findings quickly but, is seeking funding to address the third finding. Specifically the audit recommended working with the Department’s “Service Organization” for CORE, CGI, to ensure that the Service Organization Control report which covers the CGI managed components of the CORE system contains database layer controls over financing reporting.

R4 STREAMLINING ELECTRONIC DOCUMENT PROCESSING: The Department requests and increase of \$15,910 total funds, including \$3,605 General Fund and \$12,305 reappropriated funds in FY 2020-21 to expand the usage of Docusign to the Colorado State Employees Assistance Program (C-SEAP) intake forms and for electronic processing of contracts by the Department’s procurement and contracts unit.

R6 TECHNICAL CORRECTION SB 19-135 APPROPRIATION: The Department requests a technical correction moving funding for SB 19-135 (State Procurement Disparity Study) from the Operating Expenses line item in (5) Division of Accounts and Control (B) Procurement and Contracts, to the (5) Division of Accounts and Control (B) Procurement

and Contracts, Personal Services line item in order to comply with statute when making vendor payments in both FY 2019-20 and FY 2020-21. The Department requests rollforward authority of the FY 2019-20 funding as timing of the vendor payments is undetermined.

R7 UNUSED AUTHORITY FOR LICENSE PLATE REGISTRATIONS: The request includes a reduction of \$1.0 million in cash funds spending authority in FY 2020-21 and ongoing for the Disability Investigational and Pilot Support Procurement program based on the program's recent and anticipated expenditures, which averaged \$375,000 in FY 2014-15 and FY 2015-16 and ranged from \$4,000 to \$62,000 in subsequent years. House Bill 11-1216 (Disability Benefit License Plate Numbers) established the License Plate Auction Group within the Governor's Office to market and manage the sale of uniquely valuable license plate numbers. Senate Bill 13-276 transferred the program to the Department of Personnel, which included the interest earnings from Breast and Cervical Cancer Prevention and Treatment fund and a fund balance of approximately \$1.1 million, the basis for the initial appropriation. Finally, H.B. 16-1362 (License Plate Auction Transfer Disability Benefit) transferred the License Plate Auction Group to the Department of Personnel from the Governor's Office; among other changes, it also renamed the program and group the Colorado Disability Funding Committee, and the Department's request includes renaming the line item to reflect statute.

R8 COLLECTIONS SERVICES REFINANCE AND RESTRUCTURE : The request includes a net decrease of \$1,284,435 total funds and 23.4 FTE, which consists of a decrease of \$1,763,923 cash funds and an *increase* of \$166,394 General Fund and \$313,094 reappropriated funds, in FY 2020-21 and FY 2021-22 to address operational challenges encountered due to recent changes in state and federal policy. The Department is also requesting a net decrease of \$677,373 total funds in FY 2019-20, including an increase of \$1,499,330 General Fund and \$276,814 cash funds offset by a decrease of \$2,453,517 cash funds. The Department describes the request as a programmatic refinance and restructure of the Central Collections Services (Central Collections) program within the Division of Accounts and Control to refocus the program on the utilization of federal and State tax offsets. The Department expects the restructuring of Central Collections will allow for better customer service and continue debt collection on behalf of agencies through private collection agents and intercepts. Currently, the program has numerous vacancies, which allows for the migration from 28.0 FTE to 4.3 FTE, to occur with minimal layoff costs. With the reduction in staff, the program intends on collecting enough revenue to meet expenditures. Should the program experience additional collection limitations in the future, the Department will be forced to request additional General Fund or consider shutting down Central Collections altogether.

R9 POSTAGE SPENDING AUTHORITY REDUCTION: The request includes a reduction of \$3,000,000 reappropriated funds spending authority in FY 2020-21 and ongoing for the Integrated Document Solutions Postage line item to more closely align spending authority with the volume of use. Appropriations to other state agencies remain unaffected. Additional funding for Postage was approved for FY 2018-19 and FY 2019-20 based on projected growth in correspondence made to clients of Colorado Benefits Management System (CBMS). Those projections used processes in effect at the time the request was written, however, in the interim the Program worked with CBMS to reduce postage costs by adjusting the printing process and envelope size.

R10 STATEWIDE PLANNING SERVICES UNUSED SPENDING AUTHORITY: The request includes a one-time reduction of \$980,000 General Fund for the Office of the State Architect's Statewide Planning Services in FY 2020-21. The State developed this program pursuant to S.B. 15-270 (Create Office of State Architect) which directed the State Architect to assist state agencies to complete master plans to inform capital construction decisions. Since its creation in 2015, the Statewide Planning Services program receives an appropriation of \$1,000,000 per fiscal year, with the statutory authority to roll forward unspent funding from each year, for up to a total of three fiscal years, as specified in the footnotes of each Long Bill. Planning is a long-term process which can create a gap between project completions and payments.

Statewide Planning is applied to multiple state agencies and the impact of the one-time reduction to the Statewide Planning Services appropriation may affect departments that could forgo a variety of planning tasks related to facilities ranging from 500,000 to 750,000 square feet. Tasks potentially impacted include: the development of Facility Program Plans, Facility Condition Assessments, cost estimates, land surveys, title work, space plan test fits, historic assessments, structural analysis, environmental testing, or conceptual development plans depending on individual agency needs as represented to us on an ongoing basis.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items for the following:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payments to OIT	\$732,963	\$212,623	\$67,159	\$453,181	\$0	0.0
Salary survey	605,834	234,943	28,977	341,914	0	0.0
Indirect cost assessment	605,291	0	22,236	583,055	0	0.0
Capitol Complex leased space	121,914	520,458	(76,843)	(321,701)	0	0.0
Health, life, and dental	85,506	91,862	(211,901)	205,545	0	0.0
Legal services	62,949	101,615	22,186	(60,852)	0	0.0
CORE	59,673	17,110	5,501	37,062	0	0.0
Paid family leave	52,681	0	1,195	51,486	0	0.0
AED	11,907	33,812	(41,409)	19,504	0	0.0
SAED	11,907	33,812	(41,409)	19,504	0	0.0
Leased space escalator	2,175	0	0	2,175	0	0.0
Indirect cost allocation	0	(605,291)	0	605,291	0	0.0
Payment to risk management / property funds	(346,223)	(93,876)	(32,789)	(219,558)	0	0.0
Workers' compensation	(53,687)	(14,314)	(5,127)	(34,246)	0	0.0
PERA Direct Distribution	(32,406)	2,513	(23,201)	(11,718)	0	0.0
Shift differential	(1,356)	0	0	(1,356)	0	0.0
AIJ	(643)	0	(643)	0	0	0.0
Short-term disability	(54)	962	(1,417)	401	0	0.0
TOTAL	\$1,918,431	\$536,229	(\$287,485)	\$1,669,687	\$0	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTION: The request includes a net increase of \$1,356,828 total funds, including an increase of \$298,993 General Fund, for adjustments related to prior year budget actions as outlined in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY19-20 Printing and mailing for DRIVES counties	\$1,032,160	\$0	\$0	\$1,032,160	\$0	0.0
FY15-16 Total compensation vendor	300,000	300,000	0	0	0	0.0
FY13-14 Employee engagement survey	116,700	116,700	0	0	0	0.0
FY 19-20 DPS costs for Capitol Security	27,779	0	0	27,779	0	0.0
FY19-20 IDS Increased input costs	8,012	8,012	0	0	0	0.0
FY18-19 Capitol portraits restoration	(125,000)	(125,000)	0	0	0	0.0
Prior year salary survey	(2,823)	(719)	(2,104)	0	0	0.0
TOTAL	\$1,356,828	\$298,993	(\$2,104)	\$1,059,939	\$0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net increase of \$297,091 total funds, including an increase of \$56,057 General Fund, for adjustments related to prior year legislation as outlined in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB18-200 PERA	\$151,747	\$58,847	\$7,254	\$85,646	\$0	0.0
SB13-276 Disability investigational pilot program	82,000	0	82,000	0	0	0.0
HB13-1286 Suspend state recovery audits	50,000	0	50,000	0	0	0.0
HB19-1090 Publicly licensed marijuana companies	9,900	0	0	9,900	0	0.0
HB19-1230 Marijuana hospitality establishments	4,790	0	0	4,790	0	0.0
SB19-186 Expand ag chemical management	2,000	0	0	2,000	0	0.0
SB19-220 Align hemp regulation with fed	2,000	0	0	2,000	0	0.0
HB19-1278 Uniform election modification	(2,790)	(2,790)	0	0	0	0.0
SB18-1267 Tax credit for home retrofit	(1,356)	0	0	(1,356)	0	0.0
HB19-1085 Grants for property tax, heat, rent	(1,200)	0	0	(1,200)	0	0.0
TOTAL	\$297,091	\$56,057	\$139,254	\$101,780	\$0	0.0

TECHNICAL ADJUSTMENTS: The request includes several adjustments to reflect refinancing General Fund with reappropriated funds, it also includes an increase of \$70,033 General Fund for a contractual obligation for digital storage utilized by it.

NONPRIORITIZED REQUEST ITEMS: The request includes an increase of \$36,494 total funds, including \$7,647 General Fund, for adjustments related to requests made by other Departments that affect the budget of the Department, which are summarized below:

NONPRIORITIZED REQUEST ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget request package	\$27,578	\$7,647	\$2,585	\$17,346	\$0	0.0
DPA Annual fleet vehicle request	5,555	0	(2,480)	8,035	0	0.0
NP Creation of contract management office	3,361	0	0	3,361	0	0.0
TOTAL	\$36,494	\$7,647	\$105	\$28,742	\$0	0.0

PROPERTY PROGRAM: The request includes an increase of \$2.9 million reappropriated funds based on the amount of payments anticipated to be required to be paid by the property program for property policies.

R5 ANNUAL FLEET VEHICLE REQUEST: The request includes a \$1.4 million increase in reappropriated funds for the Vehicle Replacement Lease/Purchase line item for the Fleet Management Program. The request is to replace 740 fleet vehicles statewide, including 325 designated as potential alternative fuel or hybrid vehicles. The request includes a \$143,012 increase in agency appropriations statewide for Vehicle Lease Payments line items that includes an estimated \$167,012 decrease in General Fund. Fund splits in individual agencies are estimated based on prior year appropriations. See the [Issue: R5 Annual Fleet Vehicle Request](#) for a detailed analysis of the Department's vehicle request.

CAPITOL COMPLEX PROGRAM: The request includes an increase of \$377,785 total funds, including \$32,188 cash funds and \$345,597 reappropriated funds, for anticipated utilities costs for the Capitol Complex program.

CORE PROGRAM: The request includes a decrease of \$763,776 cash funds offset by an equal amount of reappropriated funds for CORE Operations base adjustments for the Payments for CORE and Support Modules line item. This adjustment refinances the fund source from the Supplier Database Cash Fund (cash funds) to state agency user fees (reappropriated funds).

WORKERS' COMPENSATION PROGRAM: The request includes a decrease of \$1.3 million reappropriated funds associated with the Workers' Compensation program to adjust the base. Changes include a reduction of \$1.0 million

reappropriated funds for the payment of claims anticipated by the contractual actuary, \$0.2 million reduction to the third-party administrator fees and loss control line item, and \$0.1 million for the Excess policy line item.

LIABILITY PROGRAM: The request includes a decrease of \$346,750 reappropriated funds based on the Department's estimated payments required to be paid to reduce liability for injuries and damages affecting state agencies.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

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FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: http://leg.colorado.gov/sites/default/files/fy2020-21_perbrf.pdf