

JOINT BUDGET COMMITTEE



STAFF FIGURE SETTING FY 2022-23

DEPARTMENT OF PERSONNEL & OPERATING COMMON POLICIES

(Changes to Operating Costs assumptions, State Agency Allocations for Administrative Law Judge Services, Workers' Compensation, Payment to Risk Management and Property Funds, Capitol Complex Leased Space, Vehicle Lease Payments, CORE Operations, Document Solutions Group, and Statewide Indirect Cost Plan)

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

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FEBRUARY 9, 2022

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HOW TO USE THIS DOCUMENT

The Operating Common Policies Change and Comparison Summary Table outlines program costs, fund balance reserve adjustment, and total allocation for each common policy; and provides a comparison to the prior year and to the Department request.

The Common Policy Recommendation Tables section functions as an executive summary of common policy recommendations. This section contains a table for each common policy outlining the staff recommended allocations to state agencies. This section includes a brief discussion of major changes from the prior year as well as differences from the request.

The Common Policy Build sections provide additional detail about build methodology, common policy program cost components, fund reserve adjustments, and state agency usage allocations for each common policy.

SUMMARY OF 2022-23 STAFF RECOMMENDATION

OPERATING COMMON POLICIES CHANGE AND COMPARISON SUMMARY TABLE					
	FY 2021-22 APPROP.	FY 2022-23 RECOMMEND.	CHANGE FROM PRIOR YEAR	FY 2022-23 REQUEST	DIFFERENCE FROM REQUEST
Administrative Law Judge Services					
Program Costs - Base	\$6,799,742	\$7,271,190	\$471,448	\$7,131,292	\$139,898
Fund Balance Reserve Adjustment	(886,292)	(322,369)	563,923	(406,293)	83,924
Total Allocation - ALJ Services	\$5,913,450	\$6,948,821	\$1,035,371 17.5%	\$6,724,999	\$223,822 3.3%
Workers' Compensation					
Program Costs	\$36,473,681	\$36,252,633	(\$221,049)	\$36,006,030	\$246,602
Fund Balance Reserve Adjustment	(7,797,143)	(4,801,604)	2,995,539	(13,477,366)	8,675,762
Total Allocation - Workers' Compensation	\$28,676,538	\$31,451,029	\$2,774,490 9.7%	\$22,528,664	\$8,922,365 39.6%
Liability					
Program Costs	\$11,471,543	\$20,714,634	\$9,243,092	\$16,718,539	\$3,996,095
C-SEAP Funding	1,688,297	2,328,274	639,977	1,837,900	490,374
Fund Balance Reserve Adjustment	1,211,712	1,883,804	672,092	6,736,718	(4,852,914)
Total Allocation - Liability	\$14,371,552	\$24,926,712	\$10,555,160 73.4%	\$25,293,157	(\$366,445) (1.4%)
Property					
Program Costs	\$18,659,037	\$18,826,507	\$167,471	\$18,790,311	\$36,197
Fund Balance Reserve Adjustment	(1,106,635)	(5,831,343)	(4,724,708)	(6,340,249)	508,906
Total Allocation - Property	\$17,552,402	\$12,995,164	(\$4,557,238) (26.0%)	\$12,450,062	\$545,102 4.4%
Total Allocation - Payments to Risk and Property Funds	\$31,923,953	\$37,921,876	\$4,095,126 12.8%	\$37,743,219	\$178,657 0.5%
Capitol Complex Leased Space					
Program Costs	\$16,935,730	\$18,319,590	\$1,383,860	\$17,477,865	\$841,725
Fund Balance Reserve Adjustment	(453,384)	(517,288)	(63,904)	(1,544,066)	1,026,778
Total Allocation - Capitol Complex Leased Space	\$16,482,346	\$17,802,302	\$1,319,956 8.0%	\$15,933,799	\$1,868,503 11.7%
CORE Operations					
Program Costs	\$14,794,055	\$15,054,020	\$259,965	\$14,955,415	\$98,605
Payment from Supplier Database Cash Fund	(4,098,456)	(2,223,407)	1,875,048	(2,223,408)	1
Fund Balance Reserve Adjustment	(1,750,398)	(1,680,788)	69,611	(1,728,417)	47,629
Total Allocation - CORE Operations	\$8,945,201	\$11,149,825	\$2,204,624 24.6%	\$11,003,590	\$146,236 1.3%
Total – Op. Common Policies Paid by Allocation	\$91,941,488	\$105,273,853	\$13,332,365 14.5%	\$93,934,270	\$11,339,583 12.1%
Document Solutions Group for Dept. of State					
Program Costs	\$5,673,960	\$5,838,958	\$164,998	\$5,838,958	\$0
Fund Balance Reserve Adjustment	287,102	295,451	8,349	295,451	0
Total Allocation for Departments of State and Revenue	\$5,961,062	\$6,134,409	\$173,347 2.9%	\$6,134,409	\$0 0.0%
Vehicle Replacement Lease/Purchase approp.	\$22,799,522	\$23,073,543	\$274,021	\$23,334,617	(\$261,074)
			1.2%		(1.1%)
Total Allocation for State Fleet	\$22,799,522	\$23,073,543	\$274,021 1.2%	\$23,334,617	(\$261,074) (1.1%)
Statewide Indirect Cost Plan	\$17,259,191	\$18,195,948	\$936,757	\$18,195,948	\$0
			5.4%		0.0%
Statewide Indirect Cost Plan	\$17,259,191	\$18,195,948	\$936,757 5.4%	\$18,195,948	\$0 0.0%

COMMON POLICY RECOMMENDATION TABLES

1. ADMINISTRATIVE LAW JUDGE SERVICES

ADMINISTRATIVE LAW JUDGE SERVICES FY 2022-23 RECOMMENDED ALLOCATION						
DEPARTMENT	FY 2020-21	FY 2021-22	FINAL FY 2022-23			
	UTILIZATION	APPROPRIATION	REQUEST	RECOMMENDATION	REQ/REC DIFF	TOTAL ADJUSTMENT
Agriculture	0.3%	\$14,130	\$18,863	\$19,491	\$628	\$5,361
Education	2.0%	146,388	136,050	140,578	4,528	(5,810)
Health Care Policy & Finance	12.8%	807,180	861,396	890,065	28,669	82,885
Higher Education ¹	0.0%	0	311	322	11	322
Human Services	15.7%	856,423	1,058,268	1,093,489	35,221	237,066
Labor and Employment	59.5%	3,618,903	3,998,711	4,131,795	133,084	512,892
Law ¹	0.0%	197	1,009	1,042	33	845
Local Affairs ¹	0.0%	810	0	0	0	(810)
Personnel	0.2%	3,385	11,541	11,926	385	8,541
Public Health & Environment	0.6%	12,780	43,553	45,002	1,449	32,222
Public Safety ¹	0.0%	0	3,125	3,229	104	3,229
Regulatory Agencies	7.6%	408,797	514,330	531,448	17,118	122,651
Revenue ¹	0.0%	12,770	311	322	11	(12,448)
State	1.0%	16,040	69,650	71,968	2,318	55,928
Transportation	0.1%	15,646	7,881	8,144	263	(7,502)
TOTAL	100.0%	\$5,913,449	\$6,724,999	\$6,948,821	\$223,822	\$1,035,372

¹ FY 2020-21 Utilization appears as zero due to rounding.

DIFFERENCES FROM PRIOR YEAR AND FROM THE REQUEST

JBC staff agrees with the Department's requested departmental allocations; however; to account for the lower than requested Administrative Hearings Cash Fund adjustment, staff **recommends the Committee approve a total FY 2022-23 appropriation of \$6,797,381 total funds**, with the Department allocations summarized above. No major changes to the program were proposed this year.

2. WORKERS' COMPENSATION

Workers' Compensation FY 2022-23 Recommended Allocation						
Department	FY 2022-23		FY 2022-23			
	Approp.	Actuarial Allocation	Request	Recommended	Req/Rec Incr.	Total Adjustment
Agriculture	\$163,456	0.6%	\$126,161	\$176,126	\$49,965	\$12,670
Corrections	5,781,190	22.1%	4,983,340	6,956,968	1,973,628	1,175,778
Education	258,089	0.8%	168,965	235,883	66,918	(22,206)
Governor	209,339	0.6%	130,666	182,416	51,750	(26,923)
Health Care Policy and Financing	160,589	0.6%	139,678	194,996	55,318	34,407
Higher Education	2,440,373	6.9%	1,543,213	2,154,395	611,182	(285,978)
Human Services						
Cost Allocation Share	8,016,048	30.0%	6,689,094	9,429,018	2,739,924	1,412,970
Prior Year WC Claim Payments	<u>65,000</u>		<u>65,000</u>	<u>65,000</u>		
Human Services subtotal	8,081,048		6,754,094	9,494,018		
Judicial	1,365,003	4.0%	898,894	1,254,896	356,002	(110,107)
Labor and Employment	464,560	1.9%	421,286	588,134	166,848	123,574
Law	186,397	0.6%	137,425	191,851	54,426	5,454
Legislature	43,015	0.2%	45,057	62,902	17,845	19,887

Workers' Compensation FY 2022-23 Recommended Allocation						
Department	FY 2022-23		FY 2022-23			
	Approp.	Actuarial Allocation	Request	Recommended	Req/Rec Incr.	Total Adjustment
Local Affairs	108,971	0.3%	74,345	103,788	29,443	(5,183)
Military and Veterans Affairs	94,633	0.4%	83,356	116,369	33,013	21,736
Natural Resources	1,210,150	4.3%	957,468	1,336,669	379,201	126,519
Personnel	252,354	0.9%	207,264	289,349	82,085	36,995
Public Health and Environment	375,663	1.2%	272,597	380,557	107,960	4,894
Public Safety	2,044,637	6.1%	1,367,490	1,909,077	541,587	(135,560)
Regulatory Agencies	186,397	0.7%	155,448	217,012	61,564	30,615
Revenue	544,854	1.6%	349,194	487,491	138,297	(57,363)
State	51,618	0.2%	54,069	75,482	21,413	23,864
Transportation	4,651,335	16.2%	3,654,149	5,101,357	1,447,208	450,022
Treasury	2,868	0.0%	4,505	6,290	1,785	3,422
Allocation Totals	\$28,676,539	100.00%	\$22,528,664	\$31,451,029	\$8,987,365	\$2,839,490
<i>Percentage change from prior year</i>						<i>9.9%</i>

DIFFERENCES FROM PRIOR YEAR AND FROM THE REQUEST

Workers' Compensation increases 9.9 percent, or \$2.8 million.

The staff recommends a total allocation of \$31.5 million for Workers' Compensation. The primary difference between the request and the recommendation is a difference in the calculated reserve fund balance.

3. PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS RECOMMENDED ALLOCATION			
DEPARTMENT	FY 2022-23 REQUEST	FY 2022-23 RECOMMEND	REQ/REC INCR.
Agriculture	\$404,105	\$404,315	\$210
Corrections	4,674,547	4,733,815	59,268
Education	1,175,715	1,165,345	(10,370)
Governor	3,311,512	3,269,864	(41,648)
Health Care Policy and Financing	297,848	293,811	(4,038)
Higher Education	6,655,961	6,780,624	124,663
Human Services	3,562,951	3,578,640	15,689
Judicial	2,178,048	2,159,090	(18,958)
Labor and Employment	334,352	332,367	(1,985)
Law	346,280	341,703	(4,577)
Legislature	155,848	153,974	(1,874)
Local Affairs	118,398	117,587	(811)
Military and Veterans Affairs	342,112	352,108	9,996
Natural Resources	1,613,724	1,636,944	23,220
Personnel	1,179,987	1,210,494	30,507
Public Health and Environment	1,276,348	1,265,434	(10,914)
Public Safety	1,548,422	1,539,969	(8,453)
Regulatory Agencies	351,454	348,036	(3,417)
Revenue	618,613	611,786	(6,827)
State	262,640	259,470	(3,170)
Transportation	7,313,794	7,346,224	32,430
Treasury	20,560	20,276	(284)
Allocation Totals	\$37,743,219	\$37,921,876	\$178,657
<i>Percentage change from prior year</i>			<i>0.5%</i>

DIFFERENCES FROM PRIOR YEAR AND FROM THE REQUEST

Payment to Risk Management and Property Funds increases by 0.5 percent, or \$178,657. The primary difference between the request and the recommendation is a difference in the calculated reserve fund balance for the property component.

4. CAPITOL COMPLEX LEASED SPACE

CAPITOL COMPLEX LEASED SPACE PROGRAM COSTS					
	FY 2021-22 APPROP.	FY 2022-23 REQUEST	FY 2022-23 RECOMMEND	REQ/REC INCREM.	TOTAL ADJUSTMENT
Personal Services	\$3,574,314	\$3,685,039	\$3,637,669	(\$47,370)	\$63,355
Benefits POTS	1,132,592	1,242,489	1,242,489	0	109,897
OIT and Operating Common Policies	1,580,893	1,759,072	1,759,072	0	178,179
Operating Expenses	2,705,456	2,783,370	2,705,456	(77,914)	0
Administrative Overhead	415,081	401,242	401,242	0	(13,839)
Capitol Complex Repairs	56,520	56,520	56,520	0	0
Capitol Complex Security	539,977	556,176	555,986	(190)	16,009
Utilities	3,370,656	3,398,380	5,239,975	1,841,595	1,869,319
Indirect Cost Assessment	1,177,859	1,213,195	338,799	(874,396)	(839,060)
Depreciation	290,000	290,000	290,000	0	0
Energy Performance Depreciation	2,140,000	2,140,000	2,140,000	0	0
Sprint Leased Tower Space	(47,618)	(47,618)	(47,618)	0	0
CCLS Program Costs					
Subtotal	\$16,935,730	\$17,477,865	\$18,319,590	\$841,725	\$1,383,860
Fund Balance Adjustment	(453,384)	(1,544,066)	(517,288)	1,026,778	(63,904)
Total for Allocation	\$16,482,346	\$15,933,799	\$17,802,302	\$1,868,503	\$1,319,956
<i>Annual Growth of Allocation</i>					8.0%

The following table outlines the common policy allocation and additional costs paid by the General Assembly.

General Assembly Payments to the Department of Personnel for Maintenance of Legislative Space	
Capitol Complex Leased Space Allocation	\$2,698,595
Parking at 1525 Sherman	28,800
Conference Center Rental	5,200
Total	\$2,732,595

DIFFERENCES FROM PRIOR YEAR AND FROM THE REQUEST

The changes to the Capitol Complex changes equal an increase of 8.0 percent, or \$1.3 million. The primary difference between the request and the recommendation is the application of a lower than requested fund balance adjustment.

5. VEHICLE LEASE PAYMENTS

FY 2022-23 ANNUAL FLEET RECOMMENDED DEPARTMENT ALLOCATIONS								
DEPARTMENT	FY 2021-22	FY 2022-23		TOTAL INCREMENTAL CHANGE	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
	APPROP.	REQUESTED APPROP.	RECOM. APPROP.					
Appropriated Agencies								
Agriculture	\$415,955	\$367,765	\$362,970	(\$52,985)	(\$21,186)	(\$31,039)	\$0	(\$760)
Corrections	3,468,680	3,622,464	3,609,176	140,496	121,015	19,481	0	0
Education	37,040	36,302	36,302	(738)	(624)	0	(114)	0
Governor's Office	155,092	154,795	152,207	(2,885)	(559)	0	(2,326)	0
Human Services	1,152,215	1,204,543	1,183,447	31,232	15,771	0	15,461	0
Judicial Branch	263,866	241,346	236,706	(27,160)	(27,160)	0	0	0
Labor And Employment	191,751	209,850	200,569	8,818	776	3,585	101	4,357
Law	78,456	88,783	88,783	10,327	4,184	2,416	3,430	297
Local Affairs	113,942	115,843	115,843	1,901	1,708	0	193	0
Military and Veterans Affairs	71,007	81,399	78,225	7,218	3,075	0	0	4,143
Natural Resources	4,847,036	4,947,187	4,864,435	17,399	1,324	15,678	155	242
Personnel	284,389	208,201	204,454	(79,935)	0	0	(79,935)	0
Public Health & Environment	386,751	331,447	323,750	(63,001)	0	(57,300)	(5,701)	0
Public Safety	10,202,489	10,769,728	10,698,205	495,716	34,574	430,295	20,029	10,818
Regulatory Agencies	279,899	276,795	263,331	(16,568)	0	(16,568)	0	0
Revenue	838,511	668,025	644,996	(193,515)	(30,049)	(163,466)	0	0
State	12,443	10,144	10,144	(2,299)	0	(2,299)	0	0
Appropriated Totals	\$22,799,522	\$23,334,617	\$23,073,543	\$274,021	\$102,848	\$200,784	(\$48,707)	\$19,096
		Req/Rec Incr.	(\$261,074)					
Non Appropriated Agencies								
Higher Education	\$1,347,855	\$1,167,446	\$1,159,371	(\$188,484)				
Transportation	2,729,759	2,829,971	2,736,556	\$6,797				
Statewide Total	\$26,877,136	\$27,332,034	\$26,969,470	\$92,334				
		Req/Rec Incr.	(\$362,564)					

REPLACEMENT AND MAINTENANCE COST COMPARISON - REQUEST VS. RECOMMENDED			
	REPLACEMENT COST	ESTIMATED MAINTENANCE EXPENSE	TOTAL COST
Department Request (619 replacements)	\$5,142,350	\$6,637,980	\$11,780,330
JBC Staff Recommendation (446 replacements)	4,054,660	6,868,608	10,923,269
Staff Rec. Above/(Below) Request	(\$1,087,690)	\$230,628	(\$857,061)

DIFFERENCES FROM PRIOR YEAR AND FROM THE REQUEST

For statewide fleet replacement vehicles:

- Total statewide Vehicle Lease Payments increase 1.2 percent, or \$274,021 million total funds.
- Staff recommends replacement of 446 of 619 requested vehicles, including 160 alternative fuel and hybrid vehicles. Staff recommends no CNG vehicles for FY 2022-23.
- Staff recommends an appropriation of \$23,073,543 for statewide allocations to departments.
- Staff's recommended statewide vehicle lease payments is 1.3 percent lower than the request for all state agencies and 1.1 percent lower than the request for appropriated state agencies.

6. CORE OPERATIONS

CORE OPERATIONS FY 2022-23 RECOMMENDED ALLOCATION						
DEPARTMENT	FY 2021-22		FY 2022-23			TOTAL ADJUSTMENT
	APPROPRIATION	UTILIZATION	REQUEST	RECOMMENDATION	REQ/REC INCREM.	
Agriculture	\$129,458	1.40%	\$154,192	\$156,241	\$2,049	\$26,783
Corrections	362,053	4.00%	440,286	446,137	5,851	84,084
Education	240,722	2.20%	242,246	245,466	3,220	4,744
Governor	376,623	4.03%	443,737	449,634	5,897	73,011
Health Care Policy and Financing	112,780	1.52%	166,817	169,033	2,216	56,253
Higher Education	237,213	2.30%	252,948	256,309	3,361	19,096
Human Services	1,128,619	11.62%	1,278,506	1,295,497	16,991	166,878
Judicial	1,595,667	16.93%	1,862,574	1,887,328	24,754	291,661
Labor and Employment	400,815	3.86%	424,768	430,413	5,645	29,598
Law	44,664	0.44%	48,571	49,216	645	4,552
Legislature	36,863	0.33%	36,813	37,302	489	439
Local Affairs	436,027	5.54%	609,738	617,841	8,103	181,814
Military and Veteran Affairs	65,093	0.68%	74,715	75,708	993	10,615
Natural Resources	541,043	5.60%	616,524	624,718	8,194	83,675
Personnel	288,091	2.73%	300,734	304,732	3,998	16,641
Public Health and Environment	858,916	9.70%	1,067,616	1,081,804	14,188	222,888
Public Safety	333,193	3.74%	411,644	417,115	5,471	83,922
Regulatory Agencies	302,496	3.28%	360,575	365,367	4,792	62,871
Revenue	987,111	15.07%	1,658,640	1,680,683	22,043	693,572
State	19,539	0.21%	22,754	23,056	302	3,517
Transportation	133,036	1.40%	154,469	156,522	2,053	23,486
Treasury	315,383	3.41%	374,723	379,703	4,980	64,320
Allocation Totals	\$8,945,405	100%	\$11,003,590	\$11,149,825	\$146,235	\$2,204,420
<i>Percentage Change from FY 2021-22</i>						<i>24.6%</i>

DIFFERENCES FROM PRIOR YEAR AND FROM THE REQUEST

CORE Operations increase 24.6 percent, or \$2.2 million. The primary difference between the request and the recommendation is a difference in the calculated reserve fund balance.

7. DOCUMENT SOLUTIONS GROUP COMMON POLICY FOR DEPARTMENTS OF REVENUE AND STATE

The following table summarizes changes to the Department of Revenue and the Secretary of State's Office for a common policy for services utilized by each with the Document Solutions Group at Integrated Document Solutions in Pueblo.

FY 2021-22 DSG RECOMMENDED ALLOCATIONS							
Department	FY 2020-21 Appropriation	FY 2021-22 Rec'd	FY 2021-22 Total Base Adj.	GENERAL Fund	CASH Funds	REAPPROPRIATED Funds	FEDERAL Funds
Revenue	\$4,624,048	\$9,379,108	\$4,755,060	(\$231,784)	\$0	\$0	\$0
State*	611,283	670,811	59,528	0	170,568	0	0
Total	\$5,235,331	\$10,049,919	\$4,814,588	(\$231,784)	\$170,568	\$0	\$0

* The Department of State's appropriation includes funding for contractual services utilized in the initiative process.

8. STATEWIDE INDIRECT COST ASSESSMENTS

FY 2022-23 STATEWIDE INDIRECT COST PLAN				
DEPARTMENT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	TOTAL FUNDS
Agriculture	\$173,700	\$12,508	(\$3,185)	\$183,023
Corrections	36,667	26,753	6,865	70,285
Education	288,075	275,373	312,385	875,833
Governor	66,930	1,679	35,588	104,197
Governor - OIT	0	946,574	0	946,574
Health Care Policy and Financing	283,459	121,263	394,438	799,160
Higher Education	2,706,204	327,661	514,842	3,548,707
Human Services	186,876	244,289	549,410	980,575
Judicial	149,141	12,385	7,514	169,040
Labor and Employment	699,788	8,111	417,952	1,125,851
Law	24,343	115,827	3,866	144,036
Local Affairs	91,959	212,567	139,545	444,071
Military and Veterans Affairs	11,437	0	173,764	185,201
Natural Resources	962,017	42,345	39,116	1,043,478
Personnel	0	2,529,636	0	2,529,636
Public Health and Environment	339,422	88,603	220,672	648,697
Public Safety	997,852	160,459	62,249	1,220,560
Regulatory Agencies	609,269	48,743	20,978	678,990
Revenue	875,646	196	6,702	882,544
State	259,249	0	0	259,249
Transportation	1,909,099	3,024	0	1,912,123
TOTAL	\$10,671,133	\$5,177,996	\$2,902,701	\$18,751,830

DIFFERENCES FROM PRIOR YEAR

The following table summarizes the proposed statewide indirect cost recoveries for FY 2022-23 and compares it to the plan for the prior year.

FY 2022-23 STATEWIDE INDIRECT COST PLAN				
	FY 2021-22	FY 2022-23	CHANGE	PERCENT CHANGE
Cash Funds	\$8,848,277	\$10,671,133	\$1,822,856	20.6%
Reappropriated Funds	5,217,617	5,177,996	(39,621)	(0.8%)
Federal Funds	3,193,297	2,902,701	(290,596)	(9.1%)
Total	\$17,259,191	\$18,751,830	\$1,492,639	8.6%

Indirect cost recoveries decreased 5.4 percent, or \$936,757 million.

COMMON POLICY BUILD SECTIONS

1. ADMINISTRATIVE LAW JUDGE SERVICES

The Office of Administrative Courts (OAC) provides an independent administrative law adjudication system for state agencies to resolve cases that concern worker's compensation, public benefits (food stamps, Colorado Works/TANF, Medicaid, etc.), professional licensing board work involving license denial, revocation, suspension or other discipline, teacher dismissal cases, and when a citizen has filed a complaint under the Fair Campaign Practices Act.

The OAC operates at three locations, including the main office in Denver, the Western Regional Office in Grand Junction, and the Southern Regional office in Colorado Springs. It also provides hearings at other regional locations around the State.

The OAC is cash funded through fees from state agency users and non-state entities. The cash funds source is fees from non-state agencies. The reappropriated funds source is fees from state agencies. Fee revenue is deposited into the Administrative Courts Cash Fund, created in Section 24-30-1001 (3), C.R.S.

The costs of providing Administrative Law Judge Services are allocated to state agencies, based upon actual usage for the most recent fiscal year for which actual data is available. The FY 2022-23 allocation is determined by the FY 2020-21 actual number of administrative law judge and paralegal hours used by agency. The common policy allocations to state agencies are calculated to fully fund the program's costs plus fund a cash fund balance reserve adjustment to maintain a standard reserve percentage from year to year.

While non-state agencies, including miscellaneous school districts, use the OAC, this cash funds revenue stream is variable and is billed directly by use. Cash funds revenue is held as reserve in the fund balance in the year received. The fund balance reserve is adjusted annually to maintain an adequate operating cash flow reserve from year-to-year. So recognition of cash funds revenue is automatically included in the following year's fund balance reserve adjustment to ensure fairness for state agency common policy allocations.

ALJ SERVICES PROGRAM COSTS

The following table outlines total administrative law judge services program base costs for allocation to state agencies that include program costs and a fund balance reserve adjustment.

Personal services, operating expenses, and indirect costs are based on figure setting recommendations for the next fiscal year (FY 2022-23), which were made immediately prior to those in this packet. Program share of departmental benefits POTS, legal services, OIT, and operating common policy items are provided by the Department and based on current year (FY 2021-22) appropriations and the program's estimated share of the Department total.

FY 2021-22 ADMINISTRATIVE LAW JUDGE SERVICES PROGRAM COSTS				
DESCRIPTION	FY 2021-22 APPROPRIATION	FY 2022-23 REQUEST	FY 2022-23 RECOMMENDED	DIFFERENCE FROM REQ
Personal Services	\$4,137,018	\$4,250,369	\$4,560,383	\$310,014
Benefits POTS	1,013,106	1,130,862	1,130,862	0
Operating and OIT Common Policies	1,206,921	1,307,364	1,307,364	0
Operating Expenses	172,233	172,233	172,233	0
Indirect Costs	270,464	270,464	100,348	(170,116)
ALJ Program Costs Subtotal	\$6,799,742	\$7,131,292	\$7,271,190	\$139,898
JBC Fund Bal Adjustment	(886,292)	(406,293)	(322,369)	83,923
Total	\$5,913,450	\$6,724,999	\$6,948,821	\$223,821

FUND BALANCE RESERVE ADJUSTMENT

The following table outlines the fund balance reserve adjustment recommendation. Staff recommends continuing an 8.25 percent fund balance reserve calculated on the estimated program expenditure base of personal services, operating expenses, and indirect costs for the next fiscal year (FY 2022-23). The FY 2021-22 beginning fund balance is taken from the Department's FY 2022-23 budget request Schedule 9 for the Administrative Hearings Cash Fund. Staff **recommends a fund balance reserve adjustment decrease of \$322,369.**

ADMINISTRATIVE COURTS CASH FUND		
RECOMMENDED RESERVE ADJUSTMENT CALCULATION	REQUESTED	NOV. 1 SUBMISSION
FY 2021-22		
Beginning Fund Balance	\$1,530,339	\$1,530,339
Revenue	\$5,913,450	5,990,492
Expenditures	(\$6,650,318)	(6,799,742)
Ending Fund Balance	\$793,471	\$721,089
	REQUESTED	RECOMMENDED
FY 2022-23		
Expenditure Base (PS+OE+IC)	\$4,693,066	4,832,964
Fund Balance Target Reserve	8.25%	8.25%
Fund Balance Reserve Amount	\$387,178	398,720
Fund Balance Reserve Adjustment	(\$406,293)	(\$322,369)

STATE AGENCY UTILIZATION AND ALLOCATION

The costs of providing administrative law judge services are allocated to state agencies, based upon actual usage for the most recent fiscal year that actual data is available. The next fiscal year (FY 2022-23) allocation is determined by the most recent actual year's (FY 2020-21) utilization of administrative law judge and paralegal hours by agency. The following table outlines **recommended allocations for the program base.**

ADMINISTRATIVE LAW JUDGE SERVICES FY 2022-23 RECOMMENDED ALLOCATION						
DEPARTMENT	FY 2020-21	FY 2021-22	FINAL FY 2022-23			
	UTILIZATION	APPROPRIATION	REQUEST	RECOMMENDATION	REQ/REC DIFFERENCE	TOTAL ADJUST.
Agriculture	0.3%	\$14,130	\$18,863	\$19,491	\$628	\$5,361
Education	2.0%	146,388	136,050	140,578	4,528	(5,810)
Health Care Policy & Finance	12.8%	807,180	861,396	890,065	28,669	82,885
Higher Education ¹	0.0%	0	311	322	11	322
Human Services	15.7%	856,423	1,058,268	1,093,489	35,221	237,066
Labor and Employment	59.5%	3,618,903	3,998,711	4,131,795	133,084	512,892

ADMINISTRATIVE LAW JUDGE SERVICES FY 2022-23 RECOMMENDED ALLOCATION						
	FY 2020-21	FY 2021-22	FINAL FY 2022-23			
DEPARTMENT	UTILIZATION	APPROPRIATION	REQUEST	RECOMMENDATION	REQ/REC DIFFERENCE	TOTAL ADJUST.
Law	0.0%	197	1,009	1,042	33	845
Local Affairs	0.0%	810	0	0	0	(810)
Personnel	0.2%	3,385	11,541	11,926	385	8,541
Public Health & Environment	0.6%	12,780	43,553	45,002	1,449	32,222
Public Safety ¹	0.0%	0	3,125	3,229	104	3,229
Regulatory Agencies	7.6%	408,797	514,330	531,448	17,118	122,651
Revenue	0.0%	12,770	311	322	11	(12,448)
State	1.0%	16,040	69,650	71,968	2,318	55,928
Transportation	0.1%	15,646	7,881	8,144	263	(7,502)
TOTAL	100.0%	\$5,913,449	\$6,724,999	\$6,948,821	\$223,822	\$1,035,372

¹ FY 2020-21 Utilization appears as zero due to rounding.

2. WORKERS' COMPENSATION

Risk Management Services protects the State's human resource and property assets through the administration of liability, property, and workers' compensation coverage for state agencies. Services include accident investigation, legal defense, safety training, hazard mitigation, building inspection, insurance procurement, claim evaluation, and data collection. Risk Management Services is funded by reappropriated funds from the Risk Management Fund created in Section 24-30-1510 (1)(a), C.R.S., the Self-insured Property Fund created in Section 24-30-1510.5 (1)(a), C.R.S., and the State Employee Workers' Compensation Account in the Risk Management Fund created in Section 24-30-1510.7 (1)(a), C.R.S.

The workers' compensation program is used to pay workers' compensation benefits to state employees. The State is self-insured for workers' compensation claims. The two broad categories of workers' compensation payments are medical payments and indemnity payments. Indemnity benefits include settlements for permanent injuries and lost wages. The maximum workers' compensation benefits for lost wages are established by the Department of Labor and Employment pursuant to Section 8-47-106, C.R.S. There is no maximum payment for medical benefits. The Workers' Compensation Program is funded from the State Employee Workers' Compensation Account, a separate account within the Risk Management Fund, pursuant to Section 24-30-1510.7, C.R.S. Money in the account are continuously appropriated for the purposes of the account other than the direct and indirect administrative costs of operating the risk management system, including legal services, litigation expenses, and third-party administrator expenses.

RISK MANAGEMENT PROGRAM COSTS

The following table outlines total risk management program overhead costs for allocation to risk programs. Risk management's personal services, operating expenses, and indirect costs are based on figure setting recommendations for the next fiscal year. Program share of departmental benefits pots and OIT and operating common policy items are estimated by the Department and based on current fiscal year appropriations. Each risk program pays a share of Risk Management Services' administrative costs.

RISK MANAGEMENT PROGRAM COSTS						
	FY 2021-22	FY 2022-23	FY 2022-23	LIABILITY	PROPERTY	WORKERS' COMP.
	APPROP.	REQUEST	RECOMMEND.	SHARE	SHARE	SHARE
Program Allocation Share			100%	43.0%	7.0%	50.0%
Personal Services	\$830,118	\$845,953	\$872,365	\$375,117	\$61,066	\$436,183
Benefits POTS	205,083	218,744	218,744	79,090	15,763	110,230
Operating & OIT Common Policies	272,776	288,389	288,389	104,810	22,775	145,191
Operating Expenses	62,318	63,668	63,668	27,377	4,457	31,834
Indirect Costs	221,231	221,231	277,930	119,510	19,455	138,965
Total Risk Mgt Costs for Allocation	\$1,591,526	\$1,637,985	\$1,721,096	\$705,904	\$123,515	\$862,403

WORKERS' COMPENSATION PROGRAM COSTS

The following table outlines total workers' compensation program costs for allocation to state agencies that include:

- Risk management program overhead costs;
- Workers' compensation third party administrator (TPA) fees and loss control programs;
- Workers' compensation claims, excess policy, and legal expenses;
- Actuarial and broker services attributable to workers' compensation;
- Workers' compensation share of the Risk Management Information System; and
- A fund balance reserve adjustment.

WORKERS' COMPENSATION PROGRAM COSTS				
	FY 2021-22	FY 2022-23	FY 2022-23	DIFFERENCE FROM
	APPROP.	REQUEST	RECOMMEND.	REQUEST
Program Costs	\$856,802	\$818,678	\$862,403	\$43,725
Workers' Compensation Claims	31,100,830	30,750,125	30,815,125	65,000
W.C. TPA Fees and Loss Control	1,850,000	1,850,000	1,850,000	0
W.C. Excess Policy	855,277	964,382	964,382	0
W.C. Legal Services	1,636,886	1,448,959	1,586,837	137,878
Actuarial and Broker Services	44,453	44,453	44,453	0
Risk Management Information System	64,433	64,433	64,433	(0)
DHS Prior Year Claim Payouts	65,000	65,000	65,000	0
Workers' Compensation Program Costs Subtotal	\$36,473,681	\$36,006,030	\$36,252,633	\$246,602
Fund Balance Reserve Adjustment	(7,797,143)	(13,477,366)	(4,801,604)	8,675,762
Total for Allocation	\$28,676,538	\$22,528,664	\$31,451,029	\$8,922,365

WORKERS' COMPENSATION CLAIMS

This figure includes prospective claim payments defined by risk management from figures provided by the program actuary. There are two broad categories of workers' compensation claims: indemnity benefits and medical benefits. *Indemnity benefits* include settlements for permanent injuries and lost wages. The maximum workers' compensation benefits for lost wages are established by the Department of Labor and Employment pursuant to Section 8-47-106, C.R.S. There is no maximum for medical benefits.

WORKERS' COMPENSATION TPA FEES AND LOSS CONTROL

This figure includes fees paid to the State's third party administrator (TPA), Broadspire, for contracted TPA services. This figure also includes loss control incentives used for agencies with initiatives to reduce workers' compensation claims. For FY 2022-23 the Department anticipates its TPA fees to remain constant.

WORKERS' COMPENSATION EXCESS POLICY

This figure includes the insurance policy purchased to cover the possibility of a catastrophic workers' compensation loss, required by the Colorado Department of Labor and Employment (CDLE) for a self-insurance permit. The cost of the policy is calculated on payroll. Also included are payments to the CDLE for permit fees and surcharges imposed on self-insured employers, which funds the Subsequent Injury Fund.

WORKERS' COMPENSATION LEGAL SERVICES

This figure represents the cost the Department anticipates spending for legal representation at workers' compensation hearings and for expert opinions provided through the TPA contract with Broadspire, and which is included in actuarial projections provided by the State's actuary.

RMIS SERVICE FEES

The Department contracts for data management and technical support for the Risk Management Information System that tracks claims for all risk management programs. The Department splits the cost for the RMIS equally among the three risk management programs.

DHS PRIOR YEAR CLAIM PAYOUTS

This is a payment for Department of Human Services (DHS) prior year claims payments for certain DHS institutions claims – all permanent, total disability claims – that were open when the Department joined the State risk pool. This component was included in claims prior to FY 2017-18.

FUND BALANCE RESERVE ADJUSTMENT

The following table outlines the fund balance reserve adjustment recommendation. Staff recommends an operating *cash flow* fund balance reserve calculated at 5.0 percent of the estimated program costs for the next fiscal year. Staff also recommends an *extraordinary claims* fund balance reserve calculated at 10.0 percent of the workers' compensation claims estimate.

WORKERS' COMPENSATION FUND BALANCE ADJUSTMENT ¹	
FY 2021-22	
Beginning Fund Balance	\$19,075,206
Revenue Estimate	30,593,962
Expenditure Estimate	(34,358,589)
Transfer to Liability Fund	(5,608,331)
FY 2022-23	
Estimated Beginning Fund Balance	\$9,702,248
Targeted Fund Balance % Expenses/Claims	5%/10%
TARGET FUND BALANCE FY 2022-23	4,900,644
Fund Balance Reserve Adjustment	(4,801,604)

¹ Figures taken from Schedule 9.

The recommended fund balance reserve adjustment decrease totals \$4,801,604. Actuarial projections relied upon by the Department exceed the actual claims made against the program leading to a large fund balance. Revenue represents current fiscal year total allocations (billings) to state agencies and expenditures represents current fiscal year appropriated program costs. Transfers identified in the table are authorized by statute, which allows the Department to transfer between Workers' Compensation, Property, and Liability Funds to address negative cash balances that occur when claims exceed the actuarial projections.

STATE AGENCY ALLOCATION

The program's actuary projects the State's total workers' compensation needs by analyzing prior year's losses. Using this same data, the actuary then estimates the allocation for each agency as a percent of the total (including each institution of Higher Education). The following table outlines the recommended state agency allocations for the next fiscal year. **Staff recommends that the Committee approve the state agency allocations included in the table.**

Workers' Compensation FY 2022-23 Recommended Allocation						
Department	FY 2021-22		FY 2022-23			
	Approp.	Actuarial Allocation	Request	Recommended	Req/Rec Incr.	Total Adjustment
Agriculture	\$163,456	0.6%	\$126,161	\$176,126	\$49,965	\$12,670
Corrections	5,781,190	22.1%	4,983,340	6,956,968	1,973,628	1,175,778
Education	258,089	0.8%	168,965	235,883	66,918	(22,206)
Governor	209,339	0.6%	130,666	182,416	51,750	(26,923)
Health Care Policy and Financing	160,589	0.6%	139,678	194,996	55,318	34,407
Higher Education	2,440,373	6.9%	1,543,213	2,154,395	611,182	(285,978)
Human Services						
Cost Allocation Share	8,016,048	30.0%	6,689,094	9,429,018	2,739,924	1,412,970
Prior Year WC Claim Payments	65,000		65,000	65,000		
Human Services subtotal	8,081,048		6,754,094	9,494,018		
Judicial	1,365,003	4.0%	898,894	1,254,896	356,002	(110,107)
Labor and Employment	464,560	1.9%	421,286	588,134	166,848	123,574
Law	186,397	0.6%	137,425	191,851	54,426	5,454
Legislature	43,015	0.2%	45,057	62,902	17,845	19,887
Local Affairs	108,971	0.3%	74,345	103,788	29,443	(5,183)
Military and Veterans Affairs	94,633	0.4%	83,356	116,369	33,013	21,736
Natural Resources	1,210,150	4.3%	957,468	1,336,669	379,201	126,519
Personnel	252,354	0.9%	207,264	289,349	82,085	36,995
Public Health and Environment	375,663	1.2%	272,597	380,557	107,960	4,894
Public Safety	2,044,637	6.1%	1,367,490	1,909,077	541,587	(135,560)
Regulatory Agencies	186,397	0.7%	155,448	217,012	61,564	30,615
Revenue	544,854	1.6%	349,194	487,491	138,297	(57,363)
State	51,618	0.2%	54,069	75,482	21,413	23,864
Transportation	4,651,335	16.2%	3,654,149	5,101,357	1,447,208	450,022
Treasury	2,868	0.0%	4,505	6,290	1,785	3,422
Allocation Totals	\$28,676,539	100.00%	\$22,528,664	\$31,451,029	\$8,987,365	\$2,839,490
<i>Percentage change from prior year</i>						<i>9.9%</i>

ALLOCATION FOR INSTITUTIONS OF HIGHER EDUCATION

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

WORKERS' COMPENSATION ALLOCATION FOR HIGHER EDUCATION		
	ACTUARIAL ALLOCATION	FY 2022-23 RECOMMEND.
Adams State University	0.0%	\$0
Arapahoe Community College	4.0%	87,038
Auraria Higher Education Center	10.1%	218,240
College Access Network/College Assist	0.0%	0
College Invest	0.7%	14,650
Colorado Commission on Higher Education	0.9%	19,390
Colorado School of Mines	0.0%	0
Colorado State University - Pueblo	6.4%	137,235
Community College of Aurora	3.0%	63,770
Community College System	3.8%	81,221
CSU - Global	1.9%	40,287
Denver Community College	5.5%	118,061
Front Range Community College	10.4%	223,842
History Colorado	1.4%	30,377
Lamar Community College	0.7%	15,943
Metropolitan State University of Denver	11.9%	255,942
Morgan Community College	1.3%	27,361
Northeastern Junior College	2.3%	49,551
Northwestern Community College	2.7%	57,091
Occupational Ed. Division	0.0%	0
Otero Junior College	3.5%	75,835
Pikes Peak Community College	10.8%	233,536
Private Occupational	0.0%	646
Pueblo Community College	6.6%	142,836
Red Rocks Community College	8.8%	188,940
Trinidad State Junior College	3.4%	72,603
Western State Colorado University	0.0%	0
Allocation Totals	100.0%	2,154,395

3. PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

RISK MANAGEMENT PROGRAM COSTS

The following table outlines total risk management program overhead costs for allocation to risk programs. Risk management's personal services, operating expenses, and indirect costs are based on figure setting recommendations for the next fiscal year. Program share of departmental benefits pots and OIT and operating common policy items are estimated by the Department and based on current fiscal year appropriations. Each risk program pays a share of Risk Management Services' administrative costs.

RISK MANAGEMENT PROGRAM COSTS						
	FY 2021-22	FY 2022-23	FY 2022-23	LIABILITY	PROPERTY	WORKERS' COMP.
	APPROP.	REQUEST	RECOMMEND.	SHARE	SHARE	SHARE
Program Allocation Share			100%	43.0%	7.0%	50.0%
Personal Services	\$830,118	\$845,953	\$872,365	\$375,117	\$61,066	\$436,183
Benefits POTS	205,083	218,744	218,744	79,090	15,763	110,230
Operating & OIT Common Policies	272,776	288,389	288,389	104,810	22,775	145,191
Operating Expenses	62,318	63,668	63,668	27,377	4,457	31,834
Indirect Costs	221,231	221,231	277,930	119,510	19,455	138,965
Total Risk Mgt Costs for Allocation	\$1,591,526	\$1,637,985	\$1,721,096	\$705,904	\$123,515	\$862,403

3A. LIABILITY PROGRAM

The State is self-insured for the Liability Program. The program provides coverage to state agencies and employees for tort and federal claims, including those arising out of the scope of employment. Judgments for liabilities that do not involve federal law are limited by the Governmental Immunity Act pursuant to Section 24-10-114, C.R.S., limiting awards to \$387,000 per person and \$1,093,000 per occurrence. This act does *not* apply to liabilities that pertain to federal law (Americans with Disabilities Act, age discrimination, gender discrimination, racial discrimination, etc.), and there is no damage limit for these awards. This line is funded from the Risk Management Fund created in Section 24-30-1510 (1) (a), C.R.S. Moneys in the fund are *continuously appropriated* for purposes of the fund, *other than the direct and indirect administrative costs of operating the risk management system*, pursuant to Section 24-30-1510 (1) (a), C.R.S.

C-SEAP PROGRAM COSTS

The Colorado State Employees Assistance Program (CSEAP) offers counseling to employees and managers on workplace issues such as absenteeism, sexual harassment, substance abuse, time management, violence in the workplace, and other types of personal problems that may be affecting an employee's ability to perform well at work. Section 24-50-604 (1)(k)(IV), C.R.S., provides that funding for the program may include, but need not be limited to, the Group Benefit Plans Reserve Fund created in Section 24-50-613 (1), C.R.S., the Risk Management Fund created in Section 24-30-1510 (1)(a), C.R.S., and interest derived from the investment of these funds. Since FY 2013-14, funding for CSEAP has been provided from the Risk Management Fund through liability program cost allocations to state agencies pursuant to Section 24-30-1510 (3)(g), C.R.S.

The following table outlines CSEAP costs that are included in liability program allocation.

CSEAP PROGRAM COSTS				
	FY 2021-22	FY 2022-23		
	APPROP.	REQUEST	RECOMMEND.	REQ/REC INCREMENTAL
Personal Services	\$908,645	\$927,738	\$1,141,491	\$213,753
Benefits POTS	303,731	315,833	318,353	2,520
Operating and OIT Common Policies	328,996	316,831	316,831	0
Operating Expenses	58,093	70,643	92,618	21,975
Indirect Costs	88,832	206,855	458,981	252,126
Total Risk Mgt Costs for Allocation	\$1,688,297	\$1,837,900	\$2,328,274	\$490,374

LIABILITY PROGRAM COSTS

The following table outlines total liability program costs for allocation to state agencies that include:

- Risk management program overhead costs;
- Liability claims, excess policy, and legal services expenses;
- Actuarial and broker services attributable to liability;
- Liability share of the Risk Management Information System;
- CSEAP costs
- The Cyber Security Liability Policy and
- A fund balance reserve adjustment.

LIABILITY PROGRAM COSTS				
	FY 2021-22	FY 2022-23		
	APPROP.	REQUEST	RECOMMEND.	REQ/REC INCREM.
Risk Management Program Costs	\$618,230	\$700,588	\$705,904	\$5,316
Liability Claims (Prospective Losses)	5,551,239	7,405,651	8,005,651	600,000
Liability Excess Policy	561,350	734,853	2,634,853	1,900,000
Liability Legal Services	4,060,172	5,264,446	6,755,225	1,490,779
Actuarial and Broker Services	48,567	48,567	48,567	0
Risk Mgt. Information System	64,434	64,434	64,434	0
Liability Program Costs Subtotal	\$10,903,992	\$14,218,539	\$18,214,634	\$3,996,095
Cyber Security Liability Policy	567,551	2,500,000	2,500,000	0
C-SEAP Funding	1,688,297	1,837,900	2,328,274	490,374
Fund Balance Reserve Adjustment	1,211,712	6,736,718	1,883,804	(4,852,914)
Total for Allocation	\$14,371,552	\$25,293,157	\$24,926,712	(\$366,445)

FUND BALANCE RESERVE ADJUSTMENT

The following table outlines the fund balance reserve adjustment recommendation.

RISK MANAGEMENT FUND (LIABILITY) ¹	
RECOMMENDED RESERVE ADJUSTMENT	
FY 2021-22	
Beginning Fund Balance	\$0
Revenue	19,979,883
Expenditures	-19,979,883
Ending Fund Balance	\$0
FY 2022-23	
Beginning Fund Balance	\$0
Cash Flow Reserve	
Expenditures (estimated)	(21,664,770)
Cash Flow Reserve Percentage	5.00%
<i>Cash Flow Reserve Amount</i>	<i>1,083,239</i>
Excess Claims Reserve	
Liability Claims Estimate	\$8,005,651
Excess Claims Reserve Percentage	10.00%
<i>Extraordinary Claims Reserve Amount</i>	<i>800,565</i>
TARGET FUND BALANCE FY 2022-23	1,883,804
Fund Balance Reserve Adjustment	\$1,883,804

¹ Figures taken from Schedule 9.

Staff recommends a fund balance reserve adjustment of \$1,883,804. Staff recommends an *operating cash flow* fund balance reserve calculated at 5.0 percent of the estimated program costs for FY 2022-23. Staff also recommends an *excess claims* fund balance reserve calculated at 10.0 percent of the liability, continuing the recent practice of the Committee.

STATE AGENCY ALLOCATION

The program's actuary projects the State's total liability needs by analyzing prior years' losses. Using this same data, the actuary then estimates the allocation for each agency as a percent of the total. The following table outlines the recommended allocation for the next fiscal year. **Staff recommends that the Committee approve the state agency allocations included in the table as the liability component of the Payment to Risk Management and Property Funds.**

LIABILITY FY 2022-23 RECOMMENDED ALLOCATION				
DEPARTMENT	ACTUARIAL ALLOCATION	FY 2022-23 REQUEST	FY 2022-23	
			RECOMMEND.	REQ/REC INCREM.
Agriculture	1.2%	\$300,028	\$295,681	(\$4,347)
Corrections	9.9%	2,495,192	2,459,042	(36,150)
Education	4.2%	1,061,358	1,045,981	(15,377)
Governor	12.7%	3,202,905	3,156,502	(46,403)
Health Care Policy and Financing	1.2%	293,084	288,838	(4,246)
Higher Education	11.3%	2,861,729	2,820,269	(41,461)
Human Services	9.5%	2,407,860	2,372,975	(34,885)
Judicial	7.8%	1,961,856	1,933,433	(28,423)
Labor and Employment	1.1%	285,287	281,154	(4,133)
Law	1.3%	338,722	333,815	(4,907)
Legislature	0.6%	149,262	147,099	(2,162)
Local Affairs	0.4%	102,875	101,384	(1,490)
Military and Veterans Affairs	0.3%	85,507	84,269	(1,239)
Natural Resources	3.2%	814,024	802,230	(11,794)
Personnel	1.4%	363,065	357,805	(5,260)
Public Health and Environment	4.5%	1,146,316	1,129,708	(16,608)
Public Safety	5.2%	1,308,496	1,289,539	(18,957)
Regulatory Agencies	1.3%	322,717	318,041	(4,675)
Revenue	2.3%	581,971	573,539	(8,432)
State	1.0%	251,737	248,090	(3,647)
Transportation	19.5%	4,938,829	4,867,276	(71,553)
Treasury	0.1%	20,337	20,042	(295)
Allocation Totals	100.0%	\$25,293,157	\$24,926,712	(\$366,445)

ALLOCATION FOR INSTITUTIONS OF HIGHER EDUCATION

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

LIABILITY ALLOCATION FOR HIGHER EDUCATION		
	ACTUARIAL ALLOCATION	FY 2021-22 RECOMMEND.
Adams State University	0.0%	\$0
Arapahoe Community College	2.5%	70,507
Auraria Higher Education Center	2.0%	55,559
College Access Network/College Assist	0.0%	0
College Invest	0.6%	15,511
Colorado Commission on Higher Education	1.5%	42,022
Colorado School of Mines	0.0%	0
Colorado State University - Pueblo	12.1%	339,842
Community College of Aurora	1.6%	45,688
Community College System	8.5%	238,877
CSU - Global	1.8%	49,637
Denver Community College	5.4%	153,141
Front Range Community College	4.7%	131,989
History Colorado	1.4%	39,484
Lamar Community College	0.6%	17,486
Metropolitan State University of Denver	32.0%	901,358
Morgan Community College	1.0%	28,203
Northeastern Junior College	1.2%	32,433
Northwestern Community College	1.3%	35,253
Occupational Ed. Division	0.0%	0
Otero Junior College	1.3%	36,663
Pikes Peak Community College	10.7%	302,051

LIABILITY ALLOCATION FOR HIGHER EDUCATION		
	ACTUARIAL ALLOCATION	FY 2021-22 RECOMMEND.
Private Occupational	0.0%	846
Pueblo Community College	3.5%	98,145
Red Rocks Community College	2.4%	66,840
Trinidad State Junior College	4.2%	118,733
Western State Colorado University	0.0%	0
Allocation Totals	100.0%	\$2,820,269

3B. PROPERTY

The property program pays for commercial insurance and associated deductibles for insurance coverage of state properties. The program provides property loss coverage for state assets, including building and content value. The property program is funded from the Self-Insured Property Fund, created in Section 24-30-1510.5, C.R.S. Moneys in the fund are *continuously appropriated* for purposes of the fund, *other than the direct and indirect administrative costs of operating the risk management system*, pursuant to Section 24-30-1510.5 (1) (a), C.R.S.

RISK MANAGEMENT PROGRAM COSTS

The property program's share of risk management overhead costs are calculated at 7.0 percent for the next fiscal year (see table at start of this section), compared to 5.0 percent for the current fiscal year.

PROPERTY PROGRAM COSTS

The following table outlines total property program costs for allocation to state agencies that include:

- Risk management program overhead costs;
- Property policies and policy deductibles and payouts;
- Actuarial and Broker Services attributable to property;
- Property share of the Risk Management Information System; and
- A fund balance reserve adjustment.

PROPERTY PROGRAM COSTS				
	FY 2021-22	FY 2022-23		
	APPROP.	REQUEST	RECOMMEND.	REQ/REC INCREM.
Risk Management Program Costs	\$116,494	\$118,719	\$123,515	\$4,796
Property Policies				
Property & Boiler Policies	8,753,623	9,875,729	9,875,729	0
Auto Physical Damage	112,235	117,845	112,235	(5,610)
Terrorism Premium	141,110	92,700	141,110	48,410
Flood Zone A Premium	500,000	500,000	500,000	0
Crime Policy	252,185	263,585	252,185	(11,400)
Property Policies Subtotal	\$9,759,153	\$10,849,859	\$10,881,259	\$31,400
Policy Deductibles and Payouts	8,464,476	7,502,820	7,502,820	0
Actuarial and Broker Services	254,480	254,480	254,480	0
Risk Mgt. Information System	64,433	64,433	64,433	0
Property Program Costs Subtotal	\$8,783,389	\$7,821,733	\$7,821,733	\$0
Fund Balance Reserve Adjustment	(1,106,635)	(6,340,249)	(5,831,343)	508,906
Total for Allocation	\$17,552,402	\$12,450,063	\$12,995,164	\$545,101

FUND BALANCE RESERVE ADJUSTMENT

The following table outlines the fund balance reserve adjustment recommendation. Staff recommends a *cash flow* fund balance reserve calculated at 5.0 percent of the estimated program costs for FY 2022-23. Staff also recommends an *extraordinary claims* fund balance reserve calculated at 10.0 percent of the property deductibles and payouts estimate.

SELF-INSURED PROPERTY FUND ¹	
RECOMMENDED RESERVE ADJUSTMENT	
FY 2021-22	
Beginning Fund Balance	\$8,620,578
Revenue	17,552,402
Expenditures	(18,657,775)
Ending Fund Balance	\$7,515,205
FY 2022-23	
Beginning Fund Balance	\$7,515,205
Operating Cash Flow Reserve	
Expenditures (estimate)	\$18,671,592
Cash Flow Reserve Percentage	5.0%
<i>Cash Flow Reserve Amount</i>	<i>933,580</i>
Extraordinary Claims Reserve	
Deductibles and Payouts Estimate	\$7,502,820
Extraordinary Claims Reserve Percentage	10.0%
<i>Extraordinary Claims Reserve Amount</i>	<i>750,282</i>
TARGET FUND BALANCE FY 2022-23	1,683,862
Fund Balance Reserve Adjustment	(\$5,831,343)

¹ Figures taken from Schedule 9.

The staff recommended reserve totals \$1,683,862, which requires a reduction of \$5,831,343 total funds, which will be allocated back to state agencies through reduced billing.

STATE AGENCY ALLOCATION

Policy premiums are allocated to state agencies according to their property holdings (building and content values) and loss histories. The following table outlines the recommended allocation for FY 2022-23. **Staff recommends that the Committee approve the state agency allocations included in the table as the property component of the Payment to Risk Management and Property Funds.**

PROPERTY FY 2022-23 RECOMMENDED ALLOCATION						
DEPARTMENT	FY 2021-22	PROPERTY VALUE	PROP. VALUE	FY 2022-23		
	APPROP.		ALLOCATION	REQUEST	RECOMMEND.	REQ/REC INCREM.
Agriculture	\$158,888	\$90,704,588	0.8%	\$104,077	\$108,634	\$4,557
Corrections	2,879,729	1,899,342,221	17.5%	2,179,355	2,274,773	95,418
Education	127,568	99,664,035	0.9%	114,357	119,364	5,007
Governor	162,223	94,652,648	0.9%	108,607	113,362	4,755
Health Care Policy and Financing	7,155	4,151,981	0.0%	4,764	4,973	209
Higher Education	5,648,580	3,306,733,879	30.5%	3,794,232	3,960,356	166,124
Human Services	1,694,039	1,006,680,546	9.3%	1,155,091	1,205,665	50,574
Judicial	324,678	188,414,486	1.7%	216,192	225,657	9,465
Labor and Employment	73,377	42,760,715	0.4%	49,065	51,213	2,148

PROPERTY FY 2022-23 RECOMMENDED ALLOCATION						
DEPARTMENT	FY 2021-22	PROPERTY VALUE	PROP. VALUE	FY 2022-23		REQ/REC INCREM.
	APPROP.		ALLOCATION	REQUEST	RECOMMEND.	
Law	11,350	6,586,629	0.1%	7,558	7,889	331
Legislature	9,891	5,740,069	0.1%	6,586	6,875	289
Local Affairs	23,313	13,528,673	0.1%	15,523	16,203	680
Military and Veterans Affairs	262,255	223,635,003	2.1%	256,605	267,840	11,235
Natural Resources	1,089,144	696,951,269	6.4%	799,700	834,713	35,013
Personnel	1,219,258	711,960,280	6.6%	816,922	852,689	35,767
Public Health and Environment	187,916	113,325,159	1.0%	130,032	135,725	5,693
Public Safety	269,712	209,099,376	1.9%	239,926	250,431	10,505
Regulatory Agencies	42,927	25,044,721	0.2%	28,737	29,995	1,258
Revenue	94,735	31,934,009	0.3%	36,642	38,246	1,604
State	16,087	9,501,928	0.1%	10,903	11,380	477
Transportation	3,249,240	2,069,819,746	19.1%	2,374,965	2,478,948	103,983
Treasury	336	195,172	0.0%	223	234	11
Allocation Totals	\$17,552,401	\$10,850,427,133	100.00%	\$12,450,062	\$12,995,164	\$545,102
<i>Percentage change from prior year</i>						<i>3.1%</i>

ALLOCATION FOR INSTITUTIONS OF HIGHER EDUCATION

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

PROPERTY ALLOCATION FOR HIGHER EDUCATION			
	PROPERTY VALUE	PROP. VALUE ALLOCATION	FY 2020-21 RECOMMEND.
Adams State University	\$0	0.0%	\$0
Arapahoe Community College	189,604,985	5.7%	227,083
Auraria Higher Education Center	718,693,980	21.7%	860,754
College Access Network/College Assist	32,067	0.0%	38
College Invest	770,064	0.0%	922
Colorado Commission on Higher Education	199,933,842	6.0%	239,454
Colorado School of Mines	0	0.0%	0
Colorado State University - Pueblo	396,261,638	12.0%	474,588
Community College of Aurora	44,922,175	1.4%	53,802
Community College System	0	0.0%	0
CSU - Global	0	0.0%	0
Denver Community College	38,098,912	1.2%	45,630
Front Range Community College	288,829,733	8.7%	345,921
History Colorado	0	0.0%	0
Lamar Community College	67,720,429	2.0%	81,106
Metropolitan State University of Denver	115,273,849	3.5%	138,059
Morgan Community College	57,631,755	1.7%	69,023
Northeastern Junior College	149,153,159	4.5%	178,635
Northwestern Community College	86,752,652	2.6%	103,901
Occupational Ed. Division	183,049,328	5.5%	219,232
Otero Junior College	76,344,380	2.3%	91,435
Pikes Peak Community College	220,324,248	6.7%	263,874
Pueblo Community College	162,140,868	4.9%	194,190
Red Rocks Community College	194,939,078	5.9%	233,471
Trinidad State Junior College	116,256,738	3.5%	139,236
Western State Colorado University	0	0.0%	0
Allocation Totals	\$3,306,733,879	100.0%	\$3,960,356

3C. PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

The line item which funds state agency payments for the liability and property funds is Payment to Risk Management and Property Funds.

STATE AGENCY ALLOCATION

The following table outlines the Payment to Risk Management and Property Funds allocation, which aggregates the liability and property allocations. **Staff recommends that the Committee approve the state agency allocations included in the table for the Payment to Risk Management and Property Funds.**

PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS RECOMMENDED ALLOCATION			
DEPARTMENT	FY 2022-23 REQUEST	FY 2022-23 RECOMMEND	REQ/REC INCREM.
Agriculture	\$404,105	\$404,315	\$210
Corrections	4,674,547	4,733,815	59,268
Education	1,175,715	1,165,345	(10,370)
Governor	3,311,512	3,269,864	(41,648)
Health Care Policy and Financing	297,848	293,811	(4,038)
Higher Education	6,655,961	6,780,624	124,663
Human Services	3,562,951	3,578,640	15,689
Judicial	2,178,048	2,159,090	(18,958)
Labor and Employment	334,352	332,367	(1,985)
Law	346,280	341,703	(4,577)
Legislature	155,848	153,974	(1,874)
Local Affairs	118,398	117,587	(811)
Military and Veterans Affairs	342,112	352,108	9,996
Natural Resources	1,613,724	1,636,944	23,220
Personnel	1,179,987	1,210,494	30,507
Public Health and Environment	1,276,348	1,265,434	(10,914)
Public Safety	1,548,422	1,539,969	(8,453)
Regulatory Agencies	351,454	348,036	(3,417)
Revenue	618,613	611,786	(6,827)
State	262,640	259,470	(3,170)
Transportation	7,313,794	7,346,224	32,430
Treasury	20,560	20,276	(284)
Allocation Totals	\$37,743,219	\$37,921,876	\$178,657
Percentage change from prior year			0.5%

4. CAPITOL COMPLEX LEASED SPACE

The Department of Personnel operates a facilities maintenance program for Denver, Grand Junction, and Camp George West properties totaling approximately 1.3 million square feet. Pursuant to Section 24-82-101, C.R.S., the Department is responsible for the maintenance of the buildings' plumbing, electrical, elevator, and HVAC systems, as well as custodial and grounds maintenance.

(1) *Denver*. The Department maintains ten addresses in the Capitol Hill Campus (653,024 sq. ft.), one address in the North Campus (89,534 sq. ft.), and two addresses in Lakewood (101,430 sq. ft.). Each of these campuses, though funded by the Capitol Complex program, have distinct rental rates that mirror the locations and uses of the various properties.

(2) *Grand Junction*: The Department maintains a building with 35,145 square feet, which is staffed by 1.0 FTE who is responsible for building maintenance. Other functions, including additional building maintenance, custodial services, and grounds maintenance are contracted to private vendors.

(3) *Camp George West*: This building contains 305,077 square feet for five different departments. The Department's responsibilities include all site and grounds maintenance.

Facilities Maintenance is predominantly funded by reappropriated funds deposited in the Department of Personnel Revolving Fund created in Section 24-30-1108 (1), C.R.S. Funding consists of user fees from state agencies billed through Capitol Complex Leased Space line items in department budgets based on square foot lease rates and square footage occupancy.

CAPITOL COMPLEX LEASED SPACE PROGRAM COSTS

The following table outlines total Facilities Maintenance – Capitol Complex program costs for allocation to state agencies through the *Capitol Complex Leased Space* and *Maintenance of Legislative Space* line items that include program overhead costs consisting of staff and administrative expenses; building and maintenance costs; depreciation and energy and utility costs; and a fund balance reserve adjustment. Personal services, operating expenses, repairs, security, and indirect costs are based on figure setting recommendations for the next fiscal year. Operating and OIT common policy items are estimated by the Department on current fiscal year appropriations and internal Department allocations to programs and divisions. Utilities, depreciation, and campus splits are based on Department allocations and methodologies.

CAPITOL COMPLEX LEASED SPACE PROGRAM COSTS					
	FY 2021-22 APPROP.	FY 2022-23 REQUEST	FY 2022-23 RECOMMEND	REQ/REC INCREM.	TOTAL ADJUSTMENT
Personal Services	\$3,574,314	\$3,685,039	\$3,637,669	(\$47,370)	\$63,355
Benefits POTS	1,132,592	1,242,489	1,242,489	0	109,897
OIT and Operating Common Policies	1,580,893	1,759,072	1,759,072	0	178,179
Operating Expenses	2,705,456	2,783,370	2,705,456	(77,914)	0
Administrative Overhead	415,081	401,242	401,242	0	(13,839)
Capitol Complex Repairs	56,520	56,520	56,520	0	0
Capitol Complex Security	539,977	556,176	555,986	(190)	16,009
Utilities	3,370,656	3,398,380	5,239,975	1,841,595	1,869,319
Indirect Cost Assessment	1,177,859	1,213,195	338,799	(874,396)	(839,060)
Depreciation	290,000	290,000	290,000	0	0
Energy Performance Depreciation	2,140,000	2,140,000	2,140,000	0	0
Sprint Leased Tower Space	(47,618)	(47,618)	(47,618)	0	0
CCLS Program Costs Subtotal	\$16,935,730	\$17,477,865	\$18,319,590	\$841,725	\$1,383,860
Fund Balance Adjustment	(453,384)	(1,544,066)	(517,288)	1,026,778	(63,904)
Total for Allocation	\$16,482,346	\$15,933,799	\$17,802,302	\$1,868,503	\$1,319,956
<i>Annual Growth of Allocation</i>					8.0%

DEPRECIATION

This cost accounts for the depreciation of equipment. The federal government only allows recovery of capital costs through depreciation. This allows the State to recover funding outlays for capital expenses in Capitol Complex.

ENERGY PERFORMANCE DEPRECIATION

This item is associated with Phase 4 of the Department's energy performance contracts. The Department finances improvements to buildings by signing agreements with vendors to perform capital improvements to energy systems. Federal requirements provide that this item be recovered through program costs with depreciation.

SPRINT LEASED TOWER SPACE

The Department leases land to Sprint for a cell tower at Camp George West, which generates this revenue.

FUND BALANCE RESERVE ADJUSTMENT

The following table outlines the fund balance reserve adjustment recommendation.

CAPITOL COMPLEX FACILITIES FUND		
RECOMMENDED RESERVE ADJUSTMENT CALCULATION	REQUESTED	NOV 1. SUBMISSION ¹
FY 2021-22		
Beginning Cash Balance	\$4,853,123	\$3,895,787
Revenues	\$16,482,346	16,482,346
Expenditures	(\$16,749,479)	(16,749,479)
Ending Fund Balance	4,585,990	3,628,654
Capital Asset Reserve Set Aside Balance	(1,600,000)	(1,600,000)
Net Available Operating Fund Balance	\$2,985,990	\$2,028,654
	REQUESTED	RECOMMENDED
FY 2022-23		
Expenditure Base	\$17,477,865	\$18,319,590
Targeted Operating Reserve	8.25%	8.25%
Fund Balance Targeted Operating Res.	1,441,924	1,511,366
Total Target Reserve	\$3,041,924	\$3,111,366
Fund Balance Reserve Adjustment	(\$1,544,066)	(\$517,288)

¹ Figures taken from Schedule 9.

Staff recommends an operating cash flow fund balance reserve equal to 8.25 percent for FY 2022-23. This results in a reductions of \$517,288 allocated out to state agencies.

STATE AGENCY UTILIZATION AND ALLOCATION

The following table outlines square footage allocation by agency.

SQUARE FOOT ALLOCATION BY STATE AGENCY						
DEPARTMENT	TOTAL DENVER	PIERCE ST	NORTH CAMPUS	GRAND JUNCTION	CAMP GEORGE WEST	TOTAL ALL BUILDINGS
Corrections	0	0	0	0	46,696	46,696
Correctional Industries	0	0	0	0	18,672	18,672
Education	46,890	0	0	0	0	46,890
Legislature	142,740	0	0	0	0	142,740
Governor, Lt Governor, OSPB	19,780	0	0	0	0	19,780
OIT	13,853	0	0	1346	0	15,199
Health Care Policy and Financing	33,264	0	0	0	0	33,264
Human Services	89,429	0	0	0	0	89,429

SQUARE FOOT ALLOCATION BY STATE AGENCY						
DEPARTMENT	TOTAL DENVER	PIERCE ST	NORTH CAMPUS	GRAND JUNCTION	CAMP GEORGE WEST	TOTAL ALL BUILDINGS
Local Affairs	38,107	0	0	3783	0	41,890
Military and Veterans Affairs	0	0	0	0	55,865	55,865
Natural Resources	56,869	0	0	0	0	56,869
Personnel	216,845	0	82,034	2,853	0	301,732
Public Health and Environment	0	0	0	4,477	0	4,477
Public Safety	93,326	0	0	0	182,536	275,862
Regulatory Agencies	0	0	0	0	0	0
Revenue	0	89,031	2,119	5,919	0	97,069
Transportation	0	0	0	13,917	308	14,225
Treasury	3,351	0	0	0	0	3,351
Labor & Employment	0	0	5,381	2,850	0	8,231
Total Square Footage Billed	754,454	89,031	89,534	35,145	304,077	1,272,241

The following table outlines the common policy allocation and additional costs paid by the General Assembly.

General Assembly Payments to the Department of Personnel for Maintenance of Legislative Space	
Capitol Complex Leased Space Allocation	\$2,698,595
Parking at 1525 Sherman	28,800
Conference Center Rental	5,200
Total	\$2,732,595

Conference center rental is billed to agencies by occurrence and not included in capitol complex allocation rates. Rather than pay by occurrence, the General Assembly has agreed to pay for an estimated 26 days of conference center use through its payments to the Department of Personnel for Maintenance of Legislative Space, which will be trued up annually through the capitol complex leased space common policy. Similarly, parking at 1525 Sherman Street is billed directly to employees parking in the lot; however, the General Assembly pays \$120 per month per space for its 20 parking spaces at the lot through the Maintenance of Legislative Space line item.

The following table outlines the Capitol Complex Leased Space Allocation recommendation.

CAPITOL COMPLEX LEASED SPACE FY 2022-23 RECOMMENDED ALLOCATION					
DEPARTMENT	FY 2021-22	FY 2022-23			
	APPROPRIATION	REQUEST	RECOMMENDED	REQ/REC DIFFERENCE	TOTAL ADJUSTMENT
Agriculture	\$0	\$0	\$0	\$0	\$0
Corrections	59,492	59,217	64,256	5,039	4,764
Education	917,789	886,487	991,288	104,801	73,499
Governor	670,624	647,851	724,330	76,479	53,706
Health Care Policy and Financing	651,086	628,878	703,227	74,349	52,141
Higher Education	0	0	0	0	0
Human Services	1,750,416	1,690,716	1,890,594	199,878	140,178
Judicial	0	0	0	0	0
Labor and Employment	42,555	41,400	45,963	4,563	3,408
Law	0	0	0	0	0
Legislative	2,793,884	2,698,595	3,017,626	319,031	223,742
Local Affairs	780,494	754,150	842,998	88,848	62,504
Military and Veteran Affairs	50,843	50,608	54,915	4,307	4,072

CAPITOL COMPLEX LEASED SPACE FY 2022-23 RECOMMENDED ALLOCATION					
DEPARTMENT	FY 2021-22	FY 2022-23			
	APPROPRIATION	REQUEST	RECOMMENDED	REQ/REC DIFFERENCE	TOTAL ADJUSTMENT
Natural Resources	1,551,708	1,075,147	1,675,973	600,826	124,265
Personnel and Administration	4,083,047	4,368,921	4,410,029	41,108	326,982
Public Health and Environment	40,967	39,903	44,248	4,345	3,281
Public Safety	1,981,538	1,929,749	2,140,225	210,476	158,687
Regulatory Agencies	0	0	0	0	0
Revenue	902,495	874,505	974,769	100,264	72,274
State	0	0	0	0	0
Transportation	139,820	124,319	151,017	26,698	11,197
Treasury	65,590	63,353	70,843	7,490	5,253
Allocation Totals	\$16,482,348	\$15,933,799	\$17,802,302	\$1,868,503	\$1,319,954
<i>Percentage change from prior year</i>					<i>8.01%</i>

Based on prior year appropriations, approving the Staff recommendation has an estimated increase of \$208,650 General Fund. JBC staff analysts will be directed to work with their agencies to determine a fund mix that is appropriate and include those adjustments in their Long Bill sections. The following tables estimates the fund splits for the total appropriation and for the incremental adjustment.

ESTIMATED FUND SPLITS FOR FY 2022-23 CAPITOL COMPLEX LEASED SPACE			
	ESTIMATED FUND SPLITS BASED ON FY 2021-22 APPROPRIATIONS	FY 2022-23	
		RECOMMENDED TOTAL FUND SPLITS	RECOMMENDED INCREMENTAL FUND SPLITS
General Fund	51.0%	\$9,086,516	\$673,721
Cash Funds	14.2%	2,525,088	187,223
Reappropriated Funds	28.1%	5,002,976	370,946
Federal Funds	6.7%	1,187,722	88,064
Total	100.0%	\$17,802,302	\$1,319,954

5. VEHICLE LEASE PAYMENTS

In accordance with Section 24-30-1104 (2), C.R.S., the Department is responsible for operating and maintaining the State's vehicle fleet. The State Fleet Management Program purchases vehicles, manages maintenance and repairs, auctions replaced and out-of-service vehicles, and manages the State Motor Pool. The fleet program is funded by fees from user agencies that are deposited in the Motor Fleet Management Fund created in Section 24-30-1115 (1), C.R.S. Appropriations for the Vehicle Lease Payments line items reflect the cost of lease payments and the Department's vehicle management fee, for each agency's vehicles.

RECOMMENDED REPLACEMENT VEHICLES

Staff recommends replacement of 446 of 619 requested vehicles, including 160 alternative fuel or hybrid vehicles (AFVs). Staff's recommendation does not include the replacement of any compressed natural gas (CNG) vehicles, as none met the below criteria. **The replacement recommendation includes a statewide increase in Vehicle Lease Payments line items of \$274,021 total funds, including \$102,848 General Fund.** This recommendation does not include adjustments for additional state agency vehicles requested through separate department request items.

Staff's recommended replacement criteria requires that a vehicle meet one of three standards:

1. Projected high mileage by June 2021.
 - Standard vehicles – 150,000 miles. This is equal to 15,000 miles per year over 10 years.
 - Other law enforcement vehicles – 125,000 miles.
 - Colorado State Patrol (CSP) vehicles – 100,000 miles.
 - CSP Motorcycles – 40,000 miles.
2. Over 15 years old.
3. High maintenance cost that is 100 percent greater than average for the vehicle type.

The table below summarizes the number of vehicle replacements by department.

FY 2022-23 ANNUAL FLEET NUMBER OF VEHICLES REQUESTED AND RECOMMENDED				
DEPARTMENT	FY 2021-22 VEHICLES REQUESTED	FY 2021-22 AFV REQUESTED	FY 2022-23 VEHICLES RECOMMENDED	FY 2022-23AFV RECOMMENDED
Appropriated Agencies				
Agriculture	8	7	5	5
Corrections	51	38	43	31
Governor's Office	3	0	1	0
Human Services	14	6	3	0
Judicial Branch	3	3	0	0
Labor And Employment	12	9	6	3
Law	0	0	0	0
Local Affairs	0	0	0	0
Military and Veterans Affairs	4	3	2	1
Natural Resources	112	43	70	21
Personnel	6	6	4	4
Public Health and Environment	7	7	3	3
Public Safety	186	19	164	7
Regulatory Agencies	10	10	6	6
Revenue	26	26	14	14
Appropriated Totals	442	177	321	95
Non Appropriated Agencies				
Higher Education	88	33	83	32
Transportation	89	68	42	33
Statewide Total	619	278	446	160

Staff's recommendation is projected to save \$857,061 total funds, as compared to the request, when taking into account estimated maintenance costs.

REPLACEMENT AND MAINTENANCE COST COMPARISON - REQUEST VS. RECOMMENDED			
	REPLACEMENT COST	ESTIMATED MAINTENANCE EXPENSE	TOTAL COST
Department Request (619 replacements)	\$5,142,350	\$6,637,980	\$11,780,330
JBC Staff Recommendation (446 replacements)	4,054,660	6,868,608	10,923,269
Staff Rec. Above/(Below) Request	(\$1,087,690)	\$230,628	(\$857,061)

VEHICLE REPLACEMENT LEASE/PURCHASE LINE ITEM

The following table provides a summary of the JBC staff recommendation for the *replacement* vehicles only. This table does not include appropriations related to individual decision items, which are included in individual agency figure setting recommendations. The fund splits included in this table are estimates based on prior year fund split ratios. JBC staff requests permission to instruct other analysts to work with individual departments to determine the necessary fund split.

FY 2022-23 ANNUAL FLEET RECOMMENDED DEPARTMENT ALLOCATIONS								
DEPARTMENT	FY 2021-22	FY 2022-23		TOTAL INCREMENTAL CHANGE	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
	APPROP.	REQUESTED APPROP.	RECOM. APPROP.					
Appropriated Agencies								
Agriculture	\$415,955	\$367,765	\$362,970	(\$52,985)	(\$21,186)	(\$31,039)	\$0	(\$760)
Corrections	3,468,680	3,622,464	3,609,176	140,496	121,015	19,481	0	0
Education	37,040	36,302	36,302	(738)	(624)	0	(114)	0
Governor's Office	155,092	154,795	152,207	(2,885)	(559)	0	(2,326)	0
Human Services	1,152,215	1,204,543	1,183,447	31,232	15,771	0	15,461	0
Judicial Branch	263,866	241,346	236,706	(27,160)	(27,160)	0	0	0
Labor And Employment	191,751	209,850	200,569	8,818	776	3,585	101	4,357
Law	78,456	88,783	88,783	10,327	4,184	2,416	3,430	297
Local Affairs	113,942	115,843	115,843	1,901	1,708	0	193	0
Military and Veterans Affairs	71,007	81,399	78,225	7,218	3,075	0	0	4,143
Natural Resources	4,847,036	4,947,187	4,864,435	17,399	1,324	15,678	155	242
Personnel	284,389	208,201	204,454	(79,935)	0	0	(79,935)	0
Public Health & Environment	386,751	331,447	323,750	(63,001)	0	(57,300)	(5,701)	0
Public Safety	10,202,489	10,769,728	10,698,205	495,716	34,574	430,295	20,029	10,818
Regulatory Agencies	279,899	276,795	263,331	(16,568)	0	(16,568)	0	0
Revenue	838,511	668,025	644,996	(193,515)	(30,049)	(163,466)	0	0
State	12,443	10,144	10,144	(2,299)	0	(2,299)	0	0
Appropriated Totals	\$22,799,522	\$23,334,617	\$23,073,543	\$274,021	\$102,848	\$200,784	(\$48,707)	\$19,096
		Req/Rec Incr.	(\$261,074)					
Non Appropriated Agencies								
Higher Education	\$1,347,855	\$1,167,446	\$1,159,371	(\$188,484)				
Transportation	2,729,759	2,829,971	2,736,556	\$6,797				
Statewide Total	\$26,877,136	\$27,332,034	\$26,969,470	\$92,334				
		Req/Rec Incr.	(\$362,564)					

6. CORE OPERATIONS

CORE Operations is the common policy for the state's accounting and financial reporting system, the Colorado Operations Resource Engine. In FY 2015-16, the COFRS Modernization program was transferred from the Governor's Office of Information Technology to the Division of Accounts and Control in the Department of Personnel and located in a new subdivision known as CORE Operations. Consistent with that change, state agency line items were renamed from COFRS Modernization to CORE Operations.

CORE OPERATIONS PROGRAM COSTS

The following table outlines total CORE Operations program costs for allocation to state agencies. The table includes program costs, a payment from the Supplier Database Cash Fund, and a fund balance reserve adjustment for the Statewide Financial Information Technology Systems Cash Fund.

FY 2022-23 CORE Operations Program Costs					
	FY 2021-22	FY 2022-23			Total Adjustment
	Appropriation	Request	Recommend	Req/Rec Incr.	
Personal Services	\$1,993,123	\$2,051,005	\$2,058,016	\$7,011	\$64,893
Benefits POTS	523,587	557,744	557,744	0	34,157

FY 2022-23 CORE Operations Program Costs					
	FY 2021-22		FY 2022-23		
	Appropriation	Request	Recommend	Req/Rec Increm.	Total Adjustment
Operating and OIT Common Policies	448,718	518,039	518,039	0	69,321
Operating Expenses	59,590	59,590	59,590	0	0
Payments for CORE and Support Modules	6,671,656	6,671,656	6,671,656	0	0
Indirect Costs	298,341	298,341	389,935	91,594	91,594
Depreciation	4,799,040	4,799,040	4,799,040	0	0
CORE Operations Program Costs Subtotal	\$14,794,055	\$14,955,415	\$15,054,020	\$98,605	\$259,965
Payment from Supplier Database Cash Fund	(4,098,456)	(2,223,408)	(2,223,407)	1	1,875,048
Fund Balance Reserve Adjustment	(1,750,398)	(1,728,417)	(1,680,788)	47,629	69,611
Total for Allocation	\$8,945,201	\$11,003,590	\$11,149,825	\$146,236	\$2,204,624

Personal services and operating expenses are based on figure setting recommendations for the next fiscal year. Program share of departmental benefits pots and OIT and operating common policy items are estimated by the Department and based on current year appropriations; the Department's request amount differs from the recommended amount by the amount of indirect costs.

Payments for CORE and Support Modules are figure setting recommendations for the next fiscal year. This line item pays for CORE system and modules annual licensing and operating costs to CORE vendors for Managed Services, Labor Data Collection and Electronic Content Management.

Indirect costs match those included in the statewide indirect costs plan.

Depreciation provides a 10-year straight-line depreciation schedule for the total value of the CORE asset set of \$46,477,361. The recommendation includes the correct amount of depreciation for this item. Lease-purchase payments are made in the CORE Lease Purchase Payments line item at an amount lower than depreciation, set at \$4,799,040 for FY 2022-23. However, it is necessary to bill the depreciable value rather than the lease purchase payment in order to properly bill federal sources of revenue for their proportional share of the implementation costs of the system. The straight-line method decreases the amount of variance between fiscal years for depreciation.

FUND BALANCE RESERVE ADJUSTMENT

The Department requests and staff recommends a 16.5 percent reserve of the prior year fund balance for the Supplier Database Cash Fund and an 8.25 percent reserve for the Statewide Financial Information Technology Systems Cash Fund (SFITS). An 8.25 percent reserve is equal to approximately one month of operating revenue and 16.5 percent is two months.

SUPPLIER DATABASE CASH FUND RESERVE ADJUSTMENT

The adjustment for the Supplier Database Cash Fund is essentially a payment for CORE Operations from the cash fund.

SUPPLIER DATABASE CASH FUND ¹	
RECOMMENDED RESERVE ADJUSTMENT	
FY 2021-22	
Beginning Fund Balance	\$5,441,074
Revenue	1,320,145
Expenditures	(4,098,456)
Ending Fund Balance	\$2,662,763

SUPPLIER DATABASE CASH FUND ¹	
RECOMMENDED RESERVE ADJUSTMENT	
FY 2022-23	
Fund Balance Target Reserve	16.5%
Fund Balance Reserve Amount	439,356
Fund Balance Reserve Adjustment	(\$2,223,407)

¹ Figures taken from Schedule 9.

The FY 2021-22 beginning fund balance is taken from the Department's FY 2022-23 budget request Schedule 9 for the Supplier Database Cash Fund created in Section 24-102-202.5 (2)(a), C.R.S. Revenue and expenditure amounts are from Department estimates. The Supplier Database Cash Fund receives revenues from rebates on statewide price agreements. Because this fund is not a typical, common policy operational revenue cash fund, the fund balance target reserve amount is calculated on the prior year ending fund balance.

STATEWIDE FINANCIAL INFORMATION TECHNOLOGY SYSTEMS CASH FUND RESERVE ADJUSTMENT
The adjustment for the SF-ITS is a more typical reserve adjustment for a common policy operational cash fund. The SF-ITS created in Section 24-30-209 (2)(a), C.R.S., was added effective May 1, 2015. Revenue and expenditures were taken from the Department’s Schedule 9 for the Fund Report. The fund balance reserve amount is calculated on expenditures that include program costs minus depreciation plus CORE Lease Purchase Payments minus payments from the Supplier Database Cash Fund. The following table outlines the fund balance reserve adjustment recommendation.

STATEWIDE FINANCIAL INFORMATION TECHNOLOGY SYSTEMS CASH FUND ¹	
RECOMMENDED RESERVE ADJUSTMENT	
FY 2021-22	
Beginning Cash Balance	\$2,068,975
Revenue	13,522,881
Expenditures	(13,736,366)
Ending Fund Balance	\$1,855,490
FY 2022-23	
Expenditures (PS+OE)	\$2,117,606
Fund Balance Target Reserve	8.25%
Fund Balance Reserve Amount	174,702
Fund Balance Reserve Adjustment	(\$1,680,788)

¹ Figures taken from Schedule 9.

STATE AGENCY UTILIZATION AND ALLOCATION

The costs of CORE Operations are allocated to state agencies, based upon actual usage for the most recent fiscal year for which actual data is available. The FY 2022-23 allocation is determined by the FY 2021-22 actual utilization. The following table outlines recommended allocations.

CORE OPERATIONS FY 2022-23 RECOMMENDED ALLOCATION						
DEPARTMENT	FY 2021-22		FY 2022-23			
	APPROPRIATION	UTILIZATION	REQUEST	RECOMMENDATION	REQ/REC INCREM.	TOTAL ADJUSTMENT
Agriculture	\$129,458	1.40%	\$154,192	\$156,241	\$2,049	\$26,783
Corrections	362,053	4.00%	440,286	446,137	5,851	84,084
Education	240,722	2.20%	242,246	245,466	3,220	4,744

CORE OPERATIONS FY 2022-23 RECOMMENDED ALLOCATION						
	FY 2021-22	FY 2022-23				
DEPARTMENT	APPROPRIATION	UTILIZATION	REQUEST	RECOMMENDATION	REQ/REC INCREM.	TOTAL ADJUSTMENT
Governor	376,623	4.03%	443,737	449,634	5,897	73,011
Health Care Policy and Financing	112,780	1.52%	166,817	169,033	2,216	56,253
Higher Education	237,213	2.30%	252,948	256,309	3,361	19,096
Human Services	1,128,619	11.62%	1,278,506	1,295,497	16,991	166,878
Judicial	1,595,667	16.93%	1,862,574	1,887,328	24,754	291,661
Labor and Employment	400,815	3.86%	424,768	430,413	5,645	29,598
Law	44,664	0.44%	48,571	49,216	645	4,552
Legislature	36,863	0.33%	36,813	37,302	489	439
Local Affairs	436,027	5.54%	609,738	617,841	8,103	181,814
Military and Veteran Affairs	65,093	0.68%	74,715	75,708	993	10,615
Natural Resources	541,043	5.60%	616,524	624,718	8,194	83,675
Personnel	288,091	2.73%	300,734	304,732	3,998	16,641
Public Health and Environment	858,916	9.70%	1,067,616	1,081,804	14,188	222,888
Public Safety	333,193	3.74%	411,644	417,115	5,471	83,922
Regulatory Agencies	302,496	3.28%	360,575	365,367	4,792	62,871
Revenue	987,111	15.07%	1,658,640	1,680,683	22,043	693,572
State	19,539	0.21%	22,754	23,056	302	3,517
Transportation	133,036	1.40%	154,469	156,522	2,053	23,486
Treasury	315,383	3.41%	374,723	379,703	4,980	64,320
Allocation Totals	\$8,945,405	100%	\$11,003,590	\$11,149,825	\$146,235	\$2,204,420
<i>Percentage Change from FY 2021-22</i>						<i>24.6%</i>

7. DOCUMENT SOLUTIONS GROUP COMMON POLICY FOR DEPARTMENTS OF REVENUE AND STATE

The Department of Personnel's Integrated Documents Solutions (IDS) includes a subdivision located in Pueblo that serves the scanning and document-related needs of State agencies. This group, the Document Solution Group (DSG), has until FY 2019-20 employed an expense pooling methodology in setting the rates for all services it offers. DSG has two major customers, the Department of Revenue (DOR) and Secretary of State (SOS), in addition to several smaller customers with one-time or short-term business needs. Last year, with the help of Department of Personnel Staff, JBC staff recommended and the Joint Budget Committee approved a new common policy to smooth expenditures out over a 4-year period, to account for the Secretary of State's typical work cycle.

GENERAL DPA COMMON POLICY METHODOLOGY

Similar to the previously-existing DPA common policies such as Payments to Risk Management, Workers' Compensation, Administrative Law Judge Services, CORE Operations, Vehicle Lease Payments and Capitol Complex Leased Space, the DSG common policy utilizes the same type of methodology; the Department estimates the total cost pool for the following fiscal year, determines the allocation percentages by department using a specific metric, and then determines the target fund balance estimate and any fund balance adjustments that may be needed. The total billing amount by cabinet/department is determined by taking the total allocable cost base plus or minus any fund balance adjustment, and multiplying this total cost by the allocation percentages by department.

DSG OPERATIONS COMMON POLICY METHODOLOGY

PROGRAM COST POOL

As is the standard approach for all other DPA common policies, the common policy cost pool for DSG includes operating expenses, personal services expenses, and overhead allocations. Personal services expenses include salaries aged to include projected total compensation adjustments, projected overtime and temporary labor needs based on projected volumes, and standard POTS related expenditures. Overhead allocations include the program's share of statewide common policies billed to the Department, such as Legal Services, Leased Space, Payments to Risk Management, Workers' Compensation, Administrative Law Judge Services, CORE Operations, Vehicle Lease Payments, and Payments to OIT. Operating expenses include all standard operating costs associated with providing services. Additionally, personal services contract costs necessary to support the specific equipment required by DOR are included in the cost pool. Finally, the cost pool will be reduced by the four-year average of the revenue derived by customers other than SOS and DOR.

COST POOL FOR DSG				
DESCRIPTION	FY 2021-22	FY 2022-23		
	APPROPRIATED	REQUESTED	RECOMMENDED	REQ/REC INCREM.
Personal Services	\$3,069,296	\$3,130,682	\$3,130,682	\$0
Central Personnel Allocation	95,712	98,514	98,514	0
DCS Admin Overhead Share	325,485	334,016	334,016	0
PERA Direct Distribution	51,195	39,552	39,552	0
Operating Expenses & Personal Services Contracts	899,619	926,389	926,389	0
Indirect Costs	148,659	176,984	176,984	0
Operating and OIT Common Policies	1,065,876	1,125,272	1,125,272	0
Pipeline Delivery Costs	10,568	0	0	0
SOS North Campus	7,550	7,550	7,550	0
DSG Program Cost Subtotal	\$5,673,960	\$5,838,958	\$5,838,958	\$0
Standard IDS Fund Balance Adjustment (2.0%)	113,479	116,779	116,779	0
Fund Balance Adjustment (3.0% of Expenses)	173,623	178,672	178,672	0
Adjusted Total	\$5,961,062	\$6,134,409	\$6,134,409	\$0
Less Cost Related to Other Customers	(725,731)	(953,899)	(953,899)	0
Total Collected in DSG Common Policy	\$5,235,331	\$5,180,510	\$5,180,510	\$0

FUND BALANCE ADJUSTMENTS

Because the DSG common policy will continue to operate out of the fund it shares with the rest of Integrated Document Solutions, the Department is proposing a methodology to ensure a reasonable fund balance similar to the one utilized by other DPA common policies.

The Department proposes that each year during the common policy build process, a review and comparison of revenue collected to actual expenses will be undertaken. If either the expense or revenue is out of balance, an adjustment will be made in the common policy allocation. If actual expenses come in higher than initially estimated, a positive fund balance adjustment is requested in the following fiscal year to bring in additional revenue in order to maintain a sufficient fund balance. However, if actual expenses come in lower than initially estimated, a negative fund balance adjustment is requested to keep the fund balance from exceeding an established target. Over time, this methodology allows the Department to true up the fund to an amount sufficient to cover actual expenses plus a minimal reserve, although there will always be a two-year lag from the actual transaction counts and the current fiscal year's common policy.

The target proposed by the Department for DSG is a 3.0 percent revenue contingency to be built into the common policy so that the program can accommodate fluctuations in actual volumes processed by the program. Without the contingency, the Department would not be able to provide services for additional unanticipated volumes for processing. These volumes can be accommodated on the expense side through the use of the existing contingency spending authority. If over time the true up shows that volumes fluctuate by more than 3.0 percent annually, the Department will seek to increase the revenue contingency reserve.

Additionally, a portion of the standard IDS (2.0 percent) fund balance adjustment will be applied to the overall cost pool for the DSG common policy. This ensures that the fund in its entirety will be moving toward the overall target on an annual basis, whether through an increase or decrease to the overall fund. The overall fund balance adjustment for IDS will be determined annually, and the portion that falls under DSG will be included as an increase or decrease the common policy cost pool. The remaining adjustments to the IDS fund balance are applied through the rates which are set annually.

DEPARTMENT ALLOCATION BASIS

The Department will continue to set rates for this program as it has done in the past and track volumes processed to arrive at a total billing amount for each fiscal year. This amount will be averaged with four fiscal years to accommodate for the election cycle that influences the volumes processed by the Secretary of State. The cost pool will then be allocated between SOS and DOR based on their portion of the total amounts billed. The allocation basis will maintain the two-year lag that all other Department-administered common policies utilize. For example, the FY 2022-23 common policy will be based on actual amounts that should have been billed for FY 2017-18, FY 2018-19, FY 2019-20, and FY 2021-22. In the future, the allocation will be based on what would have been billed based on the continued rate setting and actual volumes processed, averaged over four years.

FY 2021-22 DSG RECOMMENDED ALLOCATIONS							
Department	FY 2020-21 Appropriation	FY 2021-22 Rec'd	FY 2021-22 Total Base Adj.	GENERAL Fund	CASH Funds	REAPPROPRIATED Funds	FEDERAL Funds
Revenue	\$4,624,048	\$9,379,108	\$4,755,060	(\$231,784)	\$0	\$0	\$0
State*	611,283	670,811	59,528	0	170,568	0	0
Total	\$5,235,331	\$10,049,919	\$4,814,588	(\$231,784)	\$170,568	\$0	\$0

* The Department of State’s appropriation includes funding for contractual services utilized in the initiative process.

8. STATEWIDE INDIRECT COST ASSESSMENTS

While some centrally-provided services are billed directly, the purpose of the Statewide Indirect Cost Plan (formally labeled the Statewide Indirect Cost Appropriation/Cash Fees Plan by the Office of the State Controller) is to allocate the unbilled costs of statewide central services to user departments and institutions of higher education that benefit from these services. Such services benefit all state agencies but are otherwise impractical to bill for discretely or directly, and the indirect cost recoveries ensure that the General Fund does not support the provision of these services for cash- and federal-funded programs.

- For the budget, indirect cost recoveries offset General Fund. When indirect cost assessments and recoveries are not identified in a budget, a state agency is appropriated more General Fund than necessary and indirect cost recoveries are available for use by the state agency in an off-budget manner.
- Historically, statewide indirect costs have been associated with the functions of three departments: (1) the Governor's Office, including the Office of State Planning and Budgeting (OSPB); (2) the Department of Personnel; and (3) the Department of Treasury.
- The State Controller's Office submits the statewide indirect cost plan to the federal Division of Cost Allocation for approval. The federal government must agree to the use of federal funds for these purposes.
- Statewide indirect cost assessments are identified by department and fund source. Generally, although not consistently across departments, expected recoveries have been budgeted to offset a corresponding amount of General Fund in the respective department during the figure-setting process.
- The statewide indirect cost plan for FY 2021-22 is estimated to recover approximately \$17.3 million from cash funds, reappropriated funds, and federal funds. The plan includes \$1.1 million less allocations than for FY 2020-21, representing an increase of 5.7 percent decrease.

The following table summarizes the proposed statewide indirect cost recoveries for FY 2021-22 and compares it to the plan for the prior year.

FY 2022-23 STATEWIDE INDIRECT COST PLAN				
	FY 2021-22	FY 2022-23	CHANGE	PERCENT CHANGE
Cash Funds	\$8,848,277	\$10,671,133	\$1,822,856	20.6%
Reappropriated Funds	5,217,617	5,177,996	(39,621)	(0.8%)
Federal Funds	3,193,297	2,902,701	(290,596)	(9.1%)
Total	\$17,259,191	\$18,751,830	\$1,492,639	8.6%

STATEWIDE INDIRECT COST PLAN

Staff recommends that the Committee approve the Statewide Indirect Cost Plan prepared by the State Controller's Office for FY 2022-23 for use in figure setting for department budgets. The following table outlines the plan.

FY 2022-23 STATEWIDE INDIRECT COST PLAN				
DEPARTMENT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	TOTAL FUNDS
Agriculture	\$173,700	\$12,508	(\$3,185)	\$183,023
Corrections	36,667	26,753	6,865	70,285
Education	288,075	275,373	312,385	875,833
Governor	66,930	1,679	35,588	104,197
Governor - OIT	0	946,574	0	946,574
Health Care Policy and Financing	283,459	121,263	394,438	799,160
Higher Education	2,706,204	327,661	514,842	3,548,707
Human Services	186,876	244,289	549,410	980,575
Judicial	149,141	12,385	7,514	169,040
Labor and Employment	699,788	8,111	417,952	1,125,851
Law	24,343	115,827	3,866	144,036
Local Affairs	91,959	212,567	139,545	444,071
Military and Veterans Affairs	11,437	0	173,764	185,201
Natural Resources	962,017	42,345	39,116	1,043,478
Personnel	0	2,529,636	0	2,529,636
Public Health and Environment	339,422	88,603	220,672	648,697
Public Safety	997,852	160,459	62,249	1,220,560
Regulatory Agencies	609,269	48,743	20,978	678,990
Revenue	875,646	196	6,702	882,544
State	259,249	0	0	259,249
Transportation	1,909,099	3,024	0	1,912,123
TOTAL	\$10,671,133	\$5,177,996	\$2,902,701	\$18,751,830