

Joint Budget Committee Staff FY 2025-26 Budget Briefing Summary

Personnel

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 28,000 full time equivalent (FTE) staff, excluding the Department of Higher Education. In addition, the Department provides general support services for state agencies. The Department's FY 2024-25 appropriation represents approximately 0.6 percent of statewide operating appropriations and 0.3 percent of statewide General Fund appropriations.

Summary of Request

Department of Personnel						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$289,399,577	\$39,393,450	\$27,791,496	\$222,214,631	\$0	519.5
Other legislation	-6,117,283	49,383	-6,204,560	37,894	0	-1.2
Total	\$283,282,294	\$39,442,833	\$21,586,936	\$222,252,525	\$0	518.3
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$283,282,294	\$39,442,833	\$21,586,936	\$222,252,525	\$0	518.3
R1 OAC staffing	292,468	0	0	292,468	0	2.8
R2 State property risk valuation	600,000	0	0	600,000	0	0.0
R3 Private lease early termination	692,189	692,189	0	0	0	0.0
R4 COWINS Partnership Agreement resources	531,675	531,675	0	0	0	3.8
R5 State Archives staffing	76,960	76,960	0	0	0	0.9
R6 Address confidentiality resources	557,619	557,619	0	0	0	3.3
R7 Annual fleet vehicle replacements	5,897,217	0	0	5,897,217	0	0.0
R8 CEO funding realignment	-653,416	-653,416	0	0	0	0.0
R9 OSA planning reduction	-992,189	-992,189	0	0	0	0.0
Centrally appropriated line items	3,801,988	625,618	386,690	2,789,680	0	0.0
Risk management base adjustment	2,486,673	0	0	2,486,673	0	0.0
Capitol Complex leased space base adjustment	1,233,751	-39,703	20,281	1,253,173	0	0.0
Indirect cost assessment	156,265	0	-147,035	303,300	0	0.0
Non-prioritized requests	124,977	0	-417	125,394	0	0.0
OAC base adjustments	0	0	-753,371	753,371	0	0.0
Annualization of prior year actions	-2,000,660	-1,491,181	-44,300	-465,179	0	-27.0
Technical adjustments	-444,935	-327,857	-421,599	304,521	0	0.0
CORE operations base adjustments	-166,209	0	-2,611,279	2,445,070	0	0.0
Total	\$295,476,667	\$38,422,548	\$18,015,906	\$239,038,213	\$0	502.1
Increase/-Decrease	\$12,194,373	-\$1,020,285	-\$3,571,030	\$16,785,688	\$0	-16.2

Department of Personnel						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Percentage Change	4.3%	-2.6%	-16.5%	7.6%	0.0%	0.0

R1 Office of Administrative Courts (OAC) staffing: The request includes an increase of \$292,468 in reappropriated funds spending authority and 2.8 FTE in FY 2025-26 to address caseload growth and retention in the Office of Administrative Courts. The OAC has experienced caseload growth in multiple types of cases. Due to compliance requirements issued by the Centers for Medicare and Medicaid, the Department of Health Care Policy and Financing requires that the OAC meet a 90-day turnaround times for all Medicaid related starting July 2025. The Medicaid covered population in the State has nearly doubled in ten years. Roughly half of the OAC’s caseload are Medicaid cases. The request annualizes to \$298,248 reappropriated funds and 3.0 FTE in Fiscal Year 2026-27 and ongoing.

R2 State property risk valuation: The request includes an increase of \$600,000 reappropriated funds spending authority in Fiscal Year 2025-26 and ongoing. The Department reports that some of the State’s property insurance carriers are requiring a valuation of all owned and leased buildings and their contents in order to fully underwrite the financial loss exposure of the State Office of Risk Management’s property program. The State’s property valuation has not been fully assessed in more than 20 years. When values are incorrect, loss payments from the State Office of Risk Management and the insurers are limited to the reported amount. Insurers are unwilling to provide blanket coverage when values are outdated. In order to maintain accurate valuations, the valuation cycle will need to be continually repeated with two to three years in between starting a new cycle.

R3 Private lease early termination: The request includes an increase of \$692,189 General Fund to allow for an early private lease termination and the consolidation of a state agency into excess capitol complex office space. The Department estimates \$1.5 million in avoided private lease payments resulting in a net savings of \$828,736, including General Fund, cash funds, and reappropriated funds. This request is for FY 2025-26 only.

R4 COWINS Partnership Agreement resources: The request includes an increase of \$531,675 General Fund and 3.8 FTE for FY 2025-26. The Department intends to transition one term-limited FTE to permanent staff for data management and add three additional staff to the Colorado State Employee Assistance Program. The request annualizes to \$2.1 million total funds, include \$1.8 million General Fund, and 4.0 FTE in FY 2026-27 and FY 2027-28. The large increase in General Fund in the out-years is due to a \$1.7 million General Fund annualization for housing assistance. This request is predicated on the renegotiated COWINS Partnership Agreement (Articles 8.3 (A), 32.8, 5.2, and 24.5) that became effective September 23, 2024.

R5 State Archive resources: The request includes an increase of \$78,440 General Funds and 0.9 FTE in FY 2025-26 to meet increases in demand for research desk services from the general public and government offices. The Department reports that research requests at the State Archives increased 39.0 percent in the past year, due largely to the successful implementation of a searchable database and an improved request management system, and have had a deleterious effect on request turnaround times. Colorado State Archives plans, manages,

operates, and implements the State’s archival and records management program to protect, preserve, and maintain the legal documents for Colorado territorial and state government. This unit develops and approves record retention policies and destruction schedules for all State agencies, counties, cities, school districts, and special districts regarding preservation and management of records. The unit also provides citizen and agency access to the records in its custody for legal and research purposes. The request annualizes to \$78,708 General Funds and 1.0 FTE FY 2026-27 and ongoing.

R6 Address confidentiality resources: The request includes an increase of \$557,619 General Fund and 3.3 FTE in FY 2025-26 backfill the loss of federal Victims of Crime Act grant funds, realign the appropriation for increases in postage related expenses, add resources for outreach services to focus on underserved areas of the State, and the conversion of term-limited staff to permanent status. The Address Confidentiality Program is statutorily obligated to accept all individuals who apply and qualify for admission into the Program regardless of budget or staff resources. The program is tasked with protecting the confidentiality of the actual addresses of relocated protected health-care workers or victims of domestic violence, sexual offense, human trafficking, or stalking and to prevent the victim’s assailants or potential assailants from finding the victim through public records. The request annualizes to \$605,529 General Fund and 4.0 FTE in FY 2026-27 and ongoing.

R7 Annual fleet vehicle replacements: The request includes an increase of \$5.9 million reappropriated funds to replace 552 vehicles in the State’s fleet. Of the vehicles to be replaced, the Department has identified 470 as potential alternative fuel vehicles (AFV). Of the \$5.9 million reappropriated funds, \$0.2 million is for state fleet management operating expenses. For individual state agencies, this request will require an increase of \$7.2 million in total funds for the respective Vehicle Lease Payments line item appropriations, with an estimated \$1.8 million increase in General Fund in FY 2025-26. The request includes non-prioritized request affecting multiple departments statewide.

R8 Colorado Equity Office (CEO) funding realignment: The request includes a permanent budget neutral shift of \$653,416 General Fund from the Colorado Equity Office to four state departments beginning in FY 2025-26. The Colorado Equity Office was created by H.B. 22-1397 (Statewide Equity Office), which appropriated to the Department of Personnel sufficient funding for 10.0 FTE within the CEO and 9.0 FTE within four other departments: Health Care Policy and Financing, Human Services, Regulatory Agencies, and Revenue. Funding for the FTE in the four other agencies has been reappropriated from the CEO since its inception. This request seeks to directly appropriate the funding for those 9.0 FTE to the affected departments. Those direct General Fund appropriations are:

- \$74,921 to Health Care Policy and Financing for 1.0 FTE,
- \$325,979 to Human Services for 4.0 FTE,
- \$60,581 to Regulatory Agencies for 1.0 FTE, and
- \$191,935 to Revenue for 3.0 FTE.

R9 Office of the State Architect (OSA) planning reduction: The request includes a decrease of \$992,189 General Fund in FY 2025-26 to the Statewide Planning Services line item in the Office of the State Architect for budget balancing purposes. This line items funds technical and

consulting services related to statewide capital master plan development for state agencies served by the OSA. The Department reports that since its inception this line has been underutilized. Additionally, the line item is granted roll-forward authority through a Long Bill footnote, allowing the Department to utilize appropriations for one additional fiscal year. The annual Long Bill appropriation is \$1.0 million General Fund. The request annualizes to a \$700,000 General Fund appropriation in FY 2026-27 and ongoing.

Centrally appropriated line items: The request includes a net increase of \$3.8 million total funds, including \$625,618 General Funds for centrally appropriated line items, summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Payments to OIT	\$1,613,002	\$382,523	\$250,000	\$980,479	\$0	0.0
Risk management & property	1,062,152	415,894	26,370	619,888	0	0.0
Salary survey	1,040,829	475,420	30,661	534,748	0	0.0
Capitol Complex leased space	195,665	115,032	-7,842	88,475	0	0.0
Step Plan	188,525	47,621	1,540	139,364	0	0.0
CORE operations	154,246	59,961	4,764	89,521	0	0.0
PERA direct distribution	60,725	22,478	-1,791	40,038	0	0.0
FY 2024-25 Step Plan	7,067	30,895	2,412	-26,240	0	0.0
Shift differential	1,167	0	0	1,167	0	0.0
Paid Family & Medical Leave Insurance	3	-2,203	-1,002	3,208	0	0.0
Legal services	-221,156	-199,312	100,831	-122,675	0	0.0
Health, life, and dental	-220,836	-636,706	6,937	408,933	0	0.0
Workers' compensation	-69,650	-26,328	-3,749	-39,573	0	0.0
AED and SAED adjustment	-9,707	-58,715	-22,269	71,277	0	0.0
Short-term disability	-44	-942	-172	1,070	0	0.0
Total	\$3,801,988	\$625,618	\$386,690	\$2,789,680	\$0	0.0

Risk Management base adjustment: The request includes an increase of \$2.5 million reappropriated funds for adjustments to the Risk Management program for anticipated payments to be required by the liability, property, and workers' compensation components of the common policies. This increase is driven primarily by increases in liability claims and property policies.

Capitol Complex Leased Space base adjustment: The request includes an increase of \$1.2 million total funds, including decrease of \$39,703 General Fund, for base adjustments to the Capitol Complex Leased Space common policy.

Indirect cost assessment: The request includes net adjustments to indirect costs across all divisions.

Non-prioritized decision items: The request includes a net increase of \$124,977 total funds for requests that originate in the Departments of Agriculture, Natural Resources, and Revenue.

Non-prioritized requests						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP2 DNR R1 Keep Colorado wild pass	\$54,951	\$0	0	\$54,951	\$0	0.0

Non-prioritized requests						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP6 DOR R3 Lottery	39,000	0	\$0	39,000	0	0.0
NP4 CDA R2 Soil health program	22,488	0	0	22,488	0	0.0
NP1 DNR R9 Wildlife conserv	18,188	0	0	18,188	0	0.0
NP3 DNR R10 State Land Board	12,767	0	0	12,767	0	0.0
NP5 Annual fleet request	-22,417	0	-417	-22,000	0	0.0
Total	\$124,977	\$0	-\$417	\$125,394	\$0	0.0

Administrative Law Judge (ALJ) services base adjustment: The request includes a refinance of \$753,371 cash funds spending authority with an equivalent amount of reappropriated funds spending authority, for base adjustments to the Administrative Law Judge services common policy.

Annualize prior year actions: The request includes a net increase of \$5.8 million total funds, including \$6.5 million General Fund, for the out-year cost of prior year budget actions and legislation.

Annualization of prior year actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 23-24 R11 Emplly survey vendor	\$300,000	\$300,000	0	0	0	0.0
FY 24-25 R3 Apprentice and skills based hiring	198,316	198,316	0	0	0	2.5
SB 14-214 PERA studies	125,000	125,000	0	0	0	0.0
HB 23-1008 Food accessibility	48,437	0	0	48,437	0	0.0
HB 24-1268 Fin assist low-income	13,825	0	\$0	13,825	0	0.0
FY 24-25 R1c FinOps staffing	9,660	9,660	0	0	0	0.2
FY 24-25 R1b Admin staffing	5,892	5,892	0	0	0	0.3
HB 24-1439 Incent expand apprentice	5,524	0	0	5,524	0	0.0
SB 24-179 Floodplain mgmt	4,009	4,009	0	0	0	0.2
HB 24-1340 Incent for post-sec edu	3,875	0	0	3,875	0	0.0
HB 24-1312 Careworkers incm tax crdt	3,590	0	0	3,590	0	0.0
HB 23-1272 Advance decarb	2,607	0	0	2,607	0	0.0
HB 24-1157 Employee-owned bus tax crdt	2,581	0	0	2,581	0	0.0
FY 24-25 R1c SPCO staffing	1,047	1,047	0	0	0	0.3
FY 23-24 R3 Statewide COWINS	-1,792,460	-1,792,460	0	0	0	-28.2
HB 22-1337 State personnel comp rept	-300,000	-300,000	0	0	0	0.0
FY 23-24 NPBA6 PHE funding	-270,930	0	0	-270,930	0	0.0
FY 24-25 NPBA3 PHE unwind	-209,216	0	0	-209,216	0	-2.7
SB 21-250 Elections and voting	-50,000	0	0	-50,000	0	0.0
HB 24-1360 CO Disability Opp Ofc	-41,888	0	-41,888	0	0	0.0
HB 23-1189 Employer assist home purchase	-13,610	0	0	-13,610	0	0.0
SB 23-016 GHG emission redux	-12,453	0	0	-12,453	0	0.0
FY 24-25 salary survey	-7,067	-30,895	-2,412	26,240	0	0.0
HB 24-1052 Senior housing incm tax crdt	-6,756	0	0	-6,756	0	0.0
SB 23-172 Protect workers' rights	-6,414	-6,414	0	0	0	0.0
FY 24-25 R2 Central payroll staffing	-5,336	-5,336	0	0	0	0.4
HB 24-1235 Reduce aviation impacts	-2,591	0	0	-2,591	0	0.0
SB 24-016 Tax crdt for intermeds	-1,991	0	0	-1,991	0	0.0
HB 23-1309 Film incent tax credit	-1,927	0	0	-1,927	0	0.0

Annualization of prior year actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 24-1311 Family afford tax crdt	-1,078	0	0	-1,078	0	0.0
HB 23-1112 EITC	-762	0	0	-762	0	0.0
SB 22-051 Reduce emiss built enviro	-544	0	0	-544	0	0.0
Total	-\$2,000,660	-\$1,491,181	-\$44,300	-\$465,179	\$0	-27.0

Technical adjustments: The request includes a decrease of \$444,935 total funds, including a decrease of \$327,857 General Fund, related to a technical issue.

Technical adjustments						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 24-214 continuous approp	\$400,000	\$0	\$400,000	\$0	\$0	0.0
Digital storage adjustment	56,995	56,995	0	0	0	0.0
Contract escalator	1,199	1,199	0	0	0	0.0
FY 25-26 statewide indirects	0	-209,915	0	209,915	0	0.0
Fund source corrections	0	-94,606	0	94,606	0	0.0
Depreciation lease equivalent payments	-886,629	-65,030	-821,599	0	0	0.0
Leased space correction	-16,500	-16,500	0	0	0	0.0
Total	-\$444,935	-\$327,857	-\$421,599	\$304,521	\$0	0.0

CORE operations base adjustment: The request includes a decrease of \$166,209 total funds, including a decrease of \$2.6 million cash funds and an increase of \$2.4 million reappropriated funds, for CORE operations base adjustments.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: The Executive Budget Request includes reductions of \$1.1 million General Fund for the Department of Personnel, representing 2.9 percent of the General Fund appropriations in this section of the budget. This issue brief reviews these proposals and additional options identified by staff.

Operating Common Policies Overview and Requests: The Department of Personnel administers centralized budgeting policies described as Operating Common Policies. These policies refer to an array of statewide services, including Administrative Law Judge Services, Workers' Compensation, Payment to Risk Management and Property Funds, Capitol Complex Leased Space and Utilities, CORE Operations, Vehicle Lease Payments, and the Document Solutions Group. For FY 2025-26 there are three decision items that affect the Operating Common Policies: R1 (OAC staffing), R2 (State property risk valuation), and R7 (Annual fleet vehicle replacements).

Extend Repeal Dates for Transfers and Overexpenditure Authority: Periodically the General Assembly extends the repeal date for several parts of statute in Title 24, Article 75 that

authorize intra- and inter-departmental transfers and overexpenditures in specific and limited circumstances. There are seven section with repeal dates of September 1, 2025.

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.