

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2016-17 STAFF BUDGET BRIEFING

DEPARTMENT OF PERSONNEL

Including

**Department of Personnel Operating Common Policies,
Statewide Total Compensation Common Policies,
and PERA**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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DEPARTMENT OF PERSONNEL

Department Overview

The Department generally provides centralized human resources and administrative support functions for the State.

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

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

The **Division of Human Resources** establishes statewide human resource programs and systems to meet constitutional and statutory requirements and provides support services to state agency human resource offices.

Risk Management in the Division of Human Resources administers the state's coverage for workers' compensation, property, and liability insurance.

The **Division of Central Services** exists to maximize efficiencies for the state through consolidated common business services and includes Integrated Document Solutions, Fleet Management, and Capitol Complex – Facilities Maintenance.

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

Fleet Management provides oversight for all vehicles in the state fleet including managing vehicle purchasing and reassignment; fuel, maintenance, repair, and collision management; and auction, salvage, and the State Motor Pool.

The **Office of the State Controller** in the Division of Accounts and Control maintains the state's financial records, in part through the Colorado Operations Resource Engine (CORE), the state's accounting system, along with **CORE Operations** in the Division.

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

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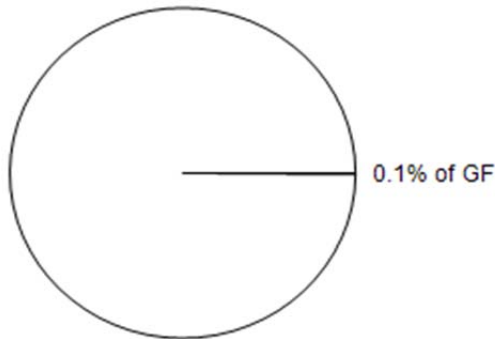
Department Budget: Recent Appropriations

Funding Source	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 *
General Fund	\$31,439,880	\$7,130,338	\$11,711,626	\$12,997,749
Cash Funds	13,628,813	14,873,826	13,830,708	13,433,092
Reappropriated Funds	151,463,339	152,818,269	155,658,987	160,330,156
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds	\$196,532,032	\$174,822,433	\$181,201,321	\$186,760,997
Full Time Equiv. Staff	393.1	393.1	407.4	413.0

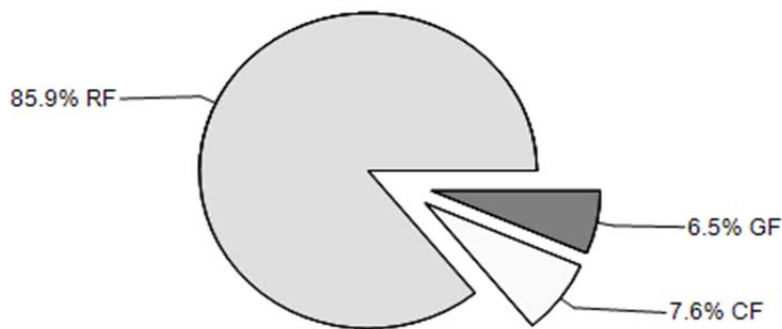
*Requested appropriation.

Department Budget: Graphic Overview

Department's Share of Statewide General Fund



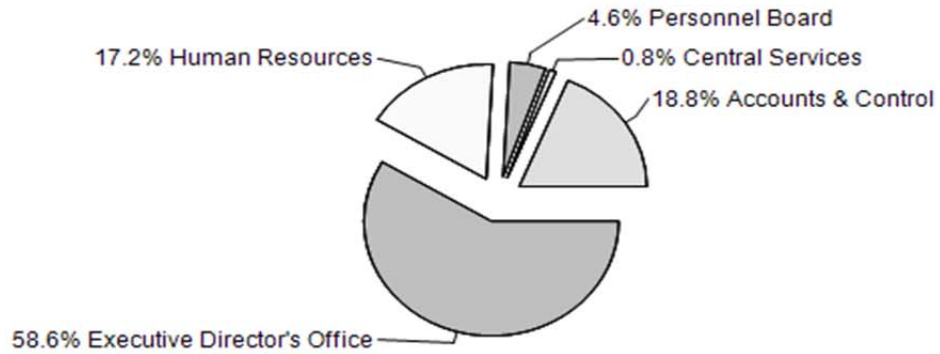
Department Funding Sources



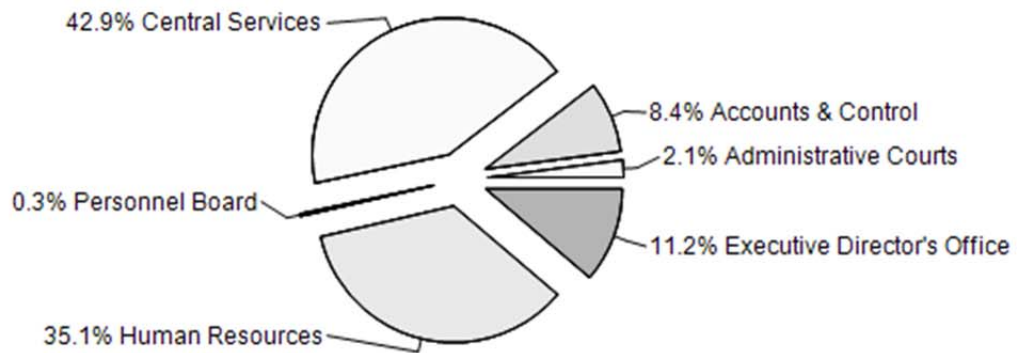
All charts are based on the FY 2015-16 appropriate

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Distribution of General Fund by Division



Distribution of Total Funds by Division



All charts are based on the FY 2015-16 appropriation.

General Factors Driving the Budget

The Department's FY 2016-17 budget request consists of 7.0 percent General Fund, 7.2 percent cash funds, and 85.8 percent reappropriated funds. The primary source of reappropriated funds is user fees transferred from other agencies for the provision of statewide services. Some of the major factors driving the Department's budget are discussed below.

Number of State Employees

Although the number of state employees does not drive the Department's budget directly, the Department administers the state's programs related to employee compensation and benefits. Statewide expenditures for these programs are distributed across all departments and are driven by the number of employees, the percentage of employees who choose to participate in optional benefit plans, and the Department's contracts with benefit providers. The following table shows the number of *full-time equivalents* (FTE) appropriated statewide, excluding the Department of Higher Education, and the percentage change in FTEs since FY 2007-08 compared to the State's population growth from 2006 through 2014.

State Employees* - FTE Reflected in Appropriations									
	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16
Total FTE	30,211.0	31,142.5	31,070.5	31,466.9	30,657.3	30,559.8	30,787.2	31,480.9	31,878.2
Percent Change		3.1%	-0.2%	1.3%	-2.6%	-0.3%	0.7%	2.3%	1.3%
Average FTE Percentage Change									0.69%
Colorado Population Average Growth - 2006-2014 (8 years)**									1.52%

* Excludes Department of Higher Education

** Source: State Demography Office

The Department's Executive Director serves as the State Personnel Director, and pursuant to Section 24-50-104 (4) (c), C.R.S., submits to the Governor and the Joint Budget Committee, annual recommendations and estimated costs for salaries and group benefit plans for state employees. For FY 2015-16, salary survey line items totaled \$25.0 million statewide, including \$16.1 million General Fund, and provided a 1.0 percent across-the-board pay increase. For FY 2015-16, the merit pay line items totaled \$17.0 million statewide, including \$9.4 million General Fund, and provided funding for raises according to a formula that rewards performance, but also gave greater percentage increases to employees at the lower end of the pay range. The weighted average increase for merit pay for FY 2015-16 was 1.0 percent.

Risk Management

The Office of Risk Management administers liability, property, and workers' compensation insurance coverage. Factors driving the budget are the number of claims and their costs, as well as division staffing and how the Department allocates expenses internally.

- The State is self-insured for the Liability Program. Liability claims are funded by the Risk Management Fund, pursuant to Section 24-30-1510 (1), C.R.S. These types of claims include federal claims for employment discrimination, federal claims for civil

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rights violations, and allegations of negligence on the part of a state agency or employee, such as auto accidents or injuries that occur in a state building.

- The Property Program purchases commercial insurance and pays associated deductibles to cover state properties and assets. Property claims are funded by the Self-Insured Property Fund, pursuant to Section 24-30-1510.5 (1), C.R.S. This type of insurance covers state buildings and their contents, and the Department insures over 6,000 properties that are valued in excess of \$9.0 billion.
- The State is self-insured for the Workers' Compensation Program. Workers' compensation claims are funded by the State Employee Workers' Compensation Account in the Risk Management Fund, pursuant to Section 24-30-1510.7 (1), C.R.S.

Appropriations and allocations to state agencies for risk management coverage are calculated using actuarially-determined prospective claims losses. The larger institutions of higher education administer their own risk management programs and those funds are not included in the following table.

Statewide Risk Management Services - Premiums and Administrative Expenses					
	FY12-13	FY13-14	FY14-15	FY15-16	FY15-16
	Actual	Actual	Actual	Approp.	Request
Workers' Comp. Claims and Excess Policy	\$40,447,902	\$32,783,361	\$32,874,194	\$37,910,667	\$36,100,175
Property Policies and Deductibles and Payouts	7,668,912	7,618,195	15,300,264	7,507,385	7,779,922
Liability Claims and Excess Policy	5,404,465	4,040,406	6,877,063	4,544,498	7,362,548
SUBTOTAL Claims, Premiums, and Deductibles	\$53,521,279	\$44,441,962	\$55,051,521	\$49,962,550	\$51,242,645
Claims, Premiums, and Deductibles percentage	94.6%	83.9%	85.2%	85.1%	83.1%
Workers' Comp. Legal Services	n/a	2,231,183	2,235,456	1,985,089	2,452,571
Liability Legal Services	2,276,115	3,105,358	3,426,764	2,807,823	3,985,654
SUBTOTAL Legal Services	2,276,115	5,336,541	5,662,220	4,792,912	6,438,225
Legal Services percentage	4.0%	10.1%	8.8%	8.2%	10.4%
Risk Management Admin. Expense and TPA Fees	777,763	3,216,405	3,887,040	3,931,438	4,019,021
Administrative Expense Percentage	1.4%	6.7%	6.6%	7.3%	6.5%
TOTAL Risk Management	\$56,575,157	\$52,994,908	\$64,600,781	\$58,686,900	\$61,699,891
FY12-13 - FY15-16 Appropriations	59,928,651	58,473,182	60,348,176	58,686,900	n/a
Reversion/(Overexpenditure)	\$3,353,494	\$5,478,274	(\$4,252,605)	n/a	n/a

Prior to FY 2013-14, almost 95 percent of total expenditures were paid from within three program *Premiums* line items. Program administrative and overhead payments are now identified in the Risk Management Program Administrative Cost section. The Workers' Compensation TPA Fees and Loss Control line item provides funding for the State's workers' compensation third party administrator (TPA), Broadspire, and the Department's loss control initiatives. It is located in the workers' compensation program section of the budget due to its program-specific nature. However, it is included in administrative expenses in the table as it is a program management expense and does not vary due to claims experience.

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State Fleet Management

Pursuant to Section 24-30-1104 (2) (a), C.R.S., the State Fleet Management Program (Fleet) manages the state motor pool, coordinates the maintenance and repairs for state vehicles, auctions older vehicles, and purchases vehicles that are financed by a third-party company. Fleet is funded by reappropriated funds from the Motor Fleet Management Fund, pursuant to Section 24-30-1115, C.R.S.

Fleet Management Program Appropriations and Expenditures						
	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15
Total Fleet Appropriation	\$39,431,801	\$42,101,025	\$42,633,110	\$42,834,398	\$44,845,691	\$46,180,744
Total Fleet Actual Expenditure	32,033,596	36,669,122	39,069,420	38,640,678	40,273,443	38,083,976
Fleet Vehicles	5,817	5,903	5,912	5,912	5,932	5,950
Average Annual Cost per Vehicle	\$5,507	\$6,212	\$6,608	\$6,536	\$6,789	\$6,401
Change in Average Cost		12.8%	6.4%	-1.1%	3.9%	-5.7%
Fixed Costs						
Vehicle Lease/Purchase Appropriation	\$13,984,778	\$16,599,436	\$15,592,829	\$15,686,775	\$18,032,956	\$19,073,523
Vehicle Lease/Purchase Expenditure	12,188,713	14,519,741	14,695,589	14,125,831	15,597,561	16,070,129
Average Lease/Purchase per Vehicle	\$2,095	\$2,460	\$2,486	\$2,389	\$2,629	\$2,701
Lease/Purchase Percent of Vehicle Cost	38.0%	39.6%	37.6%	36.6%	38.7%	42.2%
Variable Costs						
Fleet Operating Expenses Appropriation	\$24,127,500	\$24,131,346	\$25,728,564	\$25,728,564	\$25,514,293	\$25,514,293
Fleet Operating Expenses Expenditures	18,492,680	20,675,568	23,066,149	23,124,509	23,293,782	20,102,800
Average Operating Exp. per Vehicle	\$3,179	\$3,503	\$3,902	\$3,911	\$3,927	\$3,379
Operating Exp. Percent of Vehicle Cost	57.7%	56.4%	59.0%	59.8%	57.8%	52.8%
Administrative Costs						
Fleet Admin. Appropriation	\$1,319,523	\$1,370,243	\$1,311,717	\$1,419,059	\$1,316,582	\$1,592,928
Fleet Admin. Expenditures	1,352,203	1,473,813	1,307,682	1,390,338	1,382,100	1,911,047
Average Admin. Exp. per Vehicle	\$232	\$250	\$221	\$235	\$233	\$321
Admin. Exp. Percent of Vehicle Cost	4.2%	4.0%	3.3%	3.6%	3.4%	5.0%

Vehicles in the state fleet incur both fixed and variable costs. Fixed costs include vehicle lease payments and Fleet's vehicle management fee, and are funded in the *Vehicle Lease Payments* line item in individual department budgets. Variable costs include the cost of repairs, maintenance, fuel, and insurance for state agency vehicles and are funded in individual department *Operating Expenses* line items. Vehicle lease payments to finance companies are paid from Fleet's, *Vehicle Replacement Lease/Purchase* line item. The vehicle management fee funds Fleet's administrative overhead including personal services, administrative operating expenses, leased space, and indirect costs. Beginning in FY 2013-14 a *Fuel and Automotive Supplies* line item was split out from the program *Operating Expenses* line item to identify administrative operating expenses separately. Leases vary between 72 and 120 months, with the exception of State Patrol vehicles that are 48-month leases. Non-CSP vehicles are first evaluated for replacement at 100,000 miles, but the average vehicle is replaced at 140,000 miles. State Patrol vehicles are first evaluated for replacement at 80,000 miles, and are typically replaced at 110,000 miles.

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Summary: FY 2015-16 Appropriation & FY 2016-17 Request

Department of Personnel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$181,200,121	\$11,711,626	\$13,830,708	\$155,657,787	\$0	406.4
Other Legislation	<u>1,200</u>	<u>0</u>	<u>0</u>	<u>1,200</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$181,201,321	\$11,711,626	\$13,830,708	\$155,658,987	\$0	407.4
FY 2016-17 Requested Appropriation						
FY 2015-16 Appropriation	\$181,201,321	11,711,626	\$13,830,708	\$155,658,987	\$0	407.4
R1 Resources for Administrative Courts	311,804	0	0	311,804	0	4.5
R2 Fleet Re-alignment	0	0	0	0	0	0.0
R3 Annual Fleet Vehicle Request	766,084	0	0	766,084	0	0.0
Risk Management Base Adjustments	2,979,010	0	0	2,979,010	0	0.0
CORE Operations Base Adjustments	387,792	0	0	387,792	0	0.0
Capitol Complex Base Adjustments	250,273	0	7,285	242,988	0	0.0
NP1 Resources for Administrative Courts	743	0	743	0	0	0.0
NP2 Annual Fleet Vehicle Request	(12,430)	0	0	(12,430)	0	0.0
NP3-6 New Vehicle NP Requests	15,640	0	0	15,640	0	0.0
NP7 Secure Colorado	13,399	3,526	1,530	8,343	0	0.0
Centrally Appropriated Line Items	1,928,692	385,744	15,396	1,527,552	0	0.0
Annualize Prior Year Legislation	300,422	213,622	82,000	4,800	0	1.0
Annualize Prior Year Budget Actions	41,927	76,558	26,386	(61,017)	0	0.1
Statewide Indirect Cost Assessment Adjustment	(1,423,680)	0	(262,866)	(1,160,814)	0	0.0
Fund Source Adjustment	<u>0</u>	<u>606,673</u>	<u>(268,090)</u>	<u>(338,583)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$186,760,997	\$12,997,749	\$13,433,092	\$160,330,156	\$0	413.0
Increase/(Decrease)	\$5,559,676	\$1,286,123	(\$397,616)	\$4,671,169	\$0	5.6
Percentage Change	3.1%	11.0%	(2.9%)	3.0%	0.0%	1.4%

Description of Requested Changes

R1 Resources for Administrative Courts: The request includes a \$312,000 increase in reappropriated funds and 4.5 FTE for the Office of Administrative Courts. The request includes \$291,000 for 3.0 FTE of clerks at the Technician II level and 1.5 FTE of administrative law judges (ALJ) at the ALJ II level. The request also includes an increase of \$21,000 for leased space in Colorado Springs.

R2 Fleet Re-alignment: The request is for a budget-neutral transfer of spending authority in the Fleet Management Program from the Fuel and Automotive Supplies line item to the administrative Operating Expenses line item of \$343,000 reappropriated funds, representing an increase of 160.0 percent for this line item currently appropriated \$214,000.

R3 Annual Fleet Vehicle Request: The request includes an increase of \$766,000 reappropriated funds for the Vehicle Replacement Lease/Purchase line item in the Fleet Management Program. The request is to replace 711 fleet vehicles statewide, including 306 designated as potential compressed natural gas (CNG) vehicles.

Risk Management Base Adjustments: The request includes a net increase of \$3.0 million reappropriated funds for risk management base adjustments. In order of dollar amount by increase and then decrease, adjustments include:

- a 66.5 percent increase of \$2.8 million for liability claims;
- a 41.9 percent increase of \$1.2 million for liability legal services;
- a 23.5 percent increase of \$467,000 for workers' compensation legal services;
- a 5.6 percent increase of \$273,000 for property policies;
- a 39.0 percent increase of \$54,000 for the risk management information system;
- a 4.6 percent increase of \$36,000 for workers' compensation excess policy;
- a 5.0 percent increase of \$17,000 for liability excess policy; and
- a 5.0 percent decrease of \$1.8 million for workers' compensation claims.

CORE Operations Base Adjustments: The request includes a \$388,000 increase in reappropriated funds for CORE Operations base adjustments for the Payments for CORE and Support Modules line item.

Capitol Complex Base Adjustments: The request includes a \$250,000 increase in cash and reappropriated funds spending authority for Capitol Complex base adjustments for utilities.

NP1 Resources for Administrative Courts: The request includes the Department's share of the adjustment for the Resources for Administrative Courts request.

NP2 Annual Fleet Vehicle Request: The request includes the Department's share of annual fleet vehicle replacement adjustments.

NP3-6 New Vehicle NP Requests: The requests include a \$16,000 increase in reappropriated funds spending authority for the Vehicle Replacement Lease/Purchase line item for five vehicles in new vehicle requests from the Department of Natural Resources (1), the Department of Agriculture (1), the Department of Public Safety (2), and the Department of State (1).

NP7 Secure Colorado: The request seeks an increase of \$13,399 total funds, including \$3,526 General Fund, to cover the Department's share of the Office of Information Technology's implementation of advanced information security event analytics capabilities.

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Centrally appropriated line items: The request includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; and payments to OIT.

Annualize Prior Year Legislation: The request includes a net increase of \$300,000 total funds, including \$214,000 General Fund, for adjustments related to prior year legislation, including:

- an increase of \$214,000 General Fund and 1.0 FTE for S.B. 15-270 (Create Office of State Architect);
- an increase of \$4,800 reappropriated funds for S.B. 15-282 (Jump-start Prog Econ Dev Distressed Counties);
- an increase of \$1,200 reappropriated funds for H.B. 15-1181 (Colorado is Honoring Our Military Tax Exemption);
- a decrease of \$1,200 reappropriated funds for H.B. 15-1219 (EZ Investment Tax Credit for Renewable Energy); and
- an increase of \$82,000 cash funds for S.B. 13-276 (Disability Investigational and Pilot Support Fund).

Annualize Prior Year Budget Actions: The request includes a net increase of \$42,000 total funds, including \$77,000 General Fund, for adjustments related to prior year budget actions, including:

- a decrease of \$54,000 General Fund for FY15-16 BA1 (Restructure Office of the State Controller to Support CORE);
- an increase of \$4,385 General Fund and 0.1 FTE for FY15-16 BA2 (Capitol Complex Master Plan FTE Resources);
- an increase of \$300,000 General Fund for FY14-15 Total Compensation Survey; and
- a decrease of \$215,000 General Fund for FY13-14 Employee Engagement Survey.

Statewide Indirect Cost Assessment Adjustment: The request includes a net decrease of \$1.4 million cash and reappropriated funds for adjustments to departmental indirect cost assessments included in the Statewide Indirect Cost Plan.

Fund Source Adjustment: The request includes an increase of \$607,000 General Fund offset by an equal decrease in cash and reappropriated funds related to reduced funding available from statewide indirect cost recoveries (\$307,000) and procurement card revenue (\$300,000).

Issue 1: Legislative Appropriations Authority and the R2 Fleet Re-alignment Request, IDS Postage Transfers, and Risk Management Overexpenditures

Among operating expense transfers referred to in the R2 Fleet Re-alignment request, transfers between the Integrated Document Solutions (IDS) operating expenses and postage line items, and overexpenditures of line items having continuous spending authority in risk management programs, the Department exhibits a pattern of using questionable authority to sidestep legislative appropriations authority and avoiding scrutiny of expenditures for program line items having continuous spending authority.

SUMMARY:

- The Department inappropriately used statutory, executive branch appropriations transfer authority in transferring \$427,000 from the Fuel and Automotive Supplies line item to the Fleet Operating Expenses line item over two years, after the JBC and General Assembly intentionally split those line items in FY 2013-14.
- The Department inappropriately used statutory, executive branch appropriations transfer authority in transferring \$482,000 from the IDS Postage line item to the IDS Operating Expenses line item in FY 2014-15, after the JBC and General Assembly intentionally split those line items in FY 2014-15.
- In FY 2014-15, the Liability Program and Property Program experienced costs that were 32.7 percent and 113.1 percent higher respectively than was included in informational appropriations.

RECOMMENDATION:

Staff recommends that the Committee pursue legislation:

1. **To amend Section 24-75-108, C.R.S., to clarify that transfer of appropriations for like purposes does not include: (1) Transfers between line items previously split by the General Assembly; or (2) Any other transfer which might meet a statutory interpretation of like purposes but which transfer in its effect would be a constitutional violation of legislative intent expressed through appropriations decisions.** Such a transfer is a clear violation of legislative intent and of the constitutional authority over appropriations provided to the legislature; but the statute should simply be amended and clarified rather than executive actions challenged through the judicial process.

2. **To amend Section 24-30-1102 (4), C.R.S., to specifically exclude printing, copying, and print-related graphic and production services from the definition of "services" that must be purchased from the Division of Central Services by state agencies.** Based on the Department's actions related to the inappropriate transfer of spending authority among intentionally split line items and the appearance of not being forthright about administrative overhead expenses, the IDS program should not continue to be afforded their protected monopoly status for these particular services.

3. **To eliminate continuous spending authority for all risk management programs appropriations, included in Sections 24-30-1510 (1) (a), 24-30-1510.5 (1) (a), and 24-30-1510.7 (1) (a), C.R.S.** Given the Department's pattern of sidestepping appropriations authority generally and not forthrightly communicating anticipated overexpenditures of informational appropriations in risk management programs, staff recommends that continuous spending authority for risk management programs be rescinded.

DISCUSSION:

R2 Fleet Re-alignment, Fuel and Operating Expenses, and Constitutional Appropriation Authority

In the R2 Fleet Re-alignment request, the Department requests a budget-neutral transfer of spending authority from the Fuel and Automotive Supplies line item to the Operating Expenses line item. The Department's request narrative includes the following: "This transfer of \$342,749 will allow Fleet Management the ability to pay for its routine operating expenses, pay for its motor pool leases, and to dispose of vehicles without resorting to completing an *Appropriation Transfer Authorization* request annually to address the misalignment."

While staff is not opposed to a budget-neutral transfer of spending authority to better align appropriations with actual expenditures, staff is concerned that the transfer request for FY 2016-17 appears to include a history of inappropriate use of statutory transfer authority that is provided to the executive branch in Section 24-75-108, C.R.S., since the lines were split in FY 2013-14.

The Department used such transfers totaling \$342,000 in FY 2014-15 and \$85,000 in FY 2013-14. Staff believes this transfer authority used in FY 2013-14 and FY 2014-15 was inappropriate and possibly unconstitutional because in 2013, for the FY 2013-14 budget, staff recommended and the Committee accepted staff's recommendation to split the lines in question in order to better clarify and provide increased transparency for spending from these line items. The legislative intent in the appropriations was that spending be separated for these items.

The use of executive branch appropriations transfer authority pursuant to Section 24-75-108, C.R.S., is limited to transfers for "like items". While it is reasonable to suggest that transfers between formerly split line items may meet the meaning of the statutorily undefined term "like items", **the use of this transfer authority for a line item intentionally split by the JBC and the General Assembly is an express end-run around the constitutional authority provided to the legislature over appropriations.** While the transfer approval actions arguably meet the

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statutory requirement, they are most definitely at odds with the legislative authority over appropriations provided in the constitution and additionally clarified in case law.

Further, regardless of the reason for the need to adjust spending authority across line items, the Department could have availed itself of the supplemental process for FY 2013-14 or submitted a budget adjustment for FY 2014-15, but did neither. **The inappropriate use of executive branch transfer authority and its failure to use the budget process for this purpose suggests that the Department was intentionally disregarding the legislature's appropriation authority and sidestepping the expenditure transparency intended by the split.**

Fleet Line Item Split History and the Current Request

The recommendation in 2013 was to split Fleet Management's single, \$25.7 million operating expenses line item into an administrative overhead, operating expenses line and a program operating, fuel and automotive supplies line. The Department claims in its request narrative that the split included inherent apportionment errors that would have required inappropriate payments to be made out of the fuel and automotive supplies line item. The Department's request narrative states:

When the split was made, the costs of the motor pool leases were transferred into the Fuel and Automotive Supplies line item, but could not be paid from that line as it would not be appropriate since this is an operating expense. When payments for the motor pool's leased vehicles came due it required a transfer of funds to the Operating line item appropriation to pay them.

At the figure setting recommendation to split the line item, **staff used the Department's own budget request schedule 14 to identify the Department's FY 2013-14 projection of \$25.5 million identified in its document as fuel and automotive supplies** and the balance, \$214,000, for all other operating expenses.

Staff made the recommendation to split this line item because the Department had a history of requesting additional spending authority for fuel costs at times when the price of gasoline went up. However, there was never a downward adjustment for fuel when gasoline dropped in price. Additionally, it was staff's goal to clearly identify administrative overhead expense in the Fleet Management program and was concerned that the single operating expenses line item could be used to spend on excessive administrative overhead expenses. And based on the Department's history of requesting increases for this line on the basis of increased fuel prices, any spending authority increase provided for fuel should be limited to spending on fuel specifically. The Committee agreed and the line was split.

The Department's R2 request identifies \$142,749 to be used to pay auction fees and \$200,000 for Motor Pool vehicle lease payments and Motor Pool operating costs. **Staff will make recommendations at figure setting to provide for these transfers at the requested amounts into new line items for these express purposes.**

Integrated Document Solutions (IDS) and Postage

In 2014, for the FY 2014-15 budget, staff recommended that the Integrated Document Solutions operating expenses line item be split into a postage line item and all other operating expenses

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line item. Similar to the increasing price of gasoline as a need to increase spending authority for Fleet, the Department had requested increased spending authority for the operating expenses line item on the basis of the increased price for postage. While staff was hesitant to recommend an increase for postage, it was more important that this fairly large factor in IDS operations be lined out specifically, since it was for this reason alone that the increase was requested. **In consultation with the Department, and incorporating the request for an increased appropriation for postage, staff set the IDS Postage line item at \$7.8 million and the balance of \$5.5 million for all other IDS operating expenses.**

FY 2014-15 actual expenditures data provided by the Department in the current budget request shows that the Department executed a transfer of \$482,000 from the postage line item to the operating expenses line item using the same executive branch appropriations transfer authority. As with the Fleet program transfers to the operating expenses line item, the Department had the opportunity to avail themselves of the supplemental process to make a proper adjustment through budget processes. **The inappropriate use of executive branch transfer authority and its failure to use the budget process for this purpose suggests that the Department was, again, intentionally disregarding the legislature's appropriation authority and sidestepping the expenditure transparency intended by the split.**

The IDS Monopoly

Part 11 of article 30 of title 24, C.R.S., regards the Division of Central Services. These provisions include the requirement that anywhere in Colorado that the Division provides services, state agencies must purchase services from the Division. These statutes also provide for a waiver and waiver process that allow a department to purchase from an outside vendor, but only with approval from the Division. Services are defined to include "printing, document management, mail-related services, microfilm, graphic arts, fleet management, and other similar support functions..." in Section 24-30-1102 (4), C.R.S.

In staff's experience with the Department, the Division has the ability to offer services to state agencies that provide a custom level or approach to document management services. However, printing and copying and related services are a commodity service provided by the market generally. It is not clear to staff that business services broadly provided by the market at commodity pricing is something that should be a protected monopoly for the Division. **Staff recommends that printing, copying, and print-related graphic and production services be removed from services which must be purchased from the Division by state agencies.**

Staff is not recommending the elimination of this function in IDS, but believes that the Division should compete for this business without statutory monopoly protection for basic business services that are broadly provided by the market. However, based on the Department's actions related to the transfer of spending authority and an appearance of hiding administrative overhead expenses, staff believes that the IDS program should not continue to be afforded their monopoly protected status for these particular services.

Risk Management Overexpenditures

The liability and property programs in risk management have historically been afforded continuous spending authority in statute "for the purposes of the risk management fund/self-

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insured property fund other than the direct and indirect administrative costs of operating the risk management system...". In 2014, the Department sought equivalent continuous spending authority for the workers' compensation program. Staff generally supported the request and S.B. 14-120 was carried as a JBC bill.

Staff supported the Department's request primarily to allow risk management to pay for workers compensation claims as necessary without annual budget authority which at times necessitated supplementals, including emergency supplementals. However, staff recommended that the provision more clearly specify what was included in continuous spending authority and legal services, litigation expenses, and third-party administrator expenses were specifically excluded from continuous spending authority.

Staff made these exclusion recommendations due to the substantial increasing cost for legal services and third-party administrator expenses reported by the Department since line items were split in FY 2013-14. Prior to FY 2013-14, almost 95 percent of total expenditures in risk management were paid from within three, continuously appropriated, program "Premiums" line items.

FY 2014-15 actual expenditures data provided by the Department in the current budget request shows that:

- **Liability Claims** totaled \$6.6 million, or **49.7 percent more** than its \$4.4 million informational appropriation.
- **Liability Legal Services** totaled \$3.4 million, or **12.6 percent more** than its \$3.0 million informational appropriation.
- **Property Policies** totaled \$4.9 million, or **5.9 percent more** than its \$4.6 million informational appropriation.
- **Property Deductibles and Payouts** totaled \$10.5 million, or **303.0 percent more** than its \$2.6 million informational appropriation.
- **Workers' Compensation Legal Services** was originally appropriated \$1.1 million and was provided with a supplemental appropriation of \$0.9 million. Actual expenditures totaled \$2.2 million, including an actual **\$250,000 overexpenditure** since this line item is not continuously appropriated.

These actual expenditure items suggest that the risk management programs continue to experience higher expenditures than projected by the Department in its budget request and common policy documents. While it is reasonable to maintain continuous spending authority for claims or deductibles which must be paid, **staff recommends that the Committee rescind continuous spending authority in its entirety due to the wide fluctuations in claims, claims-related, and legal services payments.**

Staff has never recommended that the Committee deny a supplemental or emergency supplemental as needed and would continue to make the recommendation to pay for those needs. However, **staff believes that the risk management programs are experiencing so much fluctuation from year to year across programs that the annual budget process is the best place to monitor expenditures in real time rather than retrospectively.**

Recommendations Summary

Staff recommends that the Committee pursue legislation as follows:

1. To amend Section 24-75-108, C.R.S., to clarify that transfer of appropriations for like purposes does not include:
 - * Transfers between line items previously split by the General Assembly; or
 - * Any other transfer which might meet a statutory interpretation of like purposes but which transfer in its effect would be a constitutional violation of legislative intent expressed through appropriations decisions.
2. To amend Section 24-30-1102 (4), C.R.S., to specifically exclude printing, copying, and print-related graphic and production services from the definition of "services" that must be purchased from the Division by state agencies.
3. To eliminate continuous spending authority for all risk management programs appropriations, included in Sections 24-30-1510 (1) (a), 24-30-1510.5 (1) (a), and 24-30-1510.7 (1) (a), C.R.S.

Issue 2: Total Comp Reversions and the State Employee Reserve Fund

In FY 2014-15, the Department of Personnel reverted \$632,000 General Fund, equal to 47.2 percent of its appropriation for Health, Life, and Dental, Short Term Disability, Amortization Equalization Disbursement (AED), and Supplemental Amortization Equalization Disbursement (SAED). General Fund reversions for AED and SAED, which are not employee compensation but rather debt payments for PERA's unfunded liability, and are appropriated based on rates set in statute, represent 70.4 and 70.0 percent of these line item appropriations, respectively. The State Employee Reserve Fund (SERF), created in H.B. 12-1321 (Modernization of the State Personnel System Act), requires the transfer of General Fund reversions to department sub-accounts within the fund, rather than reverting to the General Fund. The SERF may provide incentives for saving General Fund but may just as likely lead to abuses that may include gaming appropriations and expenditures in order to generate balances in the SERF.

SUMMARY:

- In FY 2014-15, the Department of Personnel's General Fund reversion from AED and SAED totaled \$427,000 equal to 70.2 percent of the appropriation.
- These reversions are credited to the SERF pursuant to Section 24-50-104, C.R.S., which was created in H.B. 12-1321, which codified the merit pay process.
- The SERF credits General Fund savings from compensation and operating line items to department sub-accounts which are continuously appropriated for merit pay.

RECOMMENDATION:

Staff recommends that the Committee pursue legislation to repeal the State Employee Reserve Fund in its entirety and transfer existing balances to the General Fund.

Alternatively, staff recommends that the SERF be amended to:

- Exclude reversions from AED and SAED from being credited to the SERF.
- Exclude reversions from appropriations in non-budget bills from being credited to the SERF.
- Repeal the continuous spending authority provided for SERF since all necessary fund sources are identified in letter notes and account for all funding necessary for total merit pay appropriations in the annual budget.

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DISCUSSION:

Department of Personnel Compensation Reversions in FY 2014-15

The following table outlines the Department's compensation common policies reversions in FY 2014-15, as reported in the Department's budget schedule 3.

Department of Personnel - FY 2014-15 Total Compensation Appropriation to Actual and Reversion Analysis								
	Total Funds				General Fund			
	Approp	Actual	Reversion	Rev %	Approp	Actual	Reversion	Rev %
PERA Unfunded Liability Payments								
AED	\$863,323	\$369,736	\$493,587	57.2%	\$313,795	\$92,911	\$220,884	70.4%
SAED	809,365	351,803	457,562	56.5%	294,183	88,384	205,799	70.0%
Subtotal – PERA U.L. Payments	\$1,672,688	\$721,539	\$951,149	56.9%	\$607,978	\$181,295	\$426,683	70.2%
State Employee Total Comp. POTS								
Health, Life, and Dental	\$2,482,052	\$1,359,038	\$1,123,014	45.2%	\$714,917	\$522,157	\$192,760	27.0%
Short Term Disability	46,929	20,386	26,543	56.6%	17,117	4,459	12,658	73.9%
Salary Survey	684,268	606,186	78,082	11.4%	246,080	246,080	0	0.0%
Merit Pay	199,727	171,279	28,448	14.2%	63,712	63,712	0	0.0%
Shift Differential	46,698	33,654	13,044	27.9%	0	0	0	n/a
Subtotal - Total Comp. POTS	3,459,674	2,190,543	1,269,131	36.7%	1,041,826	836,408	205,418	19.7%
Total	\$5,132,362	\$2,912,082	\$2,220,280	43.3%	\$1,649,804	\$1,017,703	\$632,101	38.3%

Payments made for PERA's unfunded liability – AED and SAED – are not state employee compensation, but are calculated on total payroll. The table reflects that the Department experienced total General Fund reversions of \$427,000, equal to 70.2 percent of the appropriation, for AED and SAED in FY 2014-15. The Department also experienced General Fund reversions of \$193,000 (27.0 percent) and \$13,000 (73.9 percent) for Health, Life, and Dental and Short Term Disability, respectively. The Department reports no General Fund reversions for salary survey and merit pay.

Staff surveyed all departments AED and SAED actual expenditures and found that the Department of Personnel appears to be the only department with such a large deviation from the appropriation. The following table outlines General Fund reversions for AED and SAED for all departments.

FY 2014-15 General Fund Reversions - AED and SAED				
Department	Approp.	Actual	Reversion	Rev. %
Agriculture	\$517,803	\$517,803	\$0	0.0%
Corrections	25,248,331	25,248,331	0	0.0%
Education	1,011,111	997,774	13,337	1.3%
Governor	393,254	393,254	0	0.0%
Health Care Policy and Financing	794,420	794,420	0	0.0%

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FY 2014-15 General Fund Reversions - AED and SAED				
Department	Approp.	Actual	Reversion	Rev. %
Human Services	11,206,217	11206217	0	0.0%
Judicial	18,585,013	18,561,826	23,187	0.1%
Labor and Employment	5,102	0	5,102	100.0%
Law	738,837	738,837	0	0.0%
Legislature	1,836,285	1,607,856	228,429	12.4%
Local Affairs	152,789	152,789	0	0.0%
Military and Veterans Affairs	214,894	214,894	0	0.0%
Natural Resources	1,307,235	1,307,235	0	0.0%
Personnel	\$607,978	\$181,295	426,683	70.2%
Public Health and Environment	584,968	584,968	0	0.0%
Public Safety	2,032,964	2,032,964	0	0.0%
Regulatory Agencies	88,303	88,303	0	0.0%
Revenue	2,054,483	2054483	0	0.0%
Treasury	79,114	79,114	0	0.0%
Statewide Total	\$67,459,101	\$66,762,363	\$696,738	1.0%

The Department of Labor and Employment is almost entirely cash and federal funded and its total AED and SAED appropriation is \$4.9 million. The General Fund appropriation represents 0.1 percent of the total appropriation. The legislature is entirely General Funded and reversions by legislative agency include: 19.3 percent for the General Assembly; 9.9 percent for the State Auditor; 6.3 percent for the JBC; 9.7 percent for the Legislative Council; and 9.0 percent for the Committee on Legal Services.

State Employee Reserve Fund

The State Employee Reserve Fund (SERF) is created in Section 24-50-104 (1) (j) (II) (A), C.R.S. The fund was added to statute in H.B. 12-1321, Modernization of the State Personnel System Act, which created the "merit pay" system or process in statute.

The provisions related to the fund instruct the State Controller and the State Treasurer to transfer unexpended General Fund (and statutorily specified cash funds – at this time there are no specified cash funds) from state agency operating budgets at the end of each fiscal year. Without this transfer, unexpended General Fund appropriations would revert to the General Fund. The transfer is credited to each Department's subaccount within the SERF for the purpose of funding merit pay increase for state employees. The moneys in the SERF and in the subaccounts are continuously appropriated to each department. The intent of the legislation appears to have been to encourage General Fund savings by departments while providing an additional source for departments to pay for merit pay increases.

Staff was unaware of this fund until it came to staff's attention during the supplemental appropriations process last year. The unrestricted nature of the statutory transfer caused a \$6.4 million General Fund appropriation for the Department of Public Safety for sexual assault kit testing to be transferred to this fund. At that time, staff recommended that the amount be

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transferred from the SERF back to the General Fund, which would enable the Department to access the funds for the purposes of the bill through roll-forward authority.

At that time staff did not recommend that the Committee pursue statutory changes to the SERF provision, but suggested that the Committee may want to consider adding limits to the end-of-year transfer related to appropriations in bills other than line items in budget bills. Staff made this recommendation due to the opportunity to pad costs in the fiscal note process. Departments would have an incentive to project higher costs than necessary for bills during the fiscal note process with the knowledge that reversions would be credited to their SERF sub-accounts.

Encouraging General Fund savings in compensation and operating line items in the budget bills may be appropriate. Additional funds accruing in the SERF and subaccounts due to overestimated costs of a bill should be discouraged. These unexpended funds should revert to the General Fund. **Staff recommends that the SERF be amended to exclude reversions from appropriations in non-budget bills from being credited to the SERF.**

While staff is unclear how the Department is able to substantially underpay for AED and SAED as appropriated, staff believes that the Department may be intentionally maximizing the reversion of General Fund for the purpose of filling its sub-account in the SERF. The SERF may provide incentives for saving General Fund expenditures but may just as likely lead to abuses that may include gaming appropriations and expenditures in order to generate balances in the SERF. **Staff recommends that AED and SAED be excluded from the SERF General Fund reversion transfer.**

Moneys in the SERF and in the subaccounts are continuously appropriated to each department for the purpose of funding merit pay increase for state employees. However, annual appropriations from all fund sources provide 100-percent funding for the amount appropriated for merit pay. If departments are to have access to the SERF for this purpose, then this fund source should be recognized and appropriated in letter notes in the annual budget. **Staff recommends the repeal of continuous spending authority provided for SERF.**

The provisions surrounding the SERF imply that departments can and should be incentivized to reduce General Fund expenditures. However, theoretically, adjustments will be made in the budget on an ongoing basis to account for consistent, regular, or ongoing reversions. So the SERF incentive appears at best to be a short-term solution when compared to appropriate budget oversight through the annual appropriations process. On the other hand, staff has identified several issues with SERF that may lead to abuses that can occur with or without obvious reporting transparency based on the scale of manipulation. Rather than pay departments through a savings incentive, reasonable legislative oversight of the budget is a better system to consistently achieve savings without the equal and opposite incentive that is built into the SERF to game appropriations and expenditures. **On this basis, staff recommends that the Committee pursue legislation to repeal the SERF in its entirety.**

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Schedule 3

Long Bill Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Initial Appropriation						
SB 15-234 General Appropriation Act (FY 2015-16)	\$50,200	0.0	\$17,610	\$5,050	\$27,540	\$0
FY 2015-16 Initial Appropriation	\$50,200	0.0	\$17,610	\$5,050	\$27,540	\$0
FY 2015-16 Personal Services Allocation						
	\$50,200	0.0	\$17,610	\$5,050	\$27,540	\$0
FY 2016-17 Request						
FY 2015-16 Initial Appropriation	\$50,200	0.0	\$17,610	\$5,050	\$27,540	\$0
TA-05 FY 2016-17 Total Compensation Request	(\$5,549)	0.0	(\$2,915)	(\$558)	(\$2,076)	\$0
FY 2016-17 Base Request	\$44,651	0.0	\$14,695	\$4,492	\$25,464	\$0
FY 2016-17 Governor's Budget Request	\$44,651	0.0	\$14,695	\$4,492	\$25,464	\$0
FY 2016-17 Personal Services Allocation						
	\$44,651	0.0	\$14,695	\$4,492	\$25,464	\$0

Amortization Equalization Disbursement

FY 2014-15 Actual						
HB 14-1336 General Appropriations Act (FY 2014-15)	\$863,323	0.0	\$313,795	\$72,844	\$476,684	\$0
FY 2014-15 Final Appropriation	\$863,323	0.0	\$313,795	\$72,844	\$476,684	\$0
FY 2014-15 Total Compensation POTS Transfers	(\$369,736)	0.0	(\$92,911)	(\$27,426)	(\$249,399)	\$0
FY 2014-15 Expenditure Authority	\$493,587	0.0	\$220,884	\$45,418	\$227,285	\$0
FY 2014-15 Reversion (Overexpenditure)	\$493,587	0.0	\$220,884	\$45,418	\$227,285	\$0

FY 2015-16 Initial Appropriation

SB 15-234 General Appropriation Act (FY 2015-16)	\$1,054,638	0.0	\$368,794	\$106,394	\$579,450	\$0
FY 2015-16 Initial Appropriation	\$1,054,638	0.0	\$368,794	\$106,394	\$579,450	\$0
FY 2015-16 Personal Services Allocation						
	\$1,054,638	0.0	\$368,794	\$106,394	\$579,450	\$0

FY 2016-17 Request

FY 2015-16 Initial Appropriation	\$1,054,638	0.0	\$368,794	\$106,394	\$579,450	\$0
TA-05 FY 2016-17 Total Compensation Request	\$75,336	0.0	\$2,817	\$6,777	\$65,742	\$0
FY 2016-17 Base Request	\$1,129,974	0.0	\$371,611	\$113,171	\$645,192	\$0
FY 2016-17 Governor's Budget Request	\$1,129,974	0.0	\$371,611	\$113,171	\$645,192	\$0
FY 2016-17 Personal Services Allocation						
	\$1,129,974	0.0	\$371,611	\$113,171	\$645,192	\$0

Department of Personnel & Administration **FY 2016-17** **Schedule 3**

Long Bill Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Supplemental Amortization Equalization Disbursement						
FY 2014-15 Actual						
HB 14-1336 General Appropriations Act (FY 2014-15)	\$809,365	0.0	\$294,183	\$68,291	\$446,891	\$0
FY 2014-15 Final Appropriation	\$809,365	0.0	\$294,183	\$68,291	\$446,891	\$0
FY 2014-15 Total Compensation POTS Transfers	(\$351,803)	0.0	(\$88,384)	(\$25,713)	(\$237,706)	\$0
FY 2014-15 Expenditure Authority	\$457,562	0.0	\$205,799	\$42,578	\$209,185	\$0
FY 2014-15 Reversion (Overexpenditure)	\$457,562	0.0	\$205,799	\$42,578	\$209,185	\$0
FY 2015-16 Initial Appropriation						
SB 15-234 General Appropriation Act (FY 2015-16)	\$1,018,684	0.0	\$356,221	\$102,767	\$559,696	\$0
FY 2015-16 Initial Appropriation	\$1,018,684	0.0	\$356,221	\$102,767	\$559,696	\$0
FY 2015-16 Personal Services Allocation	\$1,018,684	0.0	\$356,221	\$102,767	\$559,696	\$0
FY 2016-17 Request						
FY 2015-16 Initial Appropriation	\$1,018,684	0.0	\$356,221	\$102,767	\$559,696	\$0
TA-05 FY 2016-17 Total Compensation Request	\$99,519	0.0	\$11,519	\$9,225	\$78,775	\$0
FY 2016-17 Base Request	\$1,118,203	0.0	\$367,740	\$111,992	\$638,471	\$0
FY 2016-17 Governor's Budget Request	\$1,118,203	0.0	\$367,740	\$111,992	\$638,471	\$0
FY 2016-17 Personal Services Allocation	\$1,118,203	0.0	\$367,740	\$111,992	\$638,471	\$0
Salary Survey						
FY 2014-15 Actual						
HB 14-1336 General Appropriations Act (FY 2014-15)	\$684,268	0.0	\$246,080	\$58,281	\$379,907	\$0
FY 2014-15 Final Appropriation	\$684,268	0.0	\$246,080	\$58,281	\$379,907	\$0
FY 2014-15 Total Compensation POTS Transfers	(\$606,186)	0.0	(\$246,080)	(\$58,281)	(\$301,825)	\$0
FY 2014-15 Expenditure Authority	\$78,082	0.0	\$0	\$0	\$78,082	\$0
FY 2014-15 Reversion (Overexpenditure)	\$78,082	0.0	\$0	\$0	\$78,082	\$0

Issue 3: CORE Operations Update

Beginning in FY 2015-16, the administrative responsibility for CORE was transferred from the Governor's Office of Information Technology (OIT) to the Department of Personnel. In addition to the transfer and restructuring of the Office of the State Controller to manage CORE Operations, the further development of CORE modules and their use by state agencies is ongoing. This issue provides an update on CORE Operations systems development and system adoption by state agencies.

SUMMARY:

- CORE completed its first year as the accounting information system for the State on June 30, 2015.
- The labor allocation module continues to be the biggest challenge and is the reason for delays in financial and other statutorily-required reports. When development is completed by the end of the year it is expected to provide for 90 to 95 percent of labor allocation situations and will necessitate ongoing review and manual correction of known issues.
- The Human Resource Information System (HRIS) targeted for implementation on July 1, 2017 or January 1, 2018, is expected to resolve the current challenges with labor allocation.
- The fiscal year transition and fiscal year close and start within CORE did not go as smoothly as hoped but is expected to be better in the future based on experience and improved processes.
- CORE reports have been verified as accurate including statewide financial statements.
- CORE modules development continues generally on target, while module adoption by state agencies remains gradual which appears to be due to organizational culture and business process resistance.

DISCUSSION:

The Colorado Operations Resource Engine (CORE), originally known as COFRS Modernization, completed its first year as the accounting information system for the State on June 30, 2015. All departments are using CORE as the base accounting system for purchasing and payment processes. CORE is a "document-driven", transaction-based system that generates a period-end report based on the documents entered in the system. Prior to this, COFRS was considered to be a "balancing" system, in which each department made entries as necessary based on internal spreadsheets and internal accounting processes, and used journal entries to make adjustments for the purpose of balancing the period-end report.

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The State Controller and OSPB currently report that:

The labor allocation module continues to be the biggest challenge and is the reason for delays in financial and other statutorily-required reports. Closing the FY 2014-15 reports, labor allocation functions had to be completed manually through journal entries. It is expected that the completed system will provide for approximately 90 to 95 percent of entry situations and that development should be completed by the end of 2015. There will need to continue to be review and manual correction of known system issues and difficulties. The Human Resources Information System (HRIS) is expected to resolve these issues completely when that system is implemented.

The target date for HRIS implementation is July 1, 2017. It is possible that implementation may be moved to January 1, 2018, as it may be more appropriate to start the system at the beginning of a calendar year, rather than fiscal year. This determination will be made in consultation with the vendor that is selected. One of two vendors is expected to be selected by mid-December.

The transition from one fiscal year into the next within CORE did not go as smoothly as was hoped or as expected in future years. The primary issue in the end and start of a fiscal year involves "rolling documents" which include purchase orders and contracts. In COFRS it was possible to cleanly break and start a new fiscal year, due to the manual journal entry process that was necessary to reconcile COFRS. Unlike COFRS, the budget is integrated with the CORE system and while eleven months of the fiscal year are treated through a "cash accounting" method, the final period in the year has to be addressed through "accrual accounting". It is expected that future fiscal year transitions will be smoother based on experience and process improvements. The big advantage organizationally is the coordinated effort from budgeting, accounting, and procurement staff, which were formerly segregated functions outside of the accounting system.

Departments' frustration is predominantly with the change in processes due to the fundamental change in system. The implementation of an entirely new statewide accounting system necessarily includes technical challenges that can be addressed through systems and reports development and data entry and work process improvements. However, CORE requires an understanding and proper use of accounting identities at initial data entry. The COFRS process required simple payment data entry that was eventually massaged into proper accounting identities to achieve balance. COFRS, while a robust payment engine, involved essentially undifferentiated data entry and journal entries which put items in the right spot. CORE requires more attention to accounting processes on the front end of data entry, which necessarily creates a cleaner audit trail. There are some departments that have adapted very well and appreciate the CORE system and its strengths. The selection of "event types", which is integral to the CORE system, is where some state agency accounting staff are struggling. Selecting proper "event types" will be an ongoing focus of training.

Reports in CORE have been verified as accurate. It is a matter of understanding the data that is available and how to read and understand the data available in reports. At the statewide level, financial statements have been verified as accurate through communications with auditors. Raw

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numbers for the Comprehensive Annual Financial Report (CAFR) have been determined to be the same through CORE as with the previous reporting system.

The grants module consists of an incoming grants system, which was implemented October 1, and an outgoing grants system which is anticipated to be ready by the end of June or early July 2016. A training was held on the incoming grants system which was well received, and many, but not all, departments are using it at this time. Development of the outgoing grants system is complicated by the many business process models currently being used in state agencies for distributing grants. The goal is to identify a handful of grants issuance business models to be handled in the outgoing grants system. The difficulty, as with CORE generally, is the lack of flexibility in standardizing grants processes by some end users who believe their grants process is ideal and should not be adapted to a standardized IT system.

Other modules include accounts receivable (AR), fixed assets, and cost allocation. Only a handful of departments are using the cost allocation and fixed assets modules. Cost allocation provides an automated overhead or indirect cost calculation as the last step of payroll. Most departments continue to use spreadsheets for tracking fixed assets. Accounts receivable will go live on December 1 and the Department of Public Health and Environment will be the first department to implement the AR module. It is expected that the Department of Public Safety will follow in about six months. The AR module includes a common invoice and common statement, and the advantage to the AR system will be in its ability to synchronize with the collections system which will streamline and should accelerate the collection of past due amounts owed to state agencies.

CORE Operations staffing and the restructuring of the Division of Accounts and Control was provided in the transfer included in the 2015 Long Bill. Generally, CORE Operations is fully staffed and the transfer and restructure of the Division have gone well. Currently there are three open positions which need to be filled out of the 18 to 19 FTE that were included in the re-org. The help desk is new, so they are behind on help tickets from where they should be. It is expected that as the help desk staff gains knowledge and experience, the backup will be eliminated. Systems testing and management of modules is going well. Training will begin offering "events types" and CORE reports training sessions beginning in January. The goal is to keep CORE Operations affordable and sustainable.

Issue 4: Total Compensation Request Overview

The FY 2016-17 total compensation request includes no across-the-board increase and no merit pay increase for state employees although the annual compensation report identifies state employee compensation at 0.2 percent below market and projects a three percent increase in salary in the market over the next year. The State cannot indefinitely delay increases for state employee compensation during an ongoing period of economic growth and comply with the statutory requirement to provide prevailing compensation.

SUMMARY:

- Overall, the FY 2016-17 total compensation request is estimated at \$2.2 billion total funds, an increase of \$51.6 million over the FY 2015-16 appropriation, which represents a 2.4 percent increase in total compensation appropriations.
- Excluding amortization payments for PERA's unfunded liabilities, which are not state employee compensation, the FY 2016-17 request is estimated at \$2.0 billion total funds, an increase of \$29.7 million over the FY 2015-16 appropriation. This represents a 1.5 percent increase in state employee compensation appropriations.
- The identified increase is predominantly located in substantial base salary increases in a handful of departments and Health, Life, and Dental. The executive request includes no across the board salary survey increase and no merit pay increase.
- The annual compensation report from Milliman reports that state employee pay is 0.2 percent below the market, including salaries at 2.9 percent below and benefits at 8.3 percent above.
- The Milliman report projects salary increases of three percent in the market over the next year and the annual compensation letter from the Executive Director of the Department of Personnel suggests that the State should consider merit pay adjustments accordingly.
- The Milliman report recommends what appears to be a 2.5 percent weighted average merit pay matrix that the Department of Personnel estimates would cost \$46.3 million, including \$43.5 million in base-building increases.

RECOMMENDATION:

Staff may recommend at figure setting, that the Committee consider funding a weighted average 1.0 to 1.5 percent merit pay increase. Related to this possible recommendation, staff also recommends that, as the Committee enters figure setting for the FY 2016-17 budget, the Committee consider making, to the extent possible, budget-neutral program staffing decisions (1) in the FY 2016-17 Long Bill, (2) in bills with FY 2016-17 appropriations, and (3) in bills with future-year annualizing increases in appropriations. Staff recommends this approach rather than the alternative of delaying compensation increases while funding a net increase in program staffing growth across state agencies through the Long Bill and other bills.

DISCUSSION:

Prevailing Compensation Policy

Section 24-50-104 (1) (a) (I), C.R.S., provides the statutory intent of total compensation philosophy:

*(1) **Total compensation philosophy.** (a) (I) It is the policy of the state to provide prevailing total compensation to officers and employees in the state personnel system to ensure the recruitment, motivation, and retention of a qualified and competent work force. For purposes of this section, "total compensation" includes, but is not limited to, salary, group benefit plans, retirement benefits, merit pay, incentives, premium pay practices, and leave. ...*

Sections 24-50-104 (4) (a) and (b) (I), C.R.S., specify the annual compensation process as follows:

*(4) **Annual compensation process.** (a) The purpose of the annual compensation process is to determine any necessary adjustments to state employee salaries, state contributions for group benefit plans, and merit pay. ...*

(b) (I) The state personnel director shall prepare an annual compensation report based on the analysis of surveys conducted pursuant to paragraph (a) of this subsection (4). The purpose of the annual compensation report shall be to reflect all adjustments necessary to maintain the salary structure, state contributions for group benefit plans, and merit pay for the upcoming fiscal year. ...

In the budget, total compensation refers to employee salary and benefit costs, specific to the employees in each department. Total compensation common policies are funded through a group of centrally appropriated line items generally found in a department's Executive Director's Office. Allocations from these line items are distributed to department divisions as needed.

The annual budget request for total compensation is primarily driven by employee salaries, benefit elections, and requested policy changes. The centrally appropriated line items that make up the total compensation common policies include: Salary Survey, Merit Pay, Shift Differential, Amortization Equalization Disbursement (AED), Supplemental Amortization Equalization Disbursement (SAED), Short-term Disability (STD), and Health, Life, and Dental (HLD).

The FY 2016-17 Annual Compensation Letter

The FY 2016-17 Annual Compensation Letter from the Executive Director of the Department of Personnel stated that base pay accounts for 76 percent and benefits account for 24 percent of the total compensation package, with the State at 0.2 percent below the prevailing market overall. The letter suggests that adjustments to individual employee compensation and the overall salary structure should be considered, but changes to benefits are not recommended. While base salaries are currently considered to be within the prevailing level, individual employee pay is projected to increase by three percent in the market over the next year. To maintain current alignment with the market, the State should consider merit pay adjustments. Additionally, the letter recommends that range minimums and maximums for all occupational groups be increased

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by two percent; that Custodian and Police Officer class series be adjusted due to a difference of greater than 7.5 percent for two consecutive years; and that State Trooper classes receive a market-weighted average increase of 7.0 percent. The letter identifies a projected increase of 7.3 percent in medical costs and 3.0 percent in dental costs that would require an increase in the State's contribution in order to maintain the prevailing contribution level.

Milliman Total Compensation Report

The Milliman market analysis identified that base salaries of state employees are three percent below prevailing market, but within the acceptable variance of plus or minus five percent. However, while base salaries are currently at prevailing levels, individual employee pay is projected to increase by three percent in the market. So to maintain the current alignment with the market, the State should consider merit pay adjustments. The report recommends no across the board adjustments but recommends what appears to be a 2.5 percent weighted average merit pay matrix and estimates a total cost of \$46.3 million.

Normal ranges for public sector employees are typically set 80 percent below to 120 percent above the market median. Ranges allow for variation in compensation due to market demand, experience, and performance, among others. The report recommends that the State adjust the salary range structure by increasing the FY 2015-16 range minimums and maximums for all occupational groups by two percent. Additionally, two occupational class series, Custodian and Police Officer, are recommended for changes for FY 2016-17 due to a difference of greater than 7.5 percent for two consecutive years. These two recommendations are projected to cost \$6.9 million. The report recommends a seven percent pay increase for State Troopers and a 6.6 percent adjustment to range minimum and maximum for Cadet and Trooper III classes. Milliman identifies a projected cost of \$5.3 million for the pay increase and range adjustments.

The report also recommends a broad reclassification of the General Professional series from 7 broad classes to 34 distinct professional classes and of the IT series from 4 broad classes to 9 more distinct classes. Cost projections by Milliman identify a fiscal impact of \$4.2 million for the General Professional deconsolidation and \$145,000 for the IT deconsolidation. This recommendation was not included as an element in the request.

The following table outlines the State's position on total compensation as compared to the market as reported by Milliman:

Milliman Total Compensation Report FY 2016-17			
Compensation Component	State	Prevailing Market	Variance
Base Salary	\$50,000	\$51,500	(2.9%)
Retirement	\$7,700	\$6,900	11.6%
Other Benefits	\$10,509	\$9,916	6.0%
Total	\$68,209	\$68,316	(0.2%)

Overall, base salary for state employees is 2.9 percent below market median and the value of benefits is 8.3 percent above market median. Additionally, individual employee pay is projected to increase by an additional three percent in the market over the next year.

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Summary: FY 2015-16 Appropriation & FY 2016-17 Request

All Compensation-related Common Policies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Net General Fund
FY 2015-16 Appropriation						
Base Salary Estimate	\$1,570,304,937	\$851,957,515	\$373,082,238	\$174,722,718	\$170,542,466	\$871,813,360
PERA	163,117,347	88,669,511	39,081,337	18,041,309	17,325,190	90,684,880
Medicare (FICA)	22,785,395	12,354,123	5,397,591	2,567,167	2,466,514	12,642,033
Shift Differential	13,934,505	11,380,505	664,634	1,852,584	36,782	12,240,836
Salary Survey	26,351,421	16,209,421	5,810,947	2,509,381	1,821,672	16,431,106
Merit Pay	17,004,539	9,402,160	4,016,587	1,892,796	1,692,996	9,622,777
Health, Life, Dental	212,967,473	121,785,288	49,072,519	24,607,647	17,502,019	125,090,204
Short-term Disability	3,359,225	1,786,842	811,063	392,541	368,779	1,858,597
AED	70,246,691	37,793,994	16,791,644	8,036,512	7,624,541	38,627,286
SAED	<u>67,423,274</u>	<u>36,160,917</u>	<u>16,124,425</u>	<u>7,770,044</u>	<u>7,367,888</u>	<u>36,960,305</u>
TOTAL	\$2,167,494,806	\$1,187,500,275	\$510,852,985	\$242,392,699	\$226,748,847	\$1,216,157,199
FY 2016-17 Request						
Base Salary Estimate	\$1,617,267,698	\$872,384,401	\$395,745,465	\$182,824,401	\$166,313,431	\$893,197,253
PERA	166,036,000	89,332,901	41,110,558	18,651,369	16,941,172	91,445,406
Medicare (FICA)	23,450,381	12,649,576	5,738,308	2,650,954	2,411,543	12,951,363
Shift Differential	14,862,373	12,026,641	752,552	2,036,643	46,537	12,942,625
Salary Survey	7,462,698	1,723,906	4,905,837	453,513	379,442	2,005,394
Merit Pay	0	0	0	0	0	0
Health, Life, Dental	216,995,768	125,126,839	49,438,139	23,180,161	19,250,629	128,682,894
Short-term Disability	2,984,581	1,618,254	725,526	343,180	297,621	1,657,634
AED	80,215,920	43,928,083	19,404,159	8,882,441	8,001,237	42,897,711
SAED	<u>79,380,335</u>	<u>43,443,707</u>	<u>19,228,822</u>	<u>8,789,915</u>	<u>7,917,891</u>	<u>42,017,448</u>
TOTAL	\$2,208,655,753	\$1,202,234,308	\$537,049,366	\$247,812,576	\$221,559,503	\$1,232,326,923
Increase/(Decrease)	\$41,160,947	\$14,734,033	\$26,196,381	\$5,419,877	(\$5,189,344)	\$16,169,724
Percent Change	1.9%	1.2%	5.1%	2.2%	(2.3%)	1.3%

The FY 2016-17 Total Compensation Request

Overall, the FY 2016-17 request is estimated at \$2.21 billion total funds, an increase of \$41.2 million over the FY 2015-16 appropriation, which represents a 1.9 percent increase in total compensation-related appropriations. The FY 2016-17 total compensation request includes the following elements:

- **Salary Survey:** The Salary Survey request includes: range adjustments for Custodian and Police Officer classes; range adjustments and a 7.0 percent increase for State Troopers; a 2.0 percent range adjustment for all occupational groups; and no across-the-

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board increase. The salary survey adjustments are estimated to cost \$7.5 million total funds, including \$1.7 million General Fund. The largest adjustment occurs in Public Safety which totals \$5.1 million, including \$280,000 General Fund. Human Services and Corrections account for \$1.2 million of the General Fund increase.

- **Merit Pay:** A Merit Pay increase is not requested.
- **Shift Differential:** Shift differential is requested at 100 percent of prior year actual expenditures. The shift differential adjustment is estimated to cost \$2.0 million total funds, including \$1.8 million General Fund. The largest adjustment occurs in Judicial which moves from no appropriation to a request of \$1.2 million General Fund, based on estimates provided in the executive request.
- **AED:** Amortization Equalization Disbursement is set at a statutory rate of 4.6 percent in 2016 and 5.0 percent in 2017 for a fiscal year blended rate of 4.8 percent of revised base salaries. The AED increase is estimated to be \$10.0 million total funds, including \$6.1 million General Fund.
- **SAED:** Supplemental Amortization Equalization Disbursement is set at a statutory rate of 4.5 percent in 2016 and 5.0 percent in 2017 for a fiscal year blended rate of 4.75 percent of revised base salaries. The SAED increase is estimated to be \$12.0 million total funds, including \$7.3 million General Fund.
- **STD:** Short Term Disability is requested at 0.19 percent of revised base salaries as compared to 0.22 percent in FY 2015-16. The STD adjustment is estimated to **decrease** by \$375,000 total funds, including a General Fund **decrease** of \$169,000.
- **HLD:** Request amounts submitted for Health, Life, and Dental are submitted as a place holder for a budget amendment to be requested based on actuarial recommendations received in December. The budget request is based on employee health and dental election as of July 2015 and does not yet include HLD premium changes to be included in a budget amendment. The base adjustment request using FY 2015-16 premiums and state contribution rate reflects an increase of \$4.0 million total funds, including \$3.3 million General Fund.

Order of Operations

The following tables illustrate the order of operations for calculating salary adjustments pursuant to State Personnel Rules.

Order of Operations - Employee Level		
Base Salary		\$50,000
1. Salary Survey	1.0%	<u>500</u>
Revised Base (base plus SS)		\$50,500
2. Merit Pay	1.0%	<u>505</u>
Revised Base (base plus SS and MP)		\$51,005

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Once the Salary Survey and Merit Pay adjustments are determined at the individual employee level, the adjustments are aggregated to the department level.

Order of Operations - Department Level		
Department Base Salary		\$1,000,000
1. Salary Survey	1.0%	<u>10,000</u>
Dept. Revised Base (base plus SS)		\$1,010,000
2. Merit Pay	1.0%	<u>10,100</u>
Dept. Revised Base (base plus SS and MP)		\$1,020,100
3. Shift Differential (Actual FY13-14)		<u>\$100,000</u>
Department Revised Base Salary		\$1,120,100
4. AED	4.80%	53,765
5. SAED	4.75%	53,205
6. STD	0.19%	2,128

AED, SAED and STD are calculated on the department revised base salary comprised of base salary, Salary Survey, Merit Pay, and Shift Differential. Changes to the Salary Survey and Merit Pay percentages will change each of the elements which follow in the order of operations except for Shift Differential.

Amortization Payments for PERA's Unfunded Liability

AED and SAED are calculated on total salary and for that reason are located in compensation common policies. However, these payments are amortization payments for PERA's unfunded liability. **These payments are more accurately described as the State's debt payments for past employee pension obligations and do not reflect current employee compensation.** While AED and SAED represent a cost to the State and are paid by state agencies on total payroll, they are not paid to state employees as compensation. AED and SAED should be excluded when estimating the increase in total compensation funding to be paid to state employees.

The July PERA comparison study identified that employees hired after January 1, 2011, experience a "normal cost" of 8.82 percent. Normal cost is the annual cost for providing retirement benefits that are earned in the year. The employee contribution is set at 8.0 percent, meaning that 0.82 percent of the statutory 10.15 percent state contribution is provided for these employees' PERA benefits. Additionally, 1.02 percent is paid for the Health Care Trust Fund and 1.0 percent is credited to the Annual Increase Reserve (AIR) for funding future cost of living adjustments. The rest – 7.31 percent – of the state contribution goes to pay down the unfunded liability along with the AED and SAED payments. **It may be reasonable to consider more appropriately segregating the portion of the state contribution that pays for current employee normal cost in the total compensation budget process, in order to better identify the actual, annual cost of compensation.** The rest of the state contribution should be more accurately identified in the budget process as an amortization payment for the unfunded liability. The following tables separate the state employee compensation elements and the amortization payments for PERA's unfunded liability.

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State Employee Compensation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Net General Fund
FY 2015-16 Appropriation						
Base Salary Estimate	\$1,570,304,937	\$851,957,515	\$373,082,238	\$174,722,718	\$170,542,466	\$871,813,360
PERA	163,117,347	88,669,511	39,081,337	18,041,309	17,325,190	90,684,880
Medicare (FICA)	22,785,395	12,354,123	5,397,591	2,567,167	2,466,514	12,642,033
Shift Differential	13,934,505	11,380,505	664,634	1,852,584	36,782	12,240,836
Salary Survey	26,351,421	16,209,421	5,810,947	2,509,381	1,821,672	16,431,106
Merit Pay	17,004,539	9,402,160	4,016,587	1,892,796	1,692,996	9,622,777
Health, Life, Dental	212,967,473	121,785,288	49,072,519	24,607,647	17,502,019	125,090,204
Short-term Disability	<u>3,359,225</u>	<u>1,786,842</u>	<u>811,063</u>	<u>392,541</u>	<u>368,779</u>	<u>1,858,597</u>
TOTAL	\$2,029,824,841	\$1,113,545,364	\$477,936,916	\$226,586,143	\$211,756,418	\$1,140,383,792
FY 2016-17 Request						
Base Salary Estimate	\$1,617,267,698	\$872,384,401	\$395,745,465	\$182,824,401	\$166,313,431	\$893,197,253
PERA	166,036,000	89,332,901	41,110,558	18,651,369	16,941,172	91,445,406
Medicare (FICA)	23,450,381	12,649,576	5,738,308	2,650,954	2,411,543	12,951,363
Shift Differential	14,862,373	12,026,641	752,552	2,036,643	46,537	12,942,625
Salary Survey	7,462,698	1,723,906	4,905,837	453,513	379,442	2,005,394
Merit Pay	0	0	0	0	0	0
Health, Life, Dental	216,995,768	125,126,839	49,438,139	23,180,161	19,250,629	128,682,894
Short-term Disability	<u>2,984,581</u>	<u>1,618,254</u>	<u>725,526</u>	<u>343,180</u>	<u>297,621</u>	<u>1,657,634</u>
TOTAL	\$2,049,059,498	\$1,114,862,518	\$498,416,385	\$230,140,220	\$205,640,375	\$1,142,882,569
Increase/(Decrease)	\$19,234,657	\$1,317,153	\$20,479,469	\$3,554,077	(\$6,116,043)	\$2,498,776
Percent Change	0.9%	0.1%	4.3%	1.6%	(2.9%)	0.2%

Amortization Payments for PERA's Unfunded Liability						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Net General Fund
FY 2015-16 Appropriation						
AED	\$70,246,691	\$37,793,994	\$16,791,644	\$8,036,512	\$7,624,541	\$38,627,286
SAED	<u>67,423,274</u>	<u>36,160,917</u>	<u>16,124,425</u>	<u>7,770,044</u>	<u>7,367,888</u>	<u>36,960,305</u>
TOTAL	\$137,669,965	\$73,954,911	\$32,916,069	\$15,806,556	\$14,992,429	\$75,587,591
FY 2016-17 Request						
AED	\$80,215,920	\$43,928,083	\$19,404,159	\$8,882,441	\$8,001,237	\$42,897,711
SAED	<u>79,380,335</u>	<u>43,443,707</u>	<u>19,228,822</u>	<u>8,789,915</u>	<u>7,917,891</u>	<u>42,017,448</u>
TOTAL	\$159,596,255	\$87,371,790	\$38,632,981	\$17,672,356	\$15,919,128	\$84,915,159
Increase/(Decrease)	\$21,926,290	\$13,416,879	\$5,716,912	\$1,865,800	\$926,699	\$9,327,568
Percent Change	15.9%	18.1%	17.4%	11.8%	6.2%	12.3%

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State employee compensation elements are estimated at \$2.05 billion total funds, an increase of \$19.2 million over the FY 2015-16 appropriation, which represents a 0.9 percent increase in state employee compensation appropriations. Amortization payments for PERA's unfunded liability are estimated at \$159.6 million total funds, an increase of \$21.9 million over the FY 2015-16 appropriation, which represents a 15.9 percent increase in amortization payment appropriations.

The following tables separate salary and benefit elements in state employee compensation.

Salary						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Net General Fund
FY 2015-16 Appropriation						
Base Salary Estimate	\$1,570,304,937	\$851,957,515	\$373,082,238	\$174,722,718	\$170,542,466	\$871,813,360
Shift Differential	13,934,505	11,380,505	664,634	1,852,584	36,782	12,240,836
Salary Survey	26,351,421	16,209,421	5,810,947	2,509,381	1,821,672	16,431,106
Merit Pay	<u>17,004,539</u>	<u>9,402,160</u>	<u>4,016,587</u>	<u>1,892,796</u>	<u>1,692,996</u>	<u>9,622,777</u>
Base Salary Estimate	\$1,627,595,402	\$888,949,601	\$383,574,406	\$180,977,479	\$174,093,916	\$910,108,079
FY 2016-17 Request						
Base Salary Estimate	\$1,617,267,698	\$872,384,401	\$395,745,465	\$182,824,401	\$166,313,431	\$893,197,253
Shift Differential	14,862,373	12,026,641	752,552	2,036,643	46,537	12,942,625
Salary Survey	7,462,698	1,723,906	4,905,837	453,513	379,442	2,005,394
Merit Pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Base Salary Estimate	\$1,639,592,769	\$886,134,948	\$401,403,854	\$185,314,557	\$166,739,410	\$908,145,272
Increase/(Decrease)	\$11,997,368	(\$2,814,652)	\$17,829,448	\$4,337,078	(\$7,354,506)	(\$1,962,807)
Percent Change	0.7%	(0.3%)	4.6%	2.4%	(4.2%)	(0.2%)

Benefits						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Net General Fund
FY 2015-16 Appropriation						
PERA	\$163,117,347	\$88,669,511	\$39,081,337	\$18,041,309	\$17,325,190	\$90,684,880
Medicare (FICA)	22,785,395	12,354,123	5,397,591	2,567,167	2,466,514	12,642,033
Health, Life, Dental	212,967,473	121,785,288	49,072,519	24,607,647	17,502,019	125,090,204
Short-term Disability	<u>3,359,225</u>	<u>1,786,842</u>	<u>811,063</u>	<u>392,541</u>	<u>368,779</u>	<u>1,858,597</u>
TOTAL	\$402,229,440	\$224,595,764	\$94,362,510	\$45,608,664	\$37,662,502	\$230,275,714
FY 2016-17 Request						
PERA	\$166,036,000	\$89,332,901	\$41,110,558	\$18,651,369	\$16,941,172	\$91,445,406
Medicare (FICA)	23,450,381	12,649,576	5,738,308	2,650,954	2,411,543	12,951,363

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Benefits						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Net General Fund
Health, Life, Dental	216,995,768	125,126,839	49,438,139	23,180,161	19,250,629	128,682,894
Short-term Disability	<u>2,984,581</u>	<u>1,618,254</u>	<u>725,526</u>	<u>343,180</u>	<u>297,621</u>	<u>1,657,634</u>
TOTAL	\$409,466,729	\$228,727,570	\$97,012,531	\$44,825,664	\$38,900,965	\$234,737,297
Increase/(Decrease)	\$7,237,289	\$4,131,806	\$2,650,021	(\$783,000)	\$1,238,463	\$4,461,583
Percent Change	1.8%	1.8%	2.8%	(1.7%)	3.3%	1.9%

Salary elements are estimated at \$1.64 billion total funds, an increase of \$12.0 million over the FY 2015-16 appropriation, which represents a 0.7 percent increase in salary-related appropriations. All other state employee benefits are estimated at \$409.5 million total funds, an increase of \$7.2 million from the FY 2015-16 appropriation, which represents a 1.8 percent increase in state employee benefit appropriations.

Base salary is the largest element in total compensation and drives the calculations for other elements. The following table outlines the percentage change in base salary estimate by agency.

Percentage Change in Base Salary Estimate by State Agency					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Agriculture	23.6%	12.7%	33.6%	n/a	0.8%
Corrections	0.7%	0.8%	(2.6%)	n/a	n/a
Education	34.4%	36.3%	57.7%	(4.2%)	35.6%
Governor	6.0%	18.9%	3.4%	5.2%	5.0%
Health Care Policy and Financing	4.5%	8.0%	14.8%	(40.8%)	4.4%
Higher Education	5.5%	(54.8%)	(0.7%)	30.6%	22.0%
Human Services	(3.1%)	1.4%	8.2%	(5.6%)	(21.8%)
Judicial	0.0%	0.1%	0.0%	n/a	n/a
Labor and Employment	13.5%	463.4%	4.4%	25.1%	12.6%
Law	6.9%	5.0%	16.8%	6.8%	(9.4%)
Local affairs	17.1%	(2.8%)	(29.4%)	98.9%	(0.8%)
Military and Veterans Affairs	2.1%	4.4%	59.1%	n/a	0.1%
Natural Resources	3.9%	1.7%	19.5%	(4.4%)	(77.7%)
Personnel	5.3%	(1.5%)	(0.5%)	11.0%	n/a
Public Health and Environment	2.4%	6.4%	3.9%	1.2%	0.5%
Public Safety	5.1%	15.1%	0.3%	34.6%	3.4%
Regulatory Agencies	(1.8%)	(21.9%)	(0.5%)	(1.9%)	(38.2%)
Revenue	0.6%	3.8%	(1.9%)	n/a	n/a
State	10.8%	n/a	10.8%	n/a	n/a
Transportation	(5.7%)	n/a	(6.7%)	16.9%	n/a
Treasury	7.1%	4.4%	11.6%	n/a	n/a
Statewide Total	3.0%	2.4%	6.1%	4.6%	(2.5%)

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Overall, there is a 3.0 percent growth in the base salary estimate statewide. However, some departments appear to be reflecting particularly large increases in their base salary estimate.

- The Department of Agriculture estimates its FY 2016-17 base salary at \$19.6 million, a \$3.7 million increase over the FY 2015-16 base, including an increase of \$783,000 General Fund.
- The Department of Education estimates its FY 2016-17 base salary at \$56.4 million, a \$14.4 million increase over the FY 2015-16 base, including an increase of \$4.6 million General Fund.
- The Department of Local Affairs estimates its FY 2016-17 base salary at \$11.7 million, a \$1.7 million increase over the FY2015-16 base, including a decrease of \$63,000 General Fund.
- The Department of Labor and Employment estimates its FY 2016-17 base salary at \$74.0 million, an \$8.8 million increase over the FY 2015-16 base, including an increase of \$2.9 million General Fund – **a 463.4 percent increase in General Fund.**

These estimated adjustments in base salary may be reflective of known policy changes that transferred significant programs or otherwise increased programs significantly. However, **the Committee may wish to request responses from any of these departments for an explanation for the substantial increases.** Additionally, staff does not have base salary request data from Judicial. Figures included for Judicial in the compensation tables reflect estimates provided in the executive request, which does not include base salary estimates.

Staff Recommendations

Staff may recommend at figure setting, that the Committee consider including a weighted average 1.0 to 1.5 percent merit pay increase. Related to this possible recommendation, staff also recommends that, as the Committee enters figure setting for the FY 2016-17 budget, the Committee consider making, to the extent possible, budget-neutral program staffing decisions (1) in the FY 2016-17 Long Bill, (2) in bills with FY 2016-17 appropriations, and (3) in bills with future-year annualizing increases in appropriations.

Compensation common policy staff does not have the ability to judge the specific need for new programs or growth in existing programs that may be requested by state agencies in the Long Bill or through other bills. However, from the perspective of state employee compensation, as a distinct element in the larger state budget, the State cannot continue indefinitely delaying or not providing increases for state employee compensation during a time of economic growth in the economy. While the State might reasonably absorb a one-year "holiday" from providing increases that would keep pay competitive with the market, the necessary increase in the following year, or any following year will necessarily be larger and more difficult for the budget to absorb.

Staff believes it is better long-term planning policy to absorb increases gradually and incrementally than to be faced with a "deeper hole to fill" or "higher threshold to cross" to keep state employee compensation competitive with the market generally. **This recommendation is**

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not based on a sentimental desire to "reward" state employees for their service, but rather to recognize that the State should compensate fairly **for the services it chooses to provide** for the citizens of the State. And the State should remain committed to following the total compensation philosophy addressed in statute as a means of achieving parity with the market.

It may be appropriate to add appropriations related to increased staffing for particular state programs. However, the structural constraints in the state budget that are anticipated to continue indefinitely suggests that the state budget cannot increase due to program staffing growth without making offsetting staffing decreases in other programs.

The budget, at best, appears to be approaching a steady state related to state program staffing. Funding for the "big six" General Funded programs, K-12 Education, Medicaid, Higher Education, Human Services, Corrections, and Judicial, and particularly for non-staffing-related disbursements for K-12 Education and Medicaid, will necessarily absorb most or all of the allowable annual growth in General Fund revenue in the foreseeable future. But excluding any currently unforeseeable crises, the economy at the national level will continue to grow at one to two percent above inflation. It is also anticipated that the Colorado economy may continue to experience economic growth at a slightly higher rate than the national economy. Maintaining compensation parity with the market will continue to strain the budget as the economy grows but the state budget enters a steady state indefinitely. But while statute requires compensation parity with the market as a statewide policy across all state programs, statute does not require a defined number of state employees or programs.

On this basis, staff recommends that the Committee choose to at least partially "swallow its medicine" this year in providing approximately half of the merit pay increase recommended in the annual total compensation report and along with that choose to restrain program staffing growth through offsets and budget neutral policy changes; rather than the alternative of delaying compensation increases and budgeting a net increase in program staffing growth across all state agencies through the Long Bill and other bills.

Issue 5: PERA Update – 2015 PERA Studies

Three statutory studies on PERA were reported in 2015. The first study compared the compensation value of PERA benefits for state employees to the market. The second study compared the cost-benefit value of PERA to other retirement plans. The third study conducted a sensitivity analysis of actuarial assumptions for meeting targets and achieving sustainability.

SUMMARY:

- The compensation value audit found that the State provides state employees a slightly higher benefit than the market – 15.7 percent of pay relative to the market median of 14.7 percent.
- The cost-benefit value study found that:
 - * PERA achieves the greatest benefit for the cost when compared to other retirement plans, whether compared by holding cost steady or by holding benefits steady.
 - * The PERA hybrid defined benefit plan delivers the greatest return on investment for the State and for state employees.
 - * It would be more expensive or deliver lower retirement income to switch to another form of retirement plan – even one that reduces or eliminates employer risk inherent in a defined benefit plan by exchanging the State risk for greater individual employee risk.
 - * Switching to another form of retirement plan would not eliminate the current unfunded liability and would eliminate the current cash flow intended to fully fund PERA.
- The cost-benefit value study also found that for PERA members hired after January 1, 2011, (new and future members) the normal cost for benefits is 8.82 percent. This means that:
 - * The employee contribution of 8.0 percent plus a State contribution of 0.82 percent covers the entire annual cost of an employee's defined benefit liability earned in the year.
 - * The remainder of the statutory 10.15 percent State contribution (excluding 1.02 percent for the Health Care Trust Fund [HCTF] and 1.0 percent credited to the Annual Increase Reserve [AIR] for funding future cost of living adjustments) – 7.31 percent – goes to pay down the unfunded liability.
 - * If PERA for state employees could be split in two, the PERA benefits earned by members hired after January 1, 2011, could be fully funded with only a 0.82 percent State contribution for normal cost plus the additional 1.02 and 1.0 percent contributions for HCTF and AIR.
 - * For state employees hired after January 1, 2011, the benefit identified in the compensation value study only provides a benefit of 8.39 percent, well below the market median of 14.7 percent.
 - * Making future member benefits any leaner or more expensive only has the effect of further reducing the 8.82 percent normal cost and increasing the portion that is redistributed to the unfunded liability. As normal cost approaches and moves below 8.0 percent actual earned and taxed state employee income would be used to pay for past employee pension obligations.

- The sensitivity analysis found that:
 - * PERA is currently on track to be fully funded by 2052-2053 rather than 2041 as targeted in S.B. 10-001.
 - * The PERA Board's recently adopted, 30-year funding policy starting in 2015 with an objective of reaching full funding by 2045, is inconsistent with statute and recommends that "policymakers" coordinate to reach agreement on the funding timeline.
- Among other recommendations, the sensitivity analysis recommends that PERA adopt a "signal light" report as part of its annual reporting to give policymakers an assessment of the current projected full funding dates compared to the objective. PERA has agreed to implement this recommendation.

RECOMMENDATION:

- 1. Staff recommends that the Committee and the General Assembly remain committed to the PERA Hybrid Defined Benefit Plan as the State's retirement plan** and identified in the cost-benefit comparison study as the most cost effective method for achieving the greatest return and benefits for current and future state employees.
- 2. Staff recommends that the Committee and the General Assembly generally remain committed to the policy change recommendations enacted in S.B. 10-001** as a means of achieving full funding for PERA within a projected period of time.

However, the PERA Board and PERA should enact timelines consistent with those identified in statute or otherwise make legislative recommendations to amend statutory timelines if necessary. It is PERA's responsibility to align with statute and communicate needed changes to the General Assembly when policies and timelines are inconsistent. Future audits or studies should clearly identify statutory requirements and legislative intent as the law with which PERA must align.

- 3. Staff recommends that the Committee encourage PERA to adopt a more conservative mortality table and more conservative assumptions about membership growth and payroll increases that are based on actual experience over the last ten years.** A more conservative approach to the actuarial assumptions and more forthright transparency regarding a projected full funding timeline as targeted in statute should be encouraged.

A compensation system which clearly and transparently identifies each individual employee's actual cost of benefits is more appropriate for measuring and judging total compensation. The portion of the state contribution that exceeds the annual normal cost is not compensation but simply reflects a payment for the unfunded liability which reflects costs incurred from having under-funded past PERA benefits. A current state employee's "total compensation" should not inaccurately and inappropriately reflect those costs as compensation. On this basis:

4. **Staff recommends that the Committee consider pursuing legislation to alter the state contribution for all current state employees, which more accurately identifies the annual normal cost of employees' PERA benefits. The balance of the state contribution that exceeds the annual normal cost should more accurately and properly be identified as an additional amortization payment.** Staff recommends that such an "annual normal cost reflection" system should be adjusted in statute periodically, possibly every five years, to continually reflect the current, actuarially projected, annual normal cost.
5. **Staff recommends that the Committee consider consolidating the AED and SAED into a single, AED line item that would include the rates and amounts consisting of the current statutory AED and SAED and the portion of the state contribution which is determined to exceed the annual normal cost.**
6. **Staff recommends that the Committee consider renaming the line item as "PERA Amortization Payments".** Staff is concerned that the overly technical nomenclature and multiple line items have the effect of reducing clarity and transparency regarding the nature of these payments and the magnitude of the cost.

DISCUSSION:

Senate Bill 14-214 – PERA Studies

Senate Bill 14-214 required three studies of PERA:

1. By January 15, 2015, and every eight years after that, a total compensation study to report on the value of PERA benefits as compared to other employers.
2. By July 15, 2015, a comparison study comparing the current hybrid defined benefit plan to alternative plans in the public and private sectors, that included comparisons of benefits, costs, and portability of benefits and the cost to transition to alternative plans.
3. By December 1, 2015, a sensitivity study of actuarial assumptions for meeting targets and achieving sustainability.

Total Compensation Study

The January 15, 2015, State of Colorado Retirement Benefits Study by Milliman found that "the State's total retirement compensation package is equivalent to 15.7% of pay (15.4% defined benefit and 0.3% retiree health), relative to the market median of 14.7% (combined sources: defined contribution, defined benefit, social security, and retiree health)". The report clarifies that the "study evaluates the retirement benefit value provided to state employees rather than the cost borne by the State with respect to the retirement benefit provided through PERA." Because AED and SAED are not employee benefits, they were excluded for purposes of the study.

Milliman identified 63 peer entities or private sector companies and 23 responded to the survey, including 18 states and five others. The methodology for comparing plans were based on an average employee, representative of a full career employee, who is hired at age 35, is currently 45 and earns \$55,000 per year, and will retire at age 65.

Comparison Study

The July 15, 2015, Comparison Study by Gabriel, Roeder, Smith & Company, found that the current PERA Hybrid Defined Benefit Plan is more efficient and uses dollars more effectively than the other types of plans in use today. The study looked at defined contribution, cash balance, a combination of defined benefit and defined contribution, and Social Security private sector model plans.

The study compares the current PERA plan structure provided for PERA members hired on or after January 1, 2011. The state employee contribution is 8.0 percent (10.0 percent for State Troopers) and the State contribution is 10.15 percent (12.85 percent for State Troopers). For employees hired after January 1, 2007, 1.0 percent of the employer contribution is credited to the Annual Increase Reserve (AIR), for the purpose of pre-funding cost of living adjustments (COLAs). Additionally, 1.02 percent of the employer contribution is credited to the Health Care Trust Fund (PERACare) which provides a monthly medical premium subsidy.

The study identifies a "replacement ratio" – the proportion of retirement income to total pay immediately prior to retirement – equal to 77 to 85 percent of pre-retirement pay as being the amount necessary to maintain a retiree's standard of living. For a 30-year full career employee, the PERA Hybrid Plan replaces approximately 72.2 percent of pre-retirement pay. For a 25-year employee, the PERA Hybrid Plan replaces approximately 60.2 percent of pre-retirement pay. This suggests that the PERA Hybrid Plan is intended to provide the bulk, but not the entirety, of a full career member's retirement income. However, for members hired at age 25 who stay until eligibility for an unreduced benefit (Rule of 90 for state employees, minimum age 60 for new hires on or after January 1, 2017), the PERA Hybrid Plan replaces approximately 84 percent of pre-retirement pay. For mid-length career employees with 20 years of service, the PERA Hybrid Plan replaces approximately 20 to 50 percent of pre-retirement pay. Short-length career employees, with 10 years or fewer, the PERA Hybrid Plan replaces approximately 2 to 25 percent of pre-retirement pay. Retirement benefits may be paid using the Service Retirement Formula or using a Money Purchase Annuity.

The study's comparison section used two approaches:

1. A Targeted Benefit Approach which set the replacement ratio equal to the PERA Hybrid Plan and then estimated the costs or contribution amounts necessary under each alternative structure; and
2. A Targeted Contribution Approach which held costs or contributions constant and compared the replacement ratios of alternative structures to the PERA Hybrid Plan.

As a part of the comparison, the study determined that the normal cost for new hires (after January 1, 2011) is equal to 8.82 percent. This means that the employee contribution of 8.0 percent plus a State contribution of 0.82 percent would fully fund the PERA benefits for new hires. The remainder of the State's total contribution, including AED and SAED, identified as 18.35 percent as of January 1, 2015, after the statutory 1.0 percent for AIR and 1.02 percent for PERACare, or approximately 15.51 percent, goes toward paying down the unfunded liability.

Additionally, the study uses the assumption that defined contribution plans will earn 5.5 percent per year or 2.0 percent less than the long term rate of return of 7.5 percent in the PERA Hybrid

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Plan. The study uses the discounted return rate due to lower returns generated by individual investors in defined contribution plans generally and specifically because of the underperformance of alternative plans with defined contribution elements which have access to fewer asset classes, demonstrated behavioral tendencies by individual investors, and higher fees.

The following table outlines the comparisons by the two targeted approaches in the study:

July 15, 2015, PERA Comparison Study						
	PERA Hybrid Defined Benefit Plan	Defined Benefit and Defined Contribution Side-by-Side Plan	Cash Balance Plan	Self-Directed Defined Contribution Plan	Defined Benefit Plan and Social Security	Defined Contribution Plan and Social Security
Relative Cost to provide an equal Replacement Ratio	100%	160%	179%	242%	183%	250%
Replacement Ratio provided at Equal Cost	72.2%	54.4%	26.3%	28.3%	39.0%*	39.0%*

* The Social Security plans cannot be set at equal cost with the PERA Hybrid Plan. Social Security alone is 139.0 percent of the cost of the PERA plan. The replacement ratio shown is for Social Security only.

The comparisons are based on a 30-year full career employee hired at age 35 and retired at age 65. The Defined Benefit and Defined Contributions Side-by-Side Plan provides a smaller defined benefit along with a defined contribution benefit. The Cash Balance Plan provides mandated employee and employer contributions with a guaranteed rate of return. The Nebraska Cash Balance Plan with its 5.0 percent guaranteed rate of return was used as the model. The Self-Directed Defined Contribution Plan is a 100-percent defined contribution plan with an employer match in which the account balance grows with actual investment returns, like the PERA Defined Contribution Plan. The Defined Benefit Plan and Social Security is typically a public sector retirement plan that also participates in Social Security. The Defined Contribution Plan and Social Security is a typical private sector retirement plan that includes a defined contribution plan along with Social Security. As noted in the table, Social Security is immediately more expensive than the PERA Hybrid Plan. Social Security contributions total 12.4 percent, while the normal cost identified for new hires with the PERA Hybrid Plan is 8.82 percent. The replacement ratio provided by Social Security alone is reflected in the table at 39.0 percent, however this is provided at 139.0 percent of the cost of the PERA Hybrid Plan.

The study found that the existing PERA Hybrid Plan provides the current level of benefits at a lower cost than all alternative plans and provides a higher level of benefit at the current cost than all alternative plans. Therefore, if the State desires to provide the same level of benefits under an alternative plan, then higher contribution rates would be necessary. And if the State desires to keep the costs the same under an alternative plan, then benefits would need to be reduced.

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The unfunded liability is a debt which must be handled separately from the issue of ongoing annual costs (normal costs) of the plan. **Changing the plan structure for future members will not eliminate the debt.** Additionally, the ongoing annual costs or normal costs are lower than the alternatives and provide cash flows that help amortize the unfunded liability.

Sensitivity Analysis

The October 1, 2015, Sensitivity Analysis by Pension Trustee Advisors found that the PERA Hybrid Defined Benefit Plan is currently on track to be fully funded by 2052-2053 based on current actuarial assumptions. Senate Bill 10-001 projected full funding by 2041. And the PERA Board adopted a 30-year funding target in 2015, identifying 2045 as the full funding goal.

The study identifies the elements that have contributed to extending the date until full funding and recommends that PERA adopt a "signal light reporting" in its annual reporting to give policymakers an assessment of the current projected full funding dates compared to the objective, which PERA has agreed to adopt.

The study states that:

- The initial projections made based on the December 31, 2009 actuarial valuation indicated the full funding goal would be met 2-5 years later than the 2041 target date.
- Projections since 2011 indicate the period required for full funding is now longer than was expected at that time to be 11 to 12 years later than originally intended.
- However, investment returns earned over this period have exceeded assumed returns, so improvement in the date of full funding should have been expected.
- Additionally, based on improvements in other factors, the full funding should occur sooner than was projected in 2009.

The study identifies that the delay in the full funding date may have resulted from much lower annual changes in membership growth and pay increases. PERA actuarial projections identify a 1.5 percent annual rate of membership growth. It appears that this figure was projected to be consistent with population growth. However, it is clear based on the history of FTE growth over the last decade that state employee growth trails population growth by at least half. So it appears that PERA's actuarial projections for membership growth may be excessively optimistic.

Similarly, PERA actuarial projections identify a 3.9 percent annual increase in total payroll. Again, it appears that PERA's actuarial projections for payroll growth may similarly be excessively optimistic. The FY 2011-12 revised base salary, upon which PERA-related payment calculations are based, totaled \$1.62 billion. The FY 2016-17 request estimates the revised base salary at \$1.83 billion, reflecting a five-year growth in the salary base of 12.9 percent, or a 2.6 percent annual average growth over the most recent five-year period.

While the audit did not identify mortality as a contributing factor, it appears that PERA is currently using the least conservative mortality table of those identified and illustrated in the sensitivity analysis. While mortality is identified as an element that can reasonably adapt over time as mortality experience changes, the sensitivity analysis shows that full funding would be

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pushed out an additional five to ten years using either of the next two more conservative mortality tables.

Specifically, the study identifies the following elements as contributing to the delay in full funding, when compared to the baseline actuarial projection. Experience that is better than actuarially projected would reduce the full funding date, and experience that is worse than actuarially projected would increase the full funding date.

- Better investment returns than projected reduced the full funding date by 9 years.
- Lower pay increases and membership growth than projected increased the full funding date by 7 years.
- Worse than projected demographic changes increased the full funding date by 4 years.
- Actuarial assumption changes from the reduced investment rate of return increased the full funding date by 3 years.
- Other actuarial method changes reduced the full funding date by 2 years.
- And an increase in normal costs increased the full funding date by 3 years.

While the study does not clearly identify the reason for the increase in normal costs, staff surmises that this is a result of the lack of projected membership growth. As more new members join PERA, the normal cost, across all members, decreases. If projections suggested greater new membership growth, the normal cost projections would have been lower than those experienced from lesser new membership growth. So while the study breaks this element out, but provides no explanation or statement on why normal cost is higher than projected, it appears to be tied to the actuarial projections for membership growth and payroll increases. These two elements together increased the full funding date by 10 years.

If this is an accurate assessment of the sensitivity analysis, it is likely that lower pay increases and membership growth than included in current actuarial projections will continue to push out the full funding date. PERA should "mark to market" and reduce these excessive growth projections in membership and payroll in its projections, and absorb the hit to the full funding date immediately, rather than continue to push out the funding date year-by-year as actual membership and payroll growth continue to lag projections.

Additionally, while PERA may continue to meet its 7.5 percent investment rate of return due to its history of generating above average investment returns, given slow economic growth globally and ongoing low interest rates tied to the broad, global economic slowdown that may persist for the foreseeable future, it is unlikely that PERA will exceed its investment rate of return as it has since 2010. This was a period during which the economy generally rebounded from the 2008 financial crisis and markets regained their losses over a two- to three-year period. Returns over the last two years were lower than the period just after the financial crisis.

The study suggests that "policymakers" should work out the differences in expected outcomes for the full funding date. However, PERA should operate consistent with statute and legislative intent. If PERA believes that the date of full funding will be beyond the 2041 date identified in S.B. 10-001, whether 2045 as set by the PERA board or 2052-2053 as identified in the sensitivity

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analysis, then PERA needs to recommend statutory change to reconcile the full funding date in statute with what PERA believes to be reasonably achievable.

Staff recommends that the Committee encourage PERA to adopt a more conservative mortality table and more conservative assumptions about membership growth and payroll increases that are based on actual experience over the last ten years. Based on the current year's budget issues related to General Fund commitments and limits, the State appears to be in a structurally limited place related to growth of state programs. There is no reason to believe that the next ten years will produce any greater FTE growth and with it PERA membership growth or salary increases at any greater extent than were experienced over the last ten years. A more conservative approach to the actuarial assumptions and more forthright transparency regarding a projected full funding timeline as targeted in statute should be encouraged.

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Appendix A: Number Pages

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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DEPARTMENT OF PERSONNEL
June Taylor, Executive Director

(1) EXECUTIVE DIRECTOR'S OFFICE

This division provides policy direction to and manages the fiscal and budgetary affairs of all divisions within the Department. It also reviews all statewide contracts and promotes statewide affirmative action and equal opportunity programs. The primary source of cash funds and reappropriated funds are indirect cost recoveries and user fees from other State agencies.

(A) Department Administration

Personal Services	<u>1,571,596</u>	<u>1,592,346</u>	<u>1,667,963</u>	<u>1,703,744</u>
FTE	16.4	17.0	17.8	17.8
General Fund	0	0	0	242,923
Cash Funds	0	0	15,648	15,648
Reappropriated Funds	1,571,596	1,592,346	1,652,315	1,445,173
Federal Funds	0	0	0	0
Health, Life, and Dental	<u>1,482,219</u>	<u>1,359,038</u>	<u>3,080,546</u>	<u>3,107,311</u>
General Fund	453,721	522,157	839,730	872,532
Cash Funds	130,286	65,381	321,718	269,934
Reappropriated Funds	898,212	771,500	1,919,098	1,964,845
Short-term Disability	<u>22,614</u>	<u>0</u>	<u>50,200</u>	<u>44,651</u>
General Fund	7,958	0	17,610	14,695
Cash Funds	2,103	0	5,050	4,492
Reappropriated Funds	12,553	0	27,540	25,464

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
S.B. 04-257 Amortization Equalization Disbursement	<u>443,741</u>	<u>369,736</u>	<u>1,054,638</u>	<u>1,129,974</u>	
General Fund	155,204	92,911	368,794	371,611	
Cash Funds	38,679	27,426	106,394	113,171	
Reappropriated Funds	249,858	249,399	579,450	645,192	
 S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>399,876</u>	<u>351,803</u>	<u>1,018,684</u>	<u>1,118,203</u>	
General Fund	139,082	88,384	356,221	367,740	
Cash Funds	35,135	25,713	102,767	111,992	
Reappropriated Funds	225,659	237,706	559,696	638,471	
 Salary Survey	<u>615,991</u>	<u>606,186</u>	<u>240,120</u>	<u>81,876</u>	
General Fund	136,518	246,080	74,993	35,647	
Cash Funds	76,605	58,281	26,766	1,045	
Reappropriated Funds	402,868	301,825	138,361	45,184	
 Merit Pay	<u>299,879</u>	<u>171,279</u>	<u>224,307</u>	<u>0</u>	
General Fund	86,049	63,712	73,405	0	
Cash Funds	22,253	19,468	27,728	0	
Reappropriated Funds	191,577	88,099	123,174	0	
 Shift Differential	<u>37,667</u>	<u>33,654</u>	<u>45,747</u>	<u>45,051</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	37,667	33,654	45,747	45,051	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Workers' Compensation	<u>213,489</u>	<u>239,093</u>	<u>184,433</u>	<u>241,895</u>	
General Fund	56,549	63,331	48,871	63,628	
Cash Funds	19,462	21,796	21,324	27,618	
Reappropriated Funds	137,478	153,966	114,238	150,649	
Operating Expenses	<u>98,837</u>	<u>358,599</u>	<u>99,531</u>	<u>99,531</u>	
General Fund	0	259,514	0	99,531	
Cash Funds	0	0	0	0	
Reappropriated Funds	98,837	99,085	99,531	0	
Legal Services	<u>232,630</u>	<u>238,586</u>	<u>243,511</u>	<u>246,432</u>	
General Fund	163,614	181,449	177,061	174,216	
Cash Funds	11,157	15,845	11,267	43,693	
Reappropriated Funds	57,859	41,292	55,183	28,523	
Administrative Law Judge Services	<u>6,236</u>	<u>14,585</u>	<u>11,383</u>	<u>12,550</u>	*
General Fund	0	0	0	0	
Cash Funds	6,124	13,043	10,323	12,550	
Reappropriated Funds	112	1,542	1,060	0	
Payment to Risk Management and Property Funds	<u>566,716</u>	<u>607,909</u>	<u>571,070</u>	<u>638,187</u>	
General Fund	150,110	158,082	151,327	167,870	
Cash Funds	51,661	63,356	66,741	72,864	
Reappropriated Funds	364,945	386,471	353,002	397,453	
Vehicle Lease Payments	<u>78,004</u>	<u>53,520</u>	<u>75,146</u>	<u>62,716</u>	*
General Fund	0	0	0	0	
Cash Funds	2,094	2,042	2,128	2,128	
Reappropriated Funds	75,910	51,478	73,018	60,588	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Leased Space	<u>663,761</u>	<u>316,949</u>	<u>316,949</u>	<u>338,179</u>	*
General Fund	255,375	0	0	0	
Cash Funds	44,071	0	0	2,795	
Reappropriated Funds	364,315	316,949	316,949	335,384	
Capitol Complex Leased Space	<u>2,155,209</u>	<u>1,684,254</u>	<u>2,388,386</u>	<u>2,364,416</u>	
General Fund	1,123,815	958,689	1,318,341	1,210,959	
Cash Funds	131,633	228,422	232,983	219,717	
Reappropriated Funds	899,761	497,143	837,062	933,740	
Payments to OIT	<u>0</u>	<u>1,695,279</u>	<u>3,768,561</u>	<u>5,645,495</u>	*
General Fund	0	316,349	998,631	1,485,000	
Cash Funds	0	53,014	545,750	644,565	
Reappropriated Funds	0	1,325,916	2,224,180	3,515,930	
CORE Operations	<u>288,061</u>	<u>219,444</u>	<u>401,287</u>	<u>309,169</u>	
General Fund	128,128	57,063	106,337	81,323	
Cash Funds	16,396	22,870	58,111	35,299	
Reappropriated Funds	143,537	139,511	236,839	192,547	
Purchase of Services from Computer Center	<u>1,689,638</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	438,816	0	0	0	
Cash Funds	55,478	0	0	0	
Reappropriated Funds	1,195,344	0	0	0	
Colorado State Network	<u>268,501</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	71,120	0	0	0	
Cash Funds	24,478	0	0	0	
Reappropriated Funds	172,903	0	0	0	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Management and Administration of OIT	0	0	0	0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Information Technology Security	<u>20,602</u>	0	0	0	
General Fund	5,368	0	0	0	
Cash Funds	837	0	0	0	
Reappropriated Funds	14,397	0	0	0	
Communication Services Payments	<u>1,284</u>	0	0	0	
General Fund	640	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	644	0	0	0	
SUBTOTAL - (A) Department Administration	11,156,551	9,912,260	15,442,462	17,189,380	11.3%
<i>FTE</i>	<u>16.4</u>	<u>17.0</u>	<u>17.8</u>	<u>17.8</u>	<u>0.0%</u>
General Fund	3,372,067	3,007,721	4,531,321	5,187,675	14.5%
Cash Funds	668,452	616,657	1,554,698	1,577,511	1.5%
Reappropriated Funds	7,116,032	6,287,882	9,356,443	10,424,194	11.4%
Federal Funds	0	0	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(B) Statewide Special Purpose					
(I) Colorado State Employees Assistance Program					
Personal Services	<u>715,500</u>	<u>779,776</u>	<u>804,848</u>	<u>817,704</u>	
FTE	9.2	10.4	11.0	11.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	12,856	
Reappropriated Funds	715,500	779,776	804,848	804,848	
Operating Expenses	<u>51,903</u>	<u>52,589</u>	<u>53,794</u>	<u>53,794</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	51,903	52,589	53,794	53,794	
Indirect Cost Assessment	<u>110,018</u>	<u>78,310</u>	<u>172,259</u>	<u>29,796</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	110,018	78,310	172,259	29,796	
SUBTOTAL -	877,421	910,675	1,030,901	901,294	(12.6%)
FTE	<u>9.2</u>	<u>10.4</u>	<u>11.0</u>	<u>11.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	0	0	0	12,856	0.0%
Reappropriated Funds	877,421	910,675	1,030,901	888,438	(13.8%)

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(II) Office of the State Architect					
Office of the State Architect	<u>467,004</u>	<u>467,001</u>	<u>692,099</u>	<u>809,473</u>	
FTE	4.9	4.8	6.9	8.0	
General Fund	467,004	467,001	692,099	809,473	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Statewide Planning Services	<u>0</u>	<u>0</u>	<u>894,469</u>	<u>1,000,000</u>	
General Fund	0	0	894,469	1,000,000	
SUBTOTAL -	467,004	467,001	1,586,568	1,809,473	14.0%
FTE	<u>4.9</u>	<u>4.8</u>	<u>6.9</u>	<u>8.0</u>	<u>15.9%</u>
General Fund	467,004	467,001	1,586,568	1,809,473	14.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
(III) Colorado State Archives					
Personal Services	<u>614,395</u>	<u>591,533</u>	<u>732,379</u>	<u>742,315</u>	
FTE	8.5	8.4	12.0	12.0	
General Fund	431,878	441,528	523,620	533,556	
Cash Funds	128,101	126,082	179,688	179,688	
Reappropriated Funds	54,416	23,923	29,071	29,071	
Operating Expenses	<u>120,647</u>	<u>93,036</u>	<u>93,836</u>	<u>93,836</u>	
General Fund	120,647	93,036	93,836	93,836	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
SUBTOTAL -	735,042	684,569	826,215	836,151	1.2%
<i>FTE</i>	<u>8.5</u>	<u>8.4</u>	<u>12.0</u>	<u>12.0</u>	<u>0.0%</u>
General Fund	552,525	534,564	617,456	627,392	1.6%
Cash Funds	128,101	126,082	179,688	179,688	0.0%
Reappropriated Funds	54,416	23,923	29,071	29,071	0.0%
(V) Other Statewide Special Purpose					
Test Facility Lease	<u>119,842</u>	<u>119,842</u>	<u>119,842</u>	<u>119,842</u>	
General Fund	0	0	119,842	119,842	
Cash Funds	0	0	0	0	
Reappropriated Funds	119,842	119,842	0	0	
Employment Security Contract Payment	<u>14,900</u>	<u>14,900</u>	<u>20,000</u>	<u>20,000</u>	
General Fund	6,164	6,164	11,264	11,264	
Cash Funds	0	0	0	0	
Reappropriated Funds	8,736	8,736	8,736	8,736	
Disability Investigational and Pilot Support Procurement	<u>0</u>	<u>0</u>	<u>1,337,976</u>	<u>1,419,976</u>	
Cash Funds	0	0	1,337,976	1,419,976	
SUBTOTAL -	134,742	134,742	1,477,818	1,559,818	5.5%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	6,164	6,164	131,106	131,106	0.0%
Cash Funds	0	0	1,337,976	1,419,976	6.1%
Reappropriated Funds	128,578	128,578	8,736	8,736	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
SUBTOTAL - (B) Statewide Special Purpose	2,214,209	2,196,987	4,921,502	5,106,736	3.8%
<i>FTE</i>	<u>22.6</u>	<u>23.6</u>	<u>29.9</u>	<u>31.0</u>	<u>3.7%</u>
General Fund	1,025,693	1,007,729	2,335,130	2,567,971	10.0%
Cash Funds	128,101	126,082	1,517,664	1,612,520	6.3%
Reappropriated Funds	1,060,415	1,063,176	1,068,708	926,245	(13.3%)
TOTAL - (1) Executive Director's Office	13,370,760	12,109,247	20,363,964	22,296,116	9.5%
<i>FTE</i>	<u>39.0</u>	<u>40.6</u>	<u>47.7</u>	<u>48.8</u>	<u>2.3%</u>
General Fund	4,397,760	4,015,450	6,866,451	7,755,646	12.9%
Cash Funds	796,553	742,739	3,072,362	3,190,031	3.8%
Reappropriated Funds	8,176,447	7,351,058	10,425,151	11,350,439	8.9%
Federal Funds	0	0	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(2) DIVISION OF HUMAN RESOURCES

The Division of Human Resources administers the statewide classified personnel system and employee benefits programs. It also manages the Office of Risk Management, including the procurement of property, casualty, and workers' compensation insurance policies.

(A) Human Resource Services

(I) State Agency Services

Personal Services	<u>1,554,191</u>	<u>1,284,613</u>	<u>1,710,915</u>	<u>1,726,578</u>	
FTE	15.6	11.9	19.2	19.2	
General Fund	0	0	1,710,915	1,726,578	
Cash Funds	0	0	0	0	
Reappropriated Funds	1,554,191	1,284,613	0	0	
Operating Expenses	<u>86,643</u>	<u>88,496</u>	<u>88,496</u>	<u>88,496</u>	
General Fund	0	0	88,496	88,496	
Cash Funds	0	0	0	0	
Reappropriated Funds	86,643	88,496	0	0	
Total Compensation and Employee Engagement Surveys	<u>211,970</u>	<u>424,000</u>	<u>215,000</u>	<u>300,000</u>	
General Fund	211,970	424,000	215,000	300,000	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	

SUBTOTAL -	1,852,804	1,797,109	2,014,411	2,115,074	5.0%
FTE	15.6	11.9	19.2	19.2	0.0%
General Fund	211,970	424,000	2,014,411	2,115,074	5.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	1,640,834	1,373,109	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(II) Training Services					
Training Services	<u>0</u>	<u>0</u>	<u>687,081</u>	<u>691,221</u>	
FTE	0.0	0.0	4.0	4.0	
General Fund	0	0	0	0	
Cash Funds	0	0	40,305	40,305	
Reappropriated Funds	0	0	646,776	650,916	
Personal Services	<u>526,233</u>	<u>600,245</u>	<u>0</u>	<u>0</u>	
FTE	3.2	3.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	36,378	33,417	0	0	
Reappropriated Funds	489,855	566,828	0	0	
Indirect Cost Assessment	<u>4,552</u>	<u>27,605</u>	<u>32,482</u>	<u>62,425</u>	
General Fund	0	0	0	0	
Cash Funds	0	9,938	3,842	0	
Reappropriated Funds	4,552	17,667	28,640	62,425	
Operating Expenses	<u>67,438</u>	<u>80,542</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	6,888	0	0	
Reappropriated Funds	67,438	73,654	0	0	
SUBTOTAL -	598,223	708,392	719,563	753,646	4.7%
FTE	<u>3.2</u>	<u>3.0</u>	<u>4.0</u>	<u>4.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	36,378	50,243	44,147	40,305	(8.7%)
Reappropriated Funds	561,845	658,149	675,416	713,341	5.6%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
SUBTOTAL - (A) Human Resource Services	2,451,027	2,505,501	2,733,974	2,868,720	4.9%
<i>FTE</i>	<u>18.8</u>	<u>14.9</u>	<u>23.2</u>	<u>23.2</u>	<u>0.0%</u>
General Fund	211,970	424,000	2,014,411	2,115,074	5.0%
Cash Funds	36,378	50,243	44,147	40,305	(8.7%)
Reappropriated Funds	2,202,679	2,031,258	675,416	713,341	5.6%

(B) Employee Benefits Services

Personal Services	<u>778,013</u>	<u>805,259</u>	<u>827,054</u>	<u>836,869</u>	
<i>FTE</i>	9.7	10.2	12.0	12.0	
General Fund	0	3,768	0	0	
Cash Funds	778,013	801,491	827,054	836,869	
Reappropriated Funds	0	0	0	0	
Operating Expenses	<u>57,545</u>	<u>56,542</u>	<u>58,324</u>	<u>58,324</u>	
General Fund	0	0	0	0	
Cash Funds	57,545	56,542	58,324	58,324	
Reappropriated Funds	0	0	0	0	
Utilization Review	<u>5,530</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	
General Fund	0	0	0	0	
Cash Funds	5,530	40,000	40,000	40,000	
Reappropriated Funds	0	0	0	0	
H.B. 07-1335 Supplemental State Contribution Fund	<u>1,329,421</u>	<u>1,300,672</u>	<u>1,148,021</u>	<u>1,148,021</u>	
General Fund	0	0	0	0	
Cash Funds	1,329,421	1,300,672	1,148,021	1,148,021	
Reappropriated Funds	0	0	0	0	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Indirect Cost Assessment	<u>60,236</u>	<u>247,138</u>	<u>172,277</u>	<u>73,154</u>	
General Fund	0	0	0	0	
Cash Funds	60,236	247,138	172,277	73,154	
Reappropriated Funds	0	0	0	0	
SUBTOTAL - (B) Employee Benefits Services	2,230,745	2,449,611	2,245,676	2,156,368	(4.0%)
<i>FTE</i>	<u>9.7</u>	<u>10.2</u>	<u>12.0</u>	<u>12.0</u>	<u>0.0%</u>
General Fund	0	3,768	0	0	0.0%
Cash Funds	2,230,745	2,445,843	2,245,676	2,156,368	(4.0%)
Reappropriated Funds	0	0	0	0	0.0%

(C) Risk Management Services

Personal Services	<u>692,349</u>	<u>813,646</u>	<u>839,775</u>	<u>847,621</u>	
FTE	9.8	9.9	11.5	11.5	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	692,349	813,646	839,775	847,621	
Federal Funds	0	0	0	0	
Operating Expenses	<u>67,536</u>	<u>58,669</u>	<u>68,427</u>	<u>68,427</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	67,536	58,669	68,427	68,427	
Actuarial and Broker Services	<u>272,000</u>	<u>272,000</u>	<u>272,073</u>	<u>272,073</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	272,000	272,000	272,073	272,073	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Risk Management Information System	<u>140,950</u>	<u>137,448</u>	<u>137,448</u>	<u>191,050</u>	*
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	140,950	137,448	137,448	191,050	
Indirect Cost Assessment	<u>42,010</u>	<u>95,199</u>	<u>163,715</u>	<u>189,850</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	42,010	95,199	163,715	189,850	
Liability Claims	<u>3,704,600</u>	<u>6,560,299</u>	<u>4,211,736</u>	<u>7,013,148</u>	*
General Fund	0	0	0	0	
Cash Funds	126,100	0	0	0	
Reappropriated Funds	3,578,500	6,560,299	4,211,736	7,013,148	
Liability Excess Policy	<u>335,806</u>	<u>316,764</u>	<u>332,762</u>	<u>349,400</u>	*
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	335,806	316,764	332,762	349,400	
Liability Legal Services	<u>3,105,358</u>	<u>3,426,764</u>	<u>2,807,823</u>	<u>3,985,654</u>	*
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	3,105,358	3,426,764	2,807,823	3,985,654	
Property Policies	<u>4,558,660</u>	<u>4,881,240</u>	<u>4,907,385</u>	<u>5,179,922</u>	*
General Fund	0	0	0	0	
Cash Funds	177,103	0	0	0	
Reappropriated Funds	4,381,557	4,881,240	4,907,385	5,179,922	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Property Deductibles and Payouts	<u>3,059,535</u>	<u>10,419,024</u>	<u>2,600,000</u>	<u>2,600,000</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	3,059,535	10,419,024	2,600,000	2,600,000	
Workers' Compensation Claims	<u>31,999,861</u>	<u>32,114,888</u>	<u>37,125,664</u>	<u>35,279,285</u>	*
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	31,999,861	32,114,888	37,125,664	35,279,285	
Workers' Compensation TPA Fees and Loss Control	<u>2,001,560</u>	<u>2,471,367</u>	<u>2,450,000</u>	<u>2,450,000</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	2,001,560	2,471,367	2,450,000	2,450,000	
Workers' Compensation Excess Policy	<u>783,500</u>	<u>759,306</u>	<u>785,003</u>	<u>820,890</u>	*
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	783,500	759,306	785,003	820,890	
Workers' Compensation Legal Services	<u>2,231,183</u>	<u>2,235,456</u>	<u>1,985,089</u>	<u>2,452,571</u>	*
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	2,231,183	2,235,456	1,985,089	2,452,571	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Additional Payments from Recommendation by the State Claims Board Pursuant to Section 24-10-11 (5) (b), C.R.S.					
	<u>6,863,692</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	6,863,692	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Additional Payments to Claimants for Outstanding Claims Arising from the Lower North Fork Fire					
	<u>18,190,292</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	18,190,292	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
SUBTOTAL - (C) Risk Management Services	78,048,892	64,562,070	58,686,900	61,699,891	5.1%
<i>FTE</i>	<u>9.8</u>	<u>9.9</u>	<u>11.5</u>	<u>11.5</u>	<u>0.0%</u>
General Fund	25,053,984	0	0	0	0.0%
Cash Funds	303,203	0	0	0	0.0%
Reappropriated Funds	52,691,705	64,562,070	58,686,900	61,699,891	5.1%
Federal Funds	0	0	0	0	0.0%
TOTAL - (2) Division of Human Resources	82,730,664	69,517,182	63,666,550	66,724,979	4.8%
<i>FTE</i>	<u>38.3</u>	<u>35.0</u>	<u>46.7</u>	<u>46.7</u>	<u>0.0%</u>
General Fund	25,265,954	427,768	2,014,411	2,115,074	5.0%
Cash Funds	2,570,326	2,496,086	2,289,823	2,196,673	(4.1%)
Reappropriated Funds	54,894,384	66,593,328	59,362,316	62,413,232	5.1%
Federal Funds	0	0	0	0	0.0%

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(3) CONSTITUTIONALLY INDEPENDENT ENTITIES

This division provides support for the State Personnel Board authorized in Article XII, Sections 13 through 15, of the Colorado Constitution. The Board has the authority to adopt by rule a uniform grievance procedure to be used by all principal departments and agencies for classified employees in the State personnel system.

(A) Personnel Board

Personal Services	<u>472,614</u>	<u>469,571</u>	<u>485,179</u>	<u>495,608</u>	
FTE	4.7	4.6	4.8	4.8	
General Fund	472,424	469,446	484,001	494,430	
Cash Funds	190	125	1,178	1,178	
Federal Funds	0	0	0	0	
Operating Expenses	<u>20,567</u>	<u>17,355</u>	<u>20,505</u>	<u>20,505</u>	
General Fund	20,567	17,355	20,505	20,505	
Reappropriated Funds	0	0	0	0	
Legal Services	<u>28,286</u>	<u>32,673</u>	<u>31,353</u>	<u>31,730</u>	
General Fund	28,286	32,673	31,353	31,730	

TOTAL - (3) Constitutionally Independent Entities	521,467	519,599	537,037	547,843	2.0%
FTE	<u>4.7</u>	<u>4.6</u>	<u>4.8</u>	<u>4.8</u>	0.0%
General Fund	521,277	519,474	535,859	546,665	2.0%
Cash Funds	190	125	1,178	1,178	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

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(4) CENTRAL SERVICES

This division provides statewide support services, such as mail services, travel management, printing, copying, document reproduction, and data entry. It also administers the statewide fleet program, which purchases and manages vehicles for state agencies. The Facilities Maintenance section manages the buildings and grounds of the Capitol Complex, the Grand Junction State Services Building, and Camp George West.

(A) Administration

Personal Services	<u>649,250</u>	<u>668,785</u>	<u>680,817</u>	<u>689,236</u>	
FTE	7.5	7.3	8.0	8.0	
Cash Funds	0	0	0	0	
Reappropriated Funds	649,250	668,785	680,817	689,236	
Operating Expenses	<u>32,057</u>	<u>43,616</u>	<u>58,445</u>	<u>58,445</u>	
Cash Funds	0	0	0	0	
Reappropriated Funds	32,057	43,616	58,445	58,445	
Indirect Cost Assessment	<u>51,840</u>	<u>57,138</u>	<u>68,172</u>	<u>21,207</u>	
Cash Funds	0	0	0	0	
Reappropriated Funds	51,840	57,138	68,172	21,207	
Federal Funds	0	0	0	0	

SUBTOTAL - (A) Administration	733,147	769,539	807,434	768,888	(4.8%)
FTE	<u>7.5</u>	<u>7.3</u>	<u>8.0</u>	<u>8.0</u>	<u>0.0%</u>
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	733,147	769,539	807,434	768,888	(4.8%)
Federal Funds	0	0	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
(B) Integrated Document Solutions					
Personal Services	<u>5,571,723</u>	<u>5,929,282</u>	<u>6,298,464</u>	<u>6,378,093</u>	
FTE	92.5	101.2	99.1	99.1	
Cash Funds	1,554,730	125,328	141,615	141,615	
Reappropriated Funds	4,016,993	5,803,954	6,156,849	6,236,478	
Operating Expenses	<u>11,729,457</u>	<u>6,147,519</u>	<u>5,531,325</u>	<u>5,536,125</u>	
Cash Funds	84,588	240,313	240,313	240,313	
Reappropriated Funds	11,644,869	5,907,206	5,291,012	5,295,812	
IDS Postage	<u>0</u>	<u>7,367,224</u>	<u>7,848,775</u>	<u>7,848,775</u>	
Cash Funds	0	740,298	740,298	740,298	
Reappropriated Funds	0	6,626,926	7,108,477	7,108,477	
Utilities	<u>67,263</u>	<u>69,000</u>	<u>69,000</u>	<u>69,000</u>	
Cash Funds	0	0	0	0	
Reappropriated Funds	67,263	69,000	69,000	69,000	
Mail Equipment Purchase	<u>223,753</u>	<u>225,871</u>	<u>223,754</u>	<u>0</u>	
General Fund	46,129	46,129	46,130	0	
Cash Funds	0	2,118	0	0	
Reappropriated Funds	177,624	177,624	177,624	0	
Address Confidentiality Program	<u>128,822</u>	<u>195,306</u>	<u>198,687</u>	<u>232,247</u>	
FTE	1.7	2.5	3.4	3.4	
General Fund	0	60,303	50,902	71,376	
Cash Funds	128,822	135,003	147,785	160,871	
Reappropriated Funds	0	0	0	0	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Indirect Cost Assessment	<u>384,732</u>	<u>699,536</u>	<u>322,284</u>	<u>198,180</u>	
Cash Funds	0	0	0	0	
Reappropriated Funds	384,732	699,536	322,284	198,180	
Personal Services Contingency	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Operating Expenses Contingency Funds	<u>645,381</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	0	0	0	
Reappropriated Funds	645,381	0	0	0	
SUBTOTAL - (B) Integrated Document Solutions	18,751,131	20,633,738	20,492,289	20,262,420	(1.1%)
FTE	<u>94.2</u>	<u>103.7</u>	<u>102.5</u>	<u>102.5</u>	0.0%
General Fund	46,129	106,432	97,032	71,376	(26.4%)
Cash Funds	1,768,140	1,243,060	1,270,011	1,283,097	1.0%
Reappropriated Funds	16,936,862	19,284,246	19,125,246	18,907,947	(1.1%)

(C) Fleet Management Program and Motor Pool Services

Personal Services	<u>737,782</u>	<u>768,753</u>	<u>789,810</u>	<u>802,688</u>	
FTE	13.0	12.8	14.0	14.0	
Reappropriated Funds	737,782	768,753	789,810	802,688	
Operating Expenses	<u>279,790</u>	<u>532,391</u>	<u>214,271</u>	<u>557,020</u>	*
Reappropriated Funds	279,790	532,391	214,271	557,020	
Fuel and Automotive Supplies	<u>23,293,782</u>	<u>20,102,800</u>	<u>25,514,293</u>	<u>25,171,544</u>	*
Reappropriated Funds	23,293,782	20,102,800	25,514,293	25,171,544	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Vehicle Replacement Lease/Purchase	<u>15,597,561</u>	<u>16,070,129</u>	<u>17,439,929</u>	<u>18,221,653</u> *	
Reappropriated Funds	15,597,561	16,070,129	17,439,929	18,221,653	
Indirect Cost Assessment	<u>364,528</u>	<u>609,903</u>	<u>293,264</u>	<u>148,784</u>	
Reappropriated Funds	364,528	609,903	293,264	148,784	
SUBTOTAL - (C) Fleet Management Program and Motor Pool Services	40,273,443	38,083,976	44,251,567	44,901,689	1.5%
FTE	<u>13.0</u>	<u>12.8</u>	<u>14.0</u>	<u>14.0</u>	<u>0.0%</u>
Reappropriated Funds	40,273,443	38,083,976	44,251,567	44,901,689	1.5%

(D) Facilities Maintenance - Capitol Complex

Personal Services	<u>2,803,255</u>	<u>3,042,729</u>	<u>3,125,750</u>	<u>3,174,718</u>
FTE	51.5	60.5	55.2	55.2
General Fund	0	0	0	0
Cash Funds	0	0	0	0
Reappropriated Funds	2,803,255	3,042,729	3,125,750	3,174,718
Operating Expenses	<u>2,662,433</u>	<u>2,768,302</u>	<u>2,709,468</u>	<u>2,709,468</u>
General Fund	0	85,872	0	0
Cash Funds	0	85,872	0	0
Reappropriated Funds	2,662,433	2,596,558	2,709,468	2,709,468
Capitol Complex Repairs	<u>56,520</u>	<u>52,632</u>	<u>56,520</u>	<u>56,520</u>
Reappropriated Funds	56,520	52,632	56,520	56,520
Capitol Complex Security	<u>385,384</u>	<u>405,243</u>	<u>405,243</u>	<u>405,243</u>
Reappropriated Funds	385,384	405,243	405,243	405,243

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Utilities	<u>4,827,681</u>	<u>4,769,540</u>	<u>4,854,388</u>	<u>5,104,661</u> *	
Cash Funds	163,639	1,588,452	313,139	320,424	
Reappropriated Funds	4,664,042	3,181,088	4,541,249	4,784,237	
Indirect Cost Assessment	<u>2,048,330</u>	<u>1,399,867</u>	<u>1,009,358</u>	<u>313,715</u>	
Reappropriated Funds	2,048,330	1,399,867	1,009,358	313,715	
Capitol Complex Custodial	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	0	0	0	0	
Capitol Complex Controlled Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	0	0	0	0	
SUBTOTAL - (D) Facilities Maintenance - Capitol Complex	12,783,603	12,438,313	12,160,727	11,764,325	(3.3%)
<i>FTE</i>	<u>51.5</u>	<u>60.5</u>	<u>55.2</u>	<u>55.2</u>	<u>0.0%</u>
General Fund	0	85,872	0	0	0.0%
Cash Funds	163,639	1,674,324	313,139	320,424	2.3%
Reappropriated Funds	12,619,964	10,678,117	11,847,588	11,443,901	(3.4%)
TOTAL - (4) Central Services	72,541,324	71,925,566	77,712,017	77,697,322	(0.0%)
<i>FTE</i>	<u>166.2</u>	<u>184.3</u>	<u>179.7</u>	<u>179.7</u>	<u>0.0%</u>
General Fund	46,129	192,304	97,032	71,376	(26.4%)
Cash Funds	1,931,779	2,917,384	1,583,150	1,603,521	1.3%
Reappropriated Funds	70,563,416	68,815,878	76,031,835	76,022,425	(0.0%)
Federal Funds	0	0	0	0	0.0%

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(5) DIVISION OF ACCOUNTS AND CONTROL

The State Controller's office manages the financial affairs for all State departments. These responsibilities include: (1) statewide financial reporting; (2) providing policy and procedural guidance; (3) managing State contracts; and (4) developing the statewide indirect cost allocation plan. The Division receives cash funds from the Supplier Database Cash Fund (Section 24-102-202.5, C.R.S.) and rebates associated with the Procurement Card Program.

(A) Financial Operations and Reporting

(1) Financial Operations and Reporting

Personal Services	<u>0</u>	<u>0</u>	<u>2,739,354</u>	<u>2,730,354</u>	
FTE	0.0	0.0	29.5	29.5	
General Fund	0	0	2,197,873	2,508,988	
Cash Funds	0	0	541,481	221,366	
Operating Expenses	<u>0</u>	<u>0</u>	<u>139,334</u>	<u>139,334</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	139,334	139,334	
Recovery Audit Program Disbursements	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	1,000	1,000	

SUBTOTAL -	0	0	2,879,688	2,870,688	(0.3%)
FTE	<u>0.0</u>	<u>0.0</u>	<u>29.5</u>	<u>29.5</u>	<u>0.0%</u>
General Fund	0	0	2,197,873	2,508,988	14.2%
Cash Funds	0	0	681,815	361,700	(47.0%)

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(2) Collections Services					
Personal Services	<u>0</u>	<u>0</u>	<u>983,060</u>	<u>1,000,455</u>	
FTE	0.0	0.0	20.0	20.0	
General Fund	0	0	0	0	
Cash Funds	0	0	983,060	1,000,455	
Operating Expenses	<u>0</u>	<u>0</u>	<u>545,801</u>	<u>545,801</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	545,801	545,801	
Private Collection Agency Fees	<u>0</u>	<u>0</u>	<u>900,000</u>	<u>900,000</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	900,000	900,000	
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>312,526</u>	<u>152,625</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	312,526	152,625	
SUBTOTAL -	0	0	2,741,387	2,598,881	(5.2%)
FTE	<u>0.0</u>	<u>0.0</u>	<u>20.0</u>	<u>20.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	0	0	2,741,387	2,598,881	(5.2%)
SUBTOTAL - (A) Financial Operations and Reporting	0	0	5,621,075	5,469,569	(2.7%)
FTE	<u>0.0</u>	<u>0.0</u>	<u>49.5</u>	<u>49.5</u>	<u>0.0%</u>
General Fund	0	0	2,197,873	2,508,988	14.2%
Cash Funds	0	0	3,423,202	2,960,581	(13.5%)

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(B) Procurement and Contracts

Personal Services	<u>0</u>	<u>0</u>	<u>1,540,713</u>	<u>1,560,828</u>	
FTE	0.0	0.0	17.7	17.7	
General Fund	0	0	0	0	
Cash Funds	0	0	1,540,713	1,560,828	
Operating Expenses	<u>0</u>	<u>0</u>	<u>38,284</u>	<u>38,284</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	38,284	38,284	

SUBTOTAL - (B) Procurement and Contracts	0	0	1,578,997	1,599,112	1.3%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>17.7</u>	<u>17.7</u>	(0.0%)
General Fund	0	0	0	0	0.0%
Cash Funds	0	0	1,578,997	1,599,112	1.3%

(c) CORE Operations

Personal Services	<u>0</u>	<u>0</u>	<u>1,754,192</u>	<u>1,793,977</u>	
FTE	0.0	0.0	21.3	21.3	
General Fund	0	0	0	0	
Cash Funds	0	0	406,672	406,672	
Reappropriated Funds	0	0	1,347,520	1,387,305	
Operating Expenses	<u>0</u>	<u>0</u>	<u>1,369,408</u>	<u>1,369,408</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	1,369,408	1,369,408	

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Payments for CORE and Support Modules	<u>0</u>	<u>0</u>	<u>4,844,555</u>	<u>5,232,347</u> *	
General Fund	0	0	0	0	
Reappropriated Funds	0	0	4,844,555	5,232,347	
SUBTOTAL - (c) CORE Operations	0	0	7,968,155	8,395,732	5.4%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>21.3</u>	<u>21.3</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	0	0	1,776,080	1,776,080	0.0%
Reappropriated Funds	0	0	6,192,075	6,619,652	6.9%

(D) Office of the State Controller

Personal Services	<u>2,624,807</u>	<u>2,362,653</u>	<u>0</u>	<u>0</u>
FTE	27.8	27.5	0.0	0.0
General Fund	746,798	974,130	0	0
Cash Funds	889,092	730,084	0	0
Reappropriated Funds	988,917	658,439	0	0
Federal Funds	0	0	0	0
Operating Expenses	<u>139,948</u>	<u>115,988</u>	<u>0</u>	<u>0</u>
General Fund	33,950	115,988	0	0
Cash Funds	105,998	0	0	0
Reappropriated Funds	0	0	0	0
Recovery Audit Program Disbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0
Cash Funds	0	0	0	0

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SUBTOTAL - (D) Office of the State Controller	2,764,755	2,478,641	0	0	0.0%
<i>FTE</i>	<u>27.8</u>	<u>27.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	780,748	1,090,118	0	0	0.0%
Cash Funds	995,090	730,084	0	0	0.0%
Reappropriated Funds	988,917	658,439	0	0	0.0%
Federal Funds	0	0	0	0	0.0%

€ State Purchasing Office

Personal Services	<u>805,769</u>	<u>814,682</u>	<u>0</u>	<u>0</u>	
FTE	8.5	8.3	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	805,769	814,682	0	0	
Operating Expenses	<u>24,220</u>	<u>26,987</u>	<u>0</u>	<u>0</u>	
Cash Funds	24,220	26,987	0	0	
Statewide Travel Management Program	<u>100,857</u>	<u>104,477</u>	<u>0</u>	<u>0</u>	
FTE	1.8	1.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	100,857	104,477	0	0	
DIPS Procurement	<u>13,803</u>	<u>401,763</u>	<u>0</u>	<u>0</u>	
Cash Funds	13,803	401,763	0	0	
SUBTOTAL - € State Purchasing Office	944,649	1,347,909	0	0	0.0%
<i>FTE</i>	<u>10.3</u>	<u>9.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	944,649	1,347,909	0	0	0.0%

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(F) Supplier Database and e-Procurement

Personal Services	428,426	624,172	0	0	
FTE	6.4	11.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	428,426	624,172	0	0	
Operating Expenses	2,489,192	1,311,755	0	0	
General Fund	816	0	0	0	
Cash Funds	2,488,376	1,311,755	0	0	

SUBTOTAL - (F) Supplier Database and e-Procurement	2,917,618	1,935,927	0	0	0.0%
FTE	6.4	11.0	0.0	0.0	0.0%
General Fund	816	0	0	0	0.0%
Cash Funds	2,916,802	1,935,927	0	0	0.0%

(G) Collections Services

Personal Services	924,595	1,102,268	0	0	
FTE	16.8	19.9	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	924,595	1,102,268	0	0	
Operating Expenses	334,071	424,297	0	0	
Cash Funds	334,071	424,297	0	0	
Private Collection Agency Fees	864,623	795,333	0	0	
Cash Funds	864,623	795,333	0	0	

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Indirect Cost Assessment	<u>250,433</u>	<u>307,044</u>	<u>0</u>	<u>0</u>	
Cash Funds	250,433	307,044	0	0	
SUBTOTAL - (G) Collections Services	2,373,722	2,628,942	0	0	0.0%
<i>FTE</i>	<u>16.8</u>	<u>19.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	2,373,722	2,628,942	0	0	0.0%
TOTAL - (5) Division of Accounts and Control	9,000,744	8,391,419	15,168,227	15,464,413	2.0%
<i>FTE</i>	<u>61.3</u>	<u>67.7</u>	<u>88.5</u>	<u>88.5</u>	<u>0.0%</u>
General Fund	781,564	1,090,118	2,197,873	2,508,988	14.2%
Cash Funds	7,230,263	6,642,862	6,778,279	6,335,773	(6.5%)
Reappropriated Funds	988,917	658,439	6,192,075	6,619,652	6.9%
Federal Funds	0	0	0	0	0.0%

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(6) ADMINISTRATIVE COURTS

This division provides an independent administrative law adjudication system for state agencies in order to resolve cases that deal with workers' compensation, human services, and regulatory law. The Division offers a full range of alternative dispute resolution options, including evidentiary hearings, settlement conferences, and mediation.

Personal Services	<u>3,241,253</u>	<u>3,374,818</u>	<u>3,471,882</u>	<u>3,787,494</u> *	
FTE	36.9	38.0	40.0	44.5	
General Fund	0	0	0	0	
Cash Funds	56,694	105,916	105,916	105,916	
Reappropriated Funds	3,184,559	3,268,902	3,365,966	3,681,578	
Federal Funds	0	0	0	0	
Operating Expenses	<u>142,788</u>	<u>143,251</u>	<u>143,260</u>	<u>171,525</u> *	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	142,788	143,251	143,260	171,525	
Indirect Cost Assessment	<u>171,000</u>	<u>230,033</u>	<u>138,384</u>	<u>71,305</u>	
General Fund	0	0	0	0	
Cash Funds	0	8,587	0	0	
Reappropriated Funds	171,000	221,446	138,384	71,305	
TOTAL - (6) Administrative Courts	3,555,041	3,748,102	3,753,526	4,030,324	7.4%
FTE	<u>36.9</u>	<u>38.0</u>	<u>40.0</u>	<u>44.5</u>	<u>11.2%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	56,694	114,503	105,916	105,916	0.0%
Reappropriated Funds	3,498,347	3,633,599	3,647,610	3,924,408	7.6%
Federal Funds	0	0	0	0	0.0%

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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
TOTAL - Department of Personnel	181,720,000	166,211,115	181,201,321	186,760,997	3.1%
<i>FTE</i>	<u>346.4</u>	<u>370.2</u>	<u>407.4</u>	<u>413.0</u>	<u>1.4%</u>
General Fund	31,012,684	6,245,114	11,711,626	12,997,749	11.0%
Cash Funds	12,585,805	12,913,699	13,830,708	13,433,092	(2.9%)
Reappropriated Funds	138,121,511	147,052,302	155,658,987	160,330,156	3.0%
Federal Funds	0	0	0	0	0.0%

Appendix B: Recent Legislation Affecting Department Budget

2014 Session Bills

S.B. 14-002 (Safe2Tell Program in Department of Law): Repeals the existing Safe2Tell Program and recreates it in the Department of Law. Appropriates \$2,618 reappropriated funds to the Department for vehicle replacement lease/purchase costs for FY 2014-15.

S.B. 14-014 (Property Tax Rent Heat Fuel Grants for Low-income): Modifies the Property Tax, Rent, and Heat Rebate Program administered by the Colorado Department of Revenue. Appropriates \$31,400 reappropriated funds to the Department for allocation to Integrated Document Solutions for the provision of postage, data entry, imaging, and printing for FY 2014-15.

S.B. 14-108 (Capital Outlay Reserve for Department of Personnel Revolving Fund): Sets an alternate target reserve for the Department of Personnel Revolving Fund in the Department, established as 16.5 percent of the amount expended in a given fiscal year, plus any balance identified in the *capital outlay reserve* funded by accumulated depreciation. Specifies that any uncommitted capital outlay reserves available at the end of a fiscal year may be appropriated for capital outlay through the annual budget process.

S.B. 14-120 (Workers' Compensation Account Continuous Appropriation): Provides continuous spending authority for the benefits portion of the workers' compensation program; all direct and indirect administrative costs for the program remain subject to annual appropriation. Administrative costs include operational expenses for the risk management system, legal services, litigation expenses, and third-party administrator expenses.

S.B. 14-214 (PERA Actuarial Studies): Requires a study of PERA within the total compensation survey and requires an actuarial study of PERA to be contracted by the State Auditor. Appropriates \$125,000 General Fund to the Department and \$375,000 General Fund to the Legislative Department for allocation to the Office of the State Auditor for FY 2014-15.

S.B. 14-223 (Lower North Fork Fire Claims Payments): Directs the State Claims Board to compromise or settle claims brought by certain claimants who have suffered damages or other losses in connection with the Lower North Fork Fire in March 2012 to reimburse them for their economic and noneconomic losses as well as interest on such amounts. Appropriates \$7,101,298 General Fund to the Department for FY 2013-14 for allocation to Risk Management for payment of claims and makes reductions to partially offset the appropriation as follows:

- Reduces the appropriation to the Department of Human Services for Behavioral Health Services by \$4,281,893 General Fund for FY 2013-14.
- Reduces the appropriation to the Governor's Office for general economic incentives and marketing by \$1,000,000 General Fund and increases the cash funds appropriation by

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\$1,000,000 conditioned upon the transfer of General Fund surplus to the Colorado Economic Development Fund for FY 2014-15.

- Reduces the appropriation to the Controlled Maintenance Trust Fund by \$589,099 General Fund for FY 2014-15.

H.B. 14-1170 (CBI Pueblo Lab Lease-purchase): Authorizes the State Treasurer to enter into lease-purchase agreements on behalf of the Colorado Bureau of Investigation within the Department of Public Safety for a period of up to 20 years to purchase and renovate a new building to house the CBI Pueblo forensic laboratory and regional office. Appropriates \$4,500 reappropriated funds to the Department of Personnel for allocation to Risk Management for property insurance for FY 2014-15.

H.B. 14-1194 (Re-create Legislative Digital Policy Advisory Committee): Recreates the Legislative Digital Policy Advisory Committee (LDPAC) and adds the Revisor of Statutes, the Secretary of State, and the President of the State Historical Society. The LDPAC is required to:

- monitor the digitization of archived recordings;
- make recommendations for implementation of the "Uniform Electronic Legal Material Act" for legislative electronic records; and
- make recommendations for an optimal method of records creation, storage, and access for other state electronic records.

The LDPAC is required to report its findings and recommendations to the Committee on Legal Services and Joint Budget Committee on or before October 1, 2014, and October 1, 2015. The LDPAC is repealed on July 1, 2016.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Includes supplemental appropriations to the Department of Personnel for FY 2013-14.

2015 Session Bills

S.B. 15-157 (Supplemental Bill): Supplemental appropriations bill for the Department of Personnel for FY 2014-15. Includes supplemental appropriations to the Department of Personnel for FY 2013-14.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

S.B. 15-270 (Create the Office of the State Architect): Codifies the existing Office of the State Architect in statute and adds authority over and responsibility for statewide planning for capital construction. Appropriates \$105,531 General Fund and 1.0 FTE for the Office of the State Architect program line item for FY 2015-16 and reduces the FY 2015-16 General Fund appropriation to the Statewide Planning Services line item in the Office of the State Architect by an equal amount.

H.B. 15-1219 (EZ Investment Tax Credit for Renewable Energy): Modifies renewable energy tax credits in enterprise zones. Appropriates \$1,200 reappropriated funds to Integrated Document Solutions for document management services purchased by the Department of Revenue for FY 2015-16.

H.B. 15-1301 (Tobacco Credit Shipped to Out-of-state Consumers): Creates a credit against tobacco excise tax equal to Colorado excise taxes paid on tobacco products other than cigarettes sold by a distributor to an out-of-state consumer. Appropriates \$1,200 reappropriated funds to Integrated Document Solutions for document management services purchased by the Department of Revenue for FY 2014-15.

H.B. 15-1392 (Payroll System to Pay State Employees Twice a Month): Effective July 1, 2017, implements a twice-monthly pay system for all state employees paid through the state's payroll system, replacing the current monthly or biweekly pay system. The bill delays payment to state employees by half a month beginning on July 31, 2017, compared to the current pay system. For work performed from the first day of the month through the 15th day of the month, employees will be paid on the last day of the same month, and for work performed from the 16th day of the month through the last day of the month, employees will be paid on the 15th day of the next month, except that, for work performed from the first day of June through the 15th day of June, employees will be paid on July 1 – maintaining the existing *paydate shift* for monthly-paid employees and moving biweekly-paid employees into the *paydate shift* accounting mechanism.

To assist employees with the half-month delay in pay, the bill provides for a one-time loan in July 2017 equal to no more than an employee's net pay for a half-month pay period. The bill specifies two repayment options to be paid over three years. The Legislative Council Staff Revised Fiscal Note identifies a cost of \$30.0 million General Fund to fund employee loans based on an estimated access rate of the loan program by state employees of 40 to 50 percent. The loan program to state employees will necessitate a General Fund appropriation to cover all payroll fund sources, including cash-funded, reappropriated-funded, and federal-funded payroll expenditures. As identified in the Revised Fiscal Note, up to \$65 million in state employee payroll could be loaned out in July 2017. It is estimated that the appropriation necessary for the loan program will require between \$30 million and \$65 million General Fund in FY 2017-18.

Appendix C: Update on Long Bill Footnotes & Requests for Information

Long Bill Footnotes

There were no Long Bill footnotes that required follow-up by the Department.

Requests for Information

1. Department of Personnel, Division of Accounts and Control, Financial Operations and Reporting – The State Controller is requested to provide by October 1, 2015, to the Joint Budget Committee, a report on uncommitted reserves that includes all cash funds, including those that are otherwise exempt from and unreported in the cash funds excess uncommitted reserves report required by Section 24-30-207, C.R.S.

Department Response – The Department's response follows on the next page.

6. **All Departments** -- All Departments that own or have administrative custody of or administrative responsibility for State-owned buildings or structures are requested to provide by October 1, 2015, to the Joint Budget Committee an inventory list of all such department buildings or other department structures that are 50 years or older; each building's or structure's general condition and use status; and the estimated cost to address controlled maintenance needs or to provide for demolition.

Department Response – The Department's response follows on the pages following the RFI 1 response.



COLORADO

Office of the State Controller

Department of Personnel
& Administration

1525 Sherman St.
Denver, CO 80203

November 2, 2015

John Ziegler, Director
Joint Budget Committee
200 E. 14th Avenue, 3rd Floor
Denver, CO 80203

Dear Mr. Ziegler:

Attached is the informational Cash Funds Uncommitted Reserves Report as of June 30, 2015 as required by the following footnote:

DEPARTMENT OF PERSONNEL

1. Department of Personnel, Division of Accounts and Control, Financial Operations and Reporting – The State Controller is requested to provide by October 1, 2015, to the Joint Budget Committee, a report on uncommitted reserves that includes all cash funds, including those that are otherwise exempt from and unreported in the cash funds excess uncommitted reserves report required by Section 24-30-207, C.R.S.

These calculations are based on the Cash Funds Uncommitted Reserves Statute (CRS 24-75-402). The report includes funds that would have been excluded on the statutory report, such as funds that are less than two years old, funds that are excluded but have a repeal date in the future, and funds with fee revenues, but uncommitted reserves less than \$200,000. We have added a column to let you know when a fund would be on the statutory report, or if it would have been excluded. We are also including report notes related to the statutory report for your reference.

This statutory report is in the process of being completed and it expected to be published in December. At that point, we will provide an updated version of this report to you.

If you have questions regarding the information in this report, please contact Karoline Clark in my office at (303) 866-3811.

Sincerely,

Robert Jaros, CPA, MBA, JD
State Controller

Attachments

Cc: Henry Sobanet, Office of State Planning and Budgeting
Adrian Leiter, Department of Personnel and Administration



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John W. Hickenlooper, Governor | June Taylor, Executive Director



NOTES TO CASH FUNDS UNCOMMITTED RESERVES REPORT

NOTE 5. EXEMPT ASSETS

Exempt assets are any long-term assets or non-monetary current assets held by the fund at June 30, 2015. "Non-monetary" current assets are those that either cannot be converted to cash or are held with the intent of being used rather than converted to cash, including but not limited to consumable inventory and prepaid expenses.

NOTE 6. CAPITAL RESERVE

The capital reserve is the amount equal to the depreciation of depreciable components of a capital outlay or capital construction, where a cash fund has been appropriated moneys for capital purposes.

NOTE 7. PREVIOUSLY APPROPRIATED FUND BALANCE

Previously appropriated fund balance is that portion of fund balance that has been appropriated for capital construction or other multi-year purposes.

NOTE 8. FEE REVENUE

Fee revenue means any moneys collected by an entity, except that fee revenue does not include:

- Any moneys collected from sources excluded from state fiscal year spending, as defined in Section 24-77-102 (17), Colorado Revised Statutes;
- Any moneys received through the imposition of penalties or fines or surcharges imposed on any person convicted of a crime;
- Any moneys appropriated or transferred from the state general fund;
- Any moneys received through the imposition of taxes;
- Any moneys received from charges or assessments, the amount of which are established in law and over which the entity has no authority to change or are otherwise not determined by the entity;
- Any moneys received from gifts or donations;
- Any moneys received from local government grants or contracts;
- Any moneys received through direct transfers from another entity, an enterprise, or a special purpose authority; or

- Any moneys received as interest or other investment income.

NOTE 9. NON-FEE FUND BALANCE

Non-fee fund balance is calculated by subtracting any exempt assets and previously appropriated fund balance from total fund balance and multiplying the result times the ratio of non-fee revenue to total revenue.

NOTE 10. UNCOMMITTED RESERVE

Uncommitted reserve is calculated by subtracting any exempt assets and previously appropriated fund balance from total fund balance and multiplying the result by the ratio of fee revenue to total revenue.

If an entity has a program that has a multi-year revenue collection cycle or revenue contract period, the average of uncommitted reserve from the cash fund related to that program over the multi-year period may be used.

At this time, no programs were identified on the report with multi-year revenue collection cycles for Fiscal Year 2015.

NOTE 11. MAXIMUM RESERVE

Maximum reserve is defined as 16.5 percent of Fiscal Year 2015 expenditures.

NOTE 12. ALTERNATIVE MAXIMUM RESERVE

In some cases an alternative maximum reserve is used in place of a maximum reserve when there is a reserve limit established by statute.

NOTE 13. EXCESS UNCOMMITTED RESERVE

Excess uncommitted reserve is the amount by which the uncommitted reserve exceeds the alternative reserve (if provided) or the maximum reserve.

NOTES TO CASH FUNDS UNCOMMITTED RESERVES REPORT

NOTE 1. PURPOSE

Section 24-30-207, Colorado Revised Statutes, requires the State Controller to prepare a report showing the amount of uncommitted reserves credited to each of the State of Colorado's cash funds. This report is prepared in accordance with the statutory definitions and may not agree to financial reports prepared on a GAAP basis. The report must be audited by the State Auditor. The report is to be delivered to the Office of State Planning and Budgeting and to the Joint Budget Committee on or before September 20 of each year.

NOTE 2. CASH FUND DEFINED

Section 24-75-402 (2) (b), Colorado Revised Statutes, defines "cash fund" to mean any fund, established by law for a specific program or purpose, other than the State General Fund, any federal fund, and any fund used by a state institution of higher education.

NOTE 3. CASH FUNDS EXCLUDED

The following cash funds are specifically excluded from the cash reserves report:

- Any cash fund for which revenue is derived solely from fees, the amounts of which are established by the federal government;
- Any cash fund for which revenue is derived solely from fees set by the Colorado Supreme Court in the exercise of its exclusive authority to regulate the practice of law;
- Any cash fund for which revenue is derived solely from fees set by an enterprise, as defined in Section 24-77-102 (3), Colorado Revised Statutes, or a special purpose authority;
- Any cash fund that is established for capital construction;
- Any cash fund for which the reserve amounts are based on actuarial requirements;
- Any trust fund;
- Any cash fund with uncommitted reserves of less than \$200,000;
- The Petroleum Storage Tank Fund;
- The Hazardous Substance Response Fund;
- The Land and Water Management Fund;
- The Brand Inspection Fund;
- The Colorado State Fair Authority Cash Fund;
- The Highway Users' Tax Fund;

- The State Highway Fund;
- The Worker's Compensation Cash Fund;
- The Worker's Compensation Cost Containment Fund;
- The State Commission on Judicial Performance Cash Fund;
- The Motorcycle Operator Safety Training Fund;
- The Colorado Disabled Telephone Users Fund;
- The Colorado Bureau of Investigation Identification Unit Fund;
- The Buildings and Grounds Cash Fund;
- The Judicial Department Information Technology Cash Fund;
- The Private Activity Bond Allocations Fund;
- The Colorado High Cost Administration Fund;
- The Public School Construction and Inspection Cash Fund;
- The Marijuana Cash Fund;
- The Health Facility Construction and Inspection Cash Fund;
- The Medical Marijuana License Fund;
- The Emergency Fire Fund;
- The Wildland Fire Equipment Repair Fund;
- The Wildland Fire Cost Recovery Fund;
- The Wildfire Emergency Response Fund;
- The Wildfire Preparedness Fund;
- The Efficient Schools and Communities Performance Contracting Fund;
- The Enterprise Services Cash Fund;
- The Public Safety Inspection Fund;
- The Employee Leasing Company Certification Fund
- The Conveyance Safety Fund; and
- Any cash fund used to fund a single program if the program has been in existence less than two full fiscal years.

Although the Private Activity Bond Allocations Fund is specifically excluded from the cash reserves report based on the cash funds report statute, the language included in the fund's enabling statute provides for an alternate maximum reserve for the fund. The alternate maximum reserve is applicable to funds reported on the cash reserves report. Therefore, we are including the fund in the cash reserves report for informational purposes only.

Although the Medical Marijuana Program Cash Fund is listed as an excluded fund, only the portion of the fund transferred to or available for transfer to the Health Research subaccount is excluded from the limitations of the cash funds report statute.

NOTE 4. FUND BALANCE

Fund balance is the net of total assets and total liabilities in each fund as of June 30, 2015. This amount does not include net assets related to deferred inflows, deferred outflows, and pension liabilities.

Cabinet	Fund	Fund Name	Cash Fund Indicator	Fund Balance (Note 4)	Exempt Assets (Note 5)	Capital Reserve (Note 6)	Previously Appropriated FB (Note 7)	Fee Revenues (Note 8)	Total Revenues	Total Expenses	Net Fee Fund Balance (Note Reserves 9)	Uncommitted Reserves (Note 10)	Maximum Reserve (Note 11 & 13)	Uncommitted Reserves (Note 13)
Dept of Public Health and Environment	1260	Hazardous Waste Service Fund	Included in Report	216,110	0	0	0	70,241	2,059,354	2,176,231	547,017	327,093	350,213	0
Dept of Public Health and Environment	1280	Sludge Management Fund	Less than \$200,000	876,211	0	0	0	182,339	182,339	(2,872)	219,083	0	30,996	0
Dept of Public Health and Environment	1340	Tire Recycling Cash Fund	Less than \$200,000	6,938	0	0	0	481,998	482,958	502,270	14	6,924	82,666	0
Dept of Public Health and Environment	1310	Fund and Rotary-Wing Ambulances Cash Fund	Less than \$200,000 Included in Report (only transfer amount in Excluded)	61,144	0	0	0	7,375	7,958	11,770	6,016	5,128	2,264	52,864
Dept of Public Health and Environment	1470	Medical Marijuana Cash Fund	Less than \$200,000	2,756,553	0	0	0	1,663,377	1,808,046	13,053,804	219,001	2,138,752	2,154,658	381,884
Dept of Public Health and Environment	1640	Drinking Water Cash Fund	Excluded	282,373	0	0	0	(605,312)	505,466	94,651	620,803	(138,450)	106,202	0
Dept of Public Health and Environment	1640	Wholesale Food Manufacturing & Storage	Excluded	0	0	0	0	0	0	0	0	0	0	0
Dept of Public Health and Environment	1760	Protection Cash Fund	Included in Report	680,099	0	0	0	391,771	393,145	161,854	2,377	677,722	26,706	653,016
Dept of Public Health and Environment	1770	Process and End Users Fund	Included in Report	3,213,556	0	0	0	4,431,377	4,334,102	1,222,479	(65,082)	3,278,638	201,709	3,076,929
Dept of Public Health and Environment	1780	Coroner Training Fund	Less than \$200,000	10,604	0	0	0	36,000	36,000	31,155	0	10,604	5,141	0
Dept of Public Health and Environment	2070	Recycling Resources Economic Opportunity Fund	Included in Report	1,158,045	0	0	0	2,271,388	3,742,134	2,861,823	470,426	687,619	472,201	215,418
Dept of Public Health and Environment	2240	Medication Administration Fund	Less than \$200,000	47,264	0	0	0	308,746	308,746	276,592	0	47,264	45,638	1,626
Dept of Public Health and Environment	2280	Home Care Agency Cash Fund	Less than \$200,000	(69,053)	0	0	0	1,018,365	1,148,365	1,272,170	(6,615)	(62,440)	201,558	0
Dept of Public Health and Environment	2310	Animal Feeding Operations Fund	Less than \$200,000	322,278	0	0	0	228,668	473,191	492,400	166,716	155,852	81,246	74,606
Dept of Public Health and Environment	2310	Dairy Production Cash Fund	Less than \$200,000	64,460	0	0	0	(18,566)	49,410	37,193	89,203	(24,743)	6,137	0
Dept of Public Health and Environment	2310	Vita Water Program Fund	Less than \$200,000	1,817	0	0	0	8,750	8,750	10,627	9	1,808	1,761	47
Dept of Public Health and Environment	2460	Assisted Living Residence Fund	Less than \$200,000	(5,984)	0	0	0	985,087	985,087	1,228,514	0	(5,984)	202,705	0
Dept of Public Health and Environment	2490	Industrial Pretreatment Water Fund	Less than \$100,000	(111)	0	0	0	137,855	139,213	285,980	(2)	(119)	47,187	0
Dept of Public Health and Environment	2650	Health Facilities General License Cash Fund	Less than \$200,000	136,042	0	0	0	2,063,391	2,063,391	2,445,830	3	136,039	403,663	0
Dept of Public Health and Environment	2660	Food Protection Cash Fund	Included in Report	761,873	0	0	0	1,986,051	1,986,051	1,182,270	(578,006)	1,398,879	195,570	1,644,209
Dept of Public Health and Environment	2660	Laboratory Cash Fund	Included in Report	258,510	0	0	0	1,124,819	1,124,819	19,650	28,660	219,999	17,001	17,001
Dept of Public Health and Environment	2670	Waste Tire Market Development Fund	Included in Report	341,247	0	0	0	335,338	336,746	170,547	(4,730)	345,985	28,440	317,845
Dept of Public Health and Environment	2750	Ozone Protection Fund	Less than \$200,000	154,685	0	0	0	17,772	228,016	178,335	142,679	12,056	29,425	0
Dept of Public Health and Environment	2760	Artificial Tanning Dewe Fund	Less than \$200,000	16,918	0	0	0	37,500	29,672	29,672	0	0	4,911	0
Dept of Public Health and Environment	2770	Pollution Prevention Fund	Less than \$200,000	70,380	0	0	0	86,127	139,182	117,857	26,823	43,552	19,446	24,106
Dept of Public Health and Environment	2790	Hazardous Waste Commission Fund	Less than \$200,000	30,315	0	0	0	65,899	65,899	65,499	73,423	30,315	12,115	18,200
Dept of Public Health and Environment	2780	Legal Drug Laboratory Fund	Less than 2 Years	13,847	0	0	0	35,150	67,880	54,033	6,677	7,170	8,915	0
Dept of Public Health and Environment	2800	Cleanup Fund	Less than 2 Years	855,838	0	0	0	2,022,107	1,975,701	1,170,163	(20,305)	875,343	184,877	696,516
Dept of Public Health and Environment	4900	Emergency Medical Services Account	Less than \$200,000	2,975,500	5,266	0	0	707,708	10,795,617	10,030,696	2,737,592	191,908	1,653,065	13,375,032
Dept of Public Health and Environment Total				40,748,173	5,266	0	45,287,778	71,961,376	81,060,795	34,880,392	35,863,315	13,375,032	17,714,517	
Dept of Public Safety	1780	Fire Service Education and Training Fund	Less than \$200,000	31,736	0	0	0	18,699	18,994	10,765	493	31,243	1,776	29,467
Dept of Public Safety	1780	Fire Suppression Cash Fund	Less than \$200,000	33,777	0	0	0	102,145	102,478	101,582	44	33,733	16,972	16,972
Dept of Public Safety	1780	Fireworks Licensing Cash Fund	Less than \$200,000	26,387	0	0	0	23,873	24,238	25,735	395	21,982	4,246	21,446
Dept of Public Safety	1780	See Offender Registry Fund	Less than \$200,000	12,788	0	0	0	740	848	848	0	10,640	1,972	9,568
Dept of Public Safety	1770	Auto Theft Prevention Cash Fund	Included in Report	3,101,820	2,043	0	0	4,532,064	4,576,222	4,447,574	49,588	3,056,319	733,650	2,322,468
Dept of Public Safety	1780	See Offender Treatment Provider Fund	Less than \$200,000	12,824	0	0	0	11,675	11,677	13,938	0	1,778	1,970	0
Dept of Public Safety	1870	Domestic Violence Treatment Provider Fund	Less than \$200,000	28,241	0	0	0	5,077	5,463	14,051	1,995	26,246	2,318	23,928
Dept of Public Safety	1900	Identity Theft Financial Fraud Fund	Less than \$200,000	402,522	7,645	0	0	45,150	541,281	412,191	362,054	32,823	60,072	0
Dept of Public Safety	2010	Firefighter, First and Haz Mat Responder Cert	Less than \$200,000	(15,911)	0	0	0	187,712	184,366	265,076	(52)	(14,979)	43,738	0
Dept of Public Safety	2190	Criminal Justice Training Fund	Less than \$200,000	52,990	0	0	0	75,475	80,389	80,389	7,068	45,522	13,264	31,258
Dept of Public Safety	2200	Cigarette Ignition Standards & Firefighter	Exclusion will Repeal	4,904,645	35,761	0	0	6,862,281	7,877,761	6,307,518	626,545	4,242,319	1,040,740	3,201,599
Dept of Public Safety	2290	Wildland Urban Interface Training Fund	Less than \$200,000	96,419	0	0	0	550	51,520	32,673	9,190	1,029	5,191	49,466
Dept of Public Safety	2290	Colorado Bureau of Investigation	Exclusion will Repeal	0	0	0	0	0	0	0	0	0	0	0
Dept of Public Safety	2290	Public School Construction and Inspection	Exclusion will Repeal	0	0	0	0	0	0	0	0	0	0	0
Dept of Public Safety	2250	School Safety Resource Center Cash Fund	Less than \$200,000	3,105,994	0	0	0	1,626,461	1,652,720	918,449	48,597	3,057,397	154,844	2,902,553
Dept of Public Safety	2300	State Patrol Special Events Fund	Less than \$200,000	2,765	0	0	0	21,740	21,740	2,887	378	3,990	0	0
Dept of Public Safety	2710	Indian Criminal Background Check Fund	Included in Report	2,104,523	23,015	0	0	3,138,721	3,168,039	2,808,987	14,029	2,867,479	463,153	1,604,326
Dept of Public Safety	2760	Health Facility Construction and Inspection	Exclusion will Repeal	2,450,090	0	0	0	1,507,845	2,039,439	722,274	638,633	1,811,437	119,175	1,692,262
Dept of Public Safety	2900	Vehicle Identification Number Fund	Less than 2 Years	148,501	0	0	0	278,349	135,136	148,331	168	2,297	126,036	0
Dept of Public Safety	6120	Public Safety Internal Service Fund	Less than \$200,000	11,162,933	15,873,041	5,327,542	0	16,054	505,562	(9,118,907)	(9,118,907)	(1,547,803)	1,229,050	
Dept of Public Safety Total				27,445,074	15,941,505	5,327,542	38,482,726	23,915,348	7,761,915	(7,840,281)	14,316,308	1,610,716	13,261,710	
Dept of Regulatory Agencies	1840	Public Utilities Commission Fund Utility Fund	Less than \$200,000	(190,337)	1,153	0	0	11,242,545	11,684,288	13,117,026	(14,801)	(176,689)	2,164,309	0
Dept of Regulatory Agencies	1850	Public Utilities Commission Motor Carrier Fund	Less than \$200,000	41,543	0	0	0	2,040,883	2,272,824	4,230	37,313	368,911	0	
Dept of Regulatory Agencies	1880	Hazardous Materials Safety Fund	Less than \$200,000	148,336	0	0	0	525	251,714	148,027	309	49,783	0	
Dept of Regulatory Agencies	1890	Division of Professions and Occupations Cash Fund	Included in Report	2,703,865	20	0	0	22,962,861	23,875,457	25,683,704	97,892	2,605,953	4,237,811	0
Dept of Regulatory Agencies	1850	Prescription Drug Monitoring Fund	Less than \$200,000	251,278	0	0	0	470,578	673,652	56,736	194,542	194,542	137,559	
Dept of Regulatory Agencies	1960	Disabled Telephone Users Fund	Exclusion will Repeal	2,717,183	0	0	0	936,465	996,831	2,908,655	164,547	2,552,616	479,978	2,072,708
Dept of Regulatory Agencies	1900	Northpage Company and Loan Originator Licensing Cash Fund	Less than \$200,000	103,208	0	0	0	839,744	871,133	1,034,456	4,624	98,545	170,485	0

	Fund	Fund Name	Cash Fund Indicator	Fund Balance (Note 4)	Exempt Assets (Note 5)	Capital Reserve (Note 6)	Previously Appropriated FB (Note 7)	Fee Revenues (Note 8)	Total Revenues	Total Expenses	Non Fee Fund Balance (Note 9)	Uncommitted Reserves (Note 10)	Maximum Reserve (Note 11 & 12)	Uncommitted Reserves (Note 13)
Cabinet														
Dept of Labor and Employment	1360	Displaced Homesteaders	Less than \$200,000	44,901	0	0	0	115,687	110,337	0	0	44,901	18,272	26,629
Dept of Labor and Employment	1370	Boiler Inspection Fund	Included in Report	430,634	0	0	0	1,147,265	1,152,596	1,992	1,992	428,642	211,841	216,801
Dept of Labor and Employment	1390	Utilization Review	Less than \$200,000	43,056	0	0	0	33,474	34,546	0	0	43,056	5,700	37,356
Dept of Labor and Employment	1300	Conveyance Safety Fund	Exclusion will Repeal	3,975,376	0	0	0	671,191	668,071	591,698	591,698	3,333,678	110,237	3,223,446
Dept of Labor and Employment	1400	Workmen's Compensation Self Insurance Fund	Less than \$200,000	185,975	0	0	0	172,000	172,000	33,264	0	185,975	5,489	180,486
Dept of Labor and Employment	1410	Public Safety Inspection Fund	Exclusion will Repeal	227,875	0	0	0	281,550	290,604	252,116	6,864	271,011	41,599	179,412
Dept of Labor and Employment	1420	Workmen's Compensation Cost Containment	Exclusion will Repeal	30,597,959	0	0	0	15,270,619	18,000,690	15,271,492	4,642,077	25,955,884	2,511,546	23,444,338
Dept of Labor and Employment	1430	Fund	Exclusion will Repeal	992,694	0	0	0	398,535	405,462	360,348	16,959	975,735	59,457	916,278
Dept of Labor and Employment	1440	Liquefied Petroleum Gas Inspection Fund	Less than \$200,000	61,398	0	0	0	230,439	230,988	146	146	61,252	31,777	29,475
Dept of Labor and Employment	2320	Employment Support Fund	Less than \$200,000	22,289,692	4,150,840	0	0	26,323	31,186,641	26,133,003	14,123,542	15,310	4,111,945	28,475
Dept of Labor and Employment	2390	Physician Accreditation Program Fund	Less than \$200,000	56,918	0	0	0	99,212	4,297,586	3,785,326	1,375,176	56,918	13,750	41,168
Dept of Labor and Employment Total				58,956,478	4,150,840	0	0	88,345,402	52,399,255	44,313,987	28,383,276	31,323,862	7,321,068	28,297,389
Dept of Law	1500	Collection Agency Cash Fund	Less than \$200,000	176,700	0	0	0	912,700	919,126	798,845	882	125,318	131,809	0
Dept of Law	1510	Uniform Consumer Credit Code Cash Fund	Included in Report	223,664	0	0	0	1,785,664	1,784,459	1,573,403	1,344	222,200	259,611	0
Dept of Law	1620	Insurance Fraud Cash Fund	Included in Report	391,171	0	0	0	2,034,916	2,040,922	1,649,922	3,083	388,088	272,237	115,851
Dept of Law	2600	Legal Services Cash Fund	Less than \$200,000	1,047,816	951,319	150,000	0	2,667,482	3,015,433	34,313,867	1,810,139	136,164	5,661,787	0
Dept of Law	2800	Safe/ATM Cash Fund	Less than 2 Years	10,224	0	0	0	8,264	14,764	4,540	4,501	5,723	749	4,974
Dept of Law	2900	P.O.S.T. Board Cash Fund	Less than \$200,000	1,526,196	0	0	0	425,935	4,297,586	3,785,326	1,375,176	151,070	624,580	0
Dept of Law Total				3,325,285	951,319	150,000	0	7,824,343	47,145,268	42,135,908	3,195,075	1,028,883	6,950,773	120,825
Legislative Branch	2450	Legislative Department Cash	Included in Report	4,848,331	0	0	0	3,246	56,277	3,204,640	4,508,370	339,967	528,166	0
Legislative Branch	7000	Other Legislative Special Revenue Funds	Less than \$200,000	18,498	0	0	0	7,116	4,822	0	18,498	796	17,702	0
Legislative Branch Total				4,866,829	0	0	0	11,062	63,293	3,207,642	4,506,570	358,463	528,562	17,702
Dept of Local Affairs	1160	Mallot Turned Cash Fund	Less than \$200,000	187,403	0	0	0	26,659	28,199	36	11,482	175,921	6	175,915
Dept of Local Affairs	1200	Building Regulation Fund	Exclusion will Repeal	431,125	0	0	0	813,669	1,135,181	1,135,181	0	312,321	144,517	172,804
Dept of Local Affairs	1400	Mortgage Fraud Custodial Funds	Less than \$200,000	34,615,646	4,351,566	0	0	25,253	23,194,019	5,860,967	30,230,534	32,950	967,060	0
Dept of Local Affairs	1570	HUD Sec 8 Family Self Sufficiency Program	Less than \$200,000	6,689,645	2,930,470	0	0	6	40,158,989	39,396,357	3,759,174	1	6,500,399	0
Dept of Local Affairs	1660	Private Activity Bond Allocation Fund	Exclusion will Repeal	119,164	0	0	0	124,419	124,419	80,954	0	119,164	13,157	105,807
Dept of Local Affairs	2300	Housing Development Grant Fund	Included in Report	4,339,440	0	0	0	604,916	8,007,781	6,937,482	4,229,103	309,737	1,144,086	0
Dept of Local Affairs	7460	Housing Rehabilitation Revolving Loan	Less than \$200,000	2,363,734	290,467	0	0	26	21,830	33	2,070,798	2,469	5	2,464
Dept of Local Affairs	7470	HUD Community Development Block Grant Fund	Less than \$200,000	1,701,830	249	0	0	1,535	26,396,574	29,096,450	1,701,483	98	4,866,314	0
Dept of Local Affairs Total				50,649,393	7,572,752	0	0	1,610,333	100,007,192	82,048,149	42,118,978	957,661	13,616,544	456,990
Dept of Military Affairs	1100	Western Slope Military Veterans Cemetery Fund	Less than \$200,000	144,531	0	0	0	83	172,260	171,888	144,461	70	28,362	0
Dept of Military Affairs Total				144,531	0	0	0	83	172,260	171,888	144,461	70	28,362	0
Dept of Natural Resources	1610	Land and Water Management Fund	Exclusion will Repeal	99,565	0	0	0	98,595	100,145	135,707	1,541	98,024	23,392	75,632
Dept of Natural Resources	1660	Sediment Monitoring System Cash Fund	Less than \$200,000	195,052	0	0	0	324,741	326,190	288,728	866	194,186	47,640	146,546
Dept of Natural Resources	1680	Office of Active and Inactive Mines Operation Fund	Less than \$200,000	56,003	0	0	0	12,399	318,429	324,797	53,822	2,181	53,992	0
Dept of Natural Resources	1690	Well Inspection Cash Fund	Less than \$200,000	86,478	0	0	0	211,245	218,075	177,128	2,708	83,770	29,259	54,511
Dept of Natural Resources	2100	Interlocal Compact Committee Operation Fund	Less than \$200,000	1,193,873	0	0	0	405	745,472	441,142	1,193,274	649	72,788	0
Dept of Natural Resources	2560	Mined Land Reclamation Fund	Included in Report	756,331	0	0	0	1,041,398	1,060,796	1,041,730	12,405	748,926	174,885	572,041
Dept of Natural Resources	2650	Water Resources Cash Fund	Included in Report	536,095	0	0	0	408,372	721,552	405,351	232,685	303,410	64,883	236,527
Dept of Natural Resources	2770	Colorado Avalanche Information Center	Less than \$200,000	18,476	0	0	0	25,943	805,809	782,161	31,984	372	179,915	0
Dept of Natural Resources Total				2,941,873	0	0	0	2,124,098	4,296,468	3,602,140	1,315,135	1,426,718	394,134	1,085,257
Dept of Personnel and Administration	2270	Professional Development Cash Fund	Less than \$200,000	156,790	0	0	0	40,594	967,923	820,201	150,214	6,576	133,333	0
Dept of Personnel and Administration	2470	State Archives and Public Records Cash Fund	Less than \$200,000	81,949	0	0	0	97,178	125,141	132,047	16,048	63,101	74,088	38,213
Dept of Personnel and Administration	2810	Stepher Database Cash Fund	Included in Report	3,844,805	0	0	0	1,630,037	2,492,015	1,987,825	3,207,378	2,537,427	37,991	2,709,436
Dept of Personnel and Administration	6010	Central Services Revolving Fund	Less than \$200,000	956,688	7,737,205	3,604,130	0	3,822,308	27,793,326	21,898,611	(8,638,708)	(1,746,431)	3,778,271	0
Dept of Personnel and Administration	6040	Debt Collection Fund	Included in Report	777,765	252,445	0	0	9,977,243	3,981,903	3,781,015	68,897	204,176	623,867	0
Dept of Personnel and Administration	6070	Fleet Management Fund	Less than \$200,000	5,182,377	166,997,994	105,636,667	0	10,231,471	41,500,867	39,746,247	(201,289,413)	(65,862,271)	6,558,213	0
Dept of Personnel and Administration	6100	Capital Complex Fund	Less than \$200,000	2,985,752	29,676,314	9,931,551	0	369,542	11,241,787	13,817,812	(35,817,068)	(1,217,233)	2,280,849	0
Dept of Personnel and Administration	6110	Administrative Hearings Fund	Less than \$200,000	155,713	151,163	151,163	0	120,712	4,261,235	4,646,078	(142,469)	(14,153)	766,603	0
Dept of Personnel and Administration Total				13,747,737	204,515,221	119,583,226	0	19,297,255	87,290,797	87,904,336	(244,331,102)	(46,078,600)	14,504,215	2,247,649
Dept of Public Health and Environment	1160	Hazardous Substances Response Fund	Exclusion will Repeal	14,119,086	0	0	0	1,736,601	3,859,608	4,042,773	7,766,312	6,352,774	667,057	5,685,717
Dept of Public Health and Environment	1170	Solid Waste Management Revenue Fund	Less than \$200,000	1,709,797	0	0	0	405,170	3,493,148	3,700,842	1,089,490	140,107	610,639	0
Dept of Public Health and Environment	1190	Stationary Sources Fund	Included in Report	7,171,258	0	0	0	10,966,028	12,754,710	12,997,761	1,005,705	6,165,553	2,144,631	4,020,927
Dept of Public Health and Environment	1200	Water Quality Fund	Less than \$200,000	33,139	0	0	0	20,051	78,713	81,788	24,714	8,425	13,875	0
Dept of Public Health and Environment	1210	Newborn Genetics Fund	Included in Report	(8,529)	0	0	0	4,728,670	4,513,023	5,643,318	(159)	(8,370)	901,447	0
Dept of Public Health and Environment	1230	Radiation Control Fund	Less than \$200,000	2,541,023	5,266	0	0	6,693,694	6,693,694	7,271,632	0	2,536,137	1,200,149	1,335,989
Dept of Public Health and Environment	1240	Vital Records Fund	Less than \$200,000	344,604	0	0	0	656,473	3,012,449	2,764,683	300,791	48,813	456,173	0
Dept of Public Health and Environment				111,808	0	0	0	544,200	3,246,376	3,637,131	91,078	18,730	600,177	0

Preliminary Informational Cash Funds Uncommitted Reserves Report
 Including Funds Excluded in the Cash Funds 5 table
 Fiscal Year 2015 as of 11/2/15 (period 14)

Fund	Fund Name	Cash Fund Indicator	Fund Balance (Note 4)	Exempt Assets (Note 5)	Capital Reserve (Note 6)	Previously Appropriated FB (Note 7)	Fee Revenues (Note 8)	Total Revenues	Total Expenses	Non Fee Fund Balance (Note Reserves (Note 9)	Uncommitted Reserves (Note 10)	Maximum Reserve (Note 11 & 12)	Uncommitted Reserves (Note 13)
1000	Agricultural Products Inspection Fund	Included in Report	480,271	6,759	0	2,394,747	2,401,145	2,222,655	1,869	472,333	367,563	1,043,310	1,043,310
1010	Veterinary Vaccine and Service Fund	Less than \$200,000	(41,161)	13	0	293,097	293,897	422,740	0	(41,174)	69,754	0	
1600	Inspection and Consumer Services Cash Fund	Included in Report	1,886,947	14,325	0	3,046,270	3,164,239	3,432,329	63,703	1,816,919	566,334	1,244,585	
1700	Dangerous Dog Fund	Less than \$200,000	22,439	0	0	2,450	2,660	1,767	1,767	20,609	20,609	20,609	
2260	Wine Development Fund	Less than \$200,000	285,200	29	0	7,915	740,205	794,283	282,099	3,072	131,057	0	
2270	Plant Health, Pest Control and Environmental	Less than \$200,000	1,998,515	22,749	0	1,360	3,005,999	3,291,723	1,974,872	894	543,664	0	
3350	Protection Fund	Included in Report	1,091,299	40,941	0	4,180,273	4,457,689	5,097,321	18,241	1,032,117	841,058	191,059	
3410	Colorado Aquaculture Fund	Less than \$200,000	6,771	0	0	4,300	4,200	8,826	0	6,771	1,456	1,456	
2100	Industrial Hemp Registration Program Cash	Less than 2 Years	84,078	0	0	113,279	118,604	29,526	19	84,059	4,872	79,187	
2940	Pet Animal Care and Facility Fund	Less than \$200,000	85,579	18	0	783,421	794,054	794,758	1,146	84,415	130,805	0	
5100	State Fair Authority Fund	Exclusion will Repeat	10,197,497	30,220,204	17,082,798	7,164,703	10,064,867	(10,691,850)	(26,413,655)	1,710,691	1,710,691	0	
			16,099,385	30,305,302	17,082,798	18,203,352	23,043,618	26,466,954	(8,348,934)	(22,939,580)	4,367,054	1,645,585	
2930	Educator Licensure Cash Fund	Less than \$200,000	116,646	0	0	2,726,354	2,763,354	3,101,752	0	116,646	512,119	0	
7000	Other Education-Special Revenue Funds	Less than \$200,000	2,734,837	81,163	0	37,389	1,536,179	654,163	2,588,780	64,934	108,997	0	
			2,851,523	81,163	0	2,763,943	4,282,533	3,756,915	2,588,780	181,500	620,716	0	
115E	Donations - Governor's Office	Less than \$200,000	2,469,409	916	0	182,922	3,165,691	3,308,088	2,325,996	142,405	545,835	0	
1310	Travel and Tourism Promotion Fund	Less than \$200,000	13,917,860	5,241	0	8,392	13,097,756	14,931,548	13,903,774	8,845	2,464,031	0	
1390	Travel and Tourism Additional Sources Fund	Included in Report	2,134,219	0	0	83,387	635,285	793,833	1,876,705	201,514	330,889	150,525	
1560	Economic Development Fund	Less than \$200,000	24,704,224	1,849	0	4,091	702,068	1,624,018	2,455,615	142,219	267,963	0	
2180	Venture Capital Authority Staffing Fund	Less than \$200,000	47,340	0	0	608	57,307	3,6180	46,337	503	5,770	0	
2340	Creative Industries Cash Fund	Included in Report	4,638,333	3,066	0	732,501	4,284,182	2,667,401	3,843,477	791,790	440,121	351,669	
2700	Registration Number Fund	Less than \$200,000	(105,098)	0	0	58,925	58,925	75,453	0	(105,098)	12,450	0	
2710	Advanced Industries Acceleration Fund	Less than 2 Years	13,463,663	1,468	0	21,375	9,758,727	1,574,204	1,342,708	29,487	259,744	0	
2840	Fund	Less than 2 Years	122,139	0	0	8,600	31,062	264,106	118,762	3,377	43,577	0	
2880	Economic Guiding Project Fund	Less than \$200,000	13,188	0	0	9,750	9,750	0	0	13,188	0	13,188	
2860	Electric Vehicle Grant Fund	Less than 2 Years	78,100	0	0	57,100	57,100	(74,113,643)	(13,185,737)	78,100	78,100	0	
6890	Colorado Operations-Resource Engine	Less than \$200,000	27,418,721	52,944,101	42,213,203	829,198	15,581,383	205,739	(89,046,550)	(1,000,005)	33,947	0	
7250	Information Technology Renewing Fund	Less than \$200,000	7,253,940	55,068,797	42,213,203	2,262,054	203,686,184	205,583,378	(89,046,550)	(1,000,005)	34,000,587	0	
			91,840,036	108,047,435	42,213,203	4,338,353	253,419,270	232,067,948	(51,053,769)	(967,311)	38,291,218	593,482	
2220	Private Occupational Schools Fund	Less than \$200,000	179,009	0	0	848,379	848,379	715,902	0	179,009	18,024	59,915	
4390	State Historical Fund	Included in Report	39,912,926	1,444	0	1,795,208	27,484,931	77,101,351	37,304,619	2,608,363	4,471,706	0	
7250	History Colorado Restricted Donations	Less than \$200,000	1,505,196	675	0	2,465,481	2,958,822	1,703,862	3,493,650	31,141	294,001	0	
			41,597,131	2,069	0	2,465,481	31,250,015	29,659,015	38,798,049	2,797,013	4,769,717	50,915	
3160	Children's Basic Health Plan Trust	Less than \$200,000	18,290,516	0	0	896,127	110,083,531	105,730,193	181,41,623	148,893	17,445,482	0	
1580	Medicaid Buy-In Cash Fund	Less than \$200,000	9,917	0	0	1,534,986	1,534,986	1,540,608	0	9,917	254,200	0	
1500	Treatment Program	Included in Report	2,455,095	0	0	891,824	1,014,717	1,834,821	297,338	2,157,757	302,745	1,855,012	
1670	Service Fee Fund	Less than \$200,000	366	0	0	214,730	2,104,624	2,104,412	329	37	347,218	0	
2200	Medicaid Nursing Facility Cash Fund	Included in Report	3,716,091	0	0	45,473,754	45,483,153	46,012,163	94	375,997	7,592,007	0	
2460	Hospital Provider Fee Cash Fund	Included in Report	3,571,022	0	0	528,370,519	528,786,555	532,131,644	2,811	3,570,211	87,800,071	0	
			24,705,007	0	0	577,381,540	689,009,566	689,343,841	18,442,195	6,262,812	11,743,733	1,855,012	
1250	Fund	Less than \$200,000	640	0	0	1,050	1,050	1,050	0	640	173	467	
1270	Child Care Licensing Cash Fund	Less than \$200,000	4,084	794	0	715,288	719,152	797,864	233	43,057	131,648	0	
1540	Controlled Substance Program Fund	Less than \$200,000	2,468	53	0	2,675	2,705	1,659	27	2,188	934	1,454	
1760	Records and Reports Fund	Less than \$200,000	71,930	0	0	666,097	666,097	730,972	0	71,930	121,182	0	
1800	Food Distribution Program Service Fund	Less than \$200,000	237,436	447	0	804,402	809,316	193,492	43,499	193,492	146,403	0	
1940	Colorado Domestic Abuse Program Fund	Less than \$200,000	191,236	40	0	874,882	1,163,055	1,032,123	47,373	143,823	214,856	0	
5040	Business Enterprise Program	Less than \$200,000	7,186,925	1,271,506	815,975	431,079	1,390,537	1,502,502	(932,562)	(418,959)	247,920	0	
5160	Work Therapy Cash Fund	Less than \$200,000	150,345	5,479	0	469,179	476,267	2,077	137,510	69,295	62,215	0	
5300	Grounds Cash Fund	Exclusion will Repeat	47,39,321	6,297,739	2,070,920	1,064,528	1,026,708	1,333,596	133,500	(3,757,645)	154,093	0	
7340	Patient Benefit Fund	Included in Report	1,805,329	0	0	28,273	67,325	92,137	1,047,185	750,144	15,203	742,941	
			7,979,974	7,972,058	2,892,374	4,400,875	6,318,303	6,683,339	491,333	(2,975,161)	1,102,751	813,077	
2120	Judicial Information Technology Cash Fund	Exclusion will Repeat	9,871,644	511,519	0	14,567,533	14,620,281	10,887,105	33,590	9,276,535	1,788,122	7,488,413	
2600	Judicial Collection Enhancement Fund	Included in Report	4,602,576	407	0	493,750	5,512,249	4,884,013	4,189,918	412,231	805,862	0	
2860	Medicaid Cash Fund	Less than \$200,000	20,527	0	0	4,476	4,476	0	0	20,527	20,527	0	
7000	Other Judicial Special Revenue Funds	Less than \$200,000	113,893	24,907	0	231,610	605,819	652,254	52,025	36,961	107,622	0	
			14,558,640	536,833	0	15,317,309	20,742,425	16,373,372	4,275,553	9,746,254	2,701,606	7,508,940	



COLORADO
Executive Director's Office
Department of Personnel
& Administration

Senator Kent Lambert, Chair
Joint Budget Committee
200 East 14th Avenue, 3rd Floor
Denver, CO 80203

Henry Sobanet, Director
Governor's Office of State Planning and
Budgeting
200 East Colfax, Room 111
Denver, Colorado 80203

October 1, 2015

Dear Senator Lambert and Mr. Sobanet:

The following text provides a response to the All Departments RFI #6, which reads as follows:

6. All Departments -- All Departments that own or have administrative custody of or administrative responsibility for State-owned buildings or structures are requested to provide by October 1, 2015, to the Joint Budget Committee an inventory list of all such department buildings or other department structures that are 50 years or older; each building's or structure's general condition and use status; and the estimated cost to address controlled maintenance needs or to provide for demolition.

RESPONSE:

The table below reflects the condition of the buildings which the Department of Personnel & Administration has administrative custody or administrative responsibility. The table excludes demolition costs, as there are no plans to demolish any of these buildings.





COLORADO

Executive Director's Office

Department of Personnel
& Administration

Building Name	Occupancy Type	General Fund Gross Square Feet	Current Div. of R.M. Value	Date Built	Date of Building Audit	Existing Building Condition (100% = good)	Building Condition (Target)	Controlled Maintenance Needs (diff. between existing and target)
Dcs-State Capitol Building	Office type contents	307,467	\$ 265,196,000	1895	Aug-13	47%	85%	\$ 100,721,441
Dcs-Capitol Annex Building	Office type contents	113,044	\$ 28,225,000	1937	Oct-13	37%	85%	\$ 13,446,390
Dcs-Power Plant	Other	25,709	\$ 3,966,000	1939	Apr-12	61%	85%	\$ 952,633
Dcs-State Office Building	Office type contents	74,874	\$ 26,100,000	1921	May-11	67%	85%	\$ 4,698,000
Dcs-State Services Building	Office type contents	194,816	\$ 43,785,000	1958	Oct-12	70%	85%	\$ 6,668,456
Dcs-Human Services Bldg	Office type contents	146,521	\$ 31,396,000	1952	Jan-13	60%	85%	\$ 7,764,231
Dcs-Governor's Residence	Other	26,431	\$ 8,801,000	1908	Dec-11	43%	85%	\$ 3,696,420
Dcs-Carriage House/Greenhouse	Other	4,854	\$ 1,605,000	1908	Mar-12	69%	85%	\$ 254,714
Dcs-Legislative Services Bldg	Office type contents	56,778	\$ 16,934,000	1914	Jun-12	54%	85%	\$ 5,229,219
		950,494	\$ 426,008,000					\$ 143,431,503

Please let me know if you have any questions or need additional information.

Sincerely,

June Taylor
Executive Director
Department of Personnel & Administration

Cc:

- Representative Millie Hamner, Joint Budget Committee
- Representative Dave Young, Joint Budget Committee
- Representative Bob Rankin, Joint Budget Committee
- Senator Pat Steadman, Joint Budget Committee
- Senator Kevin Grantham, Joint Budget Committee
- John Ziegler, Joint Budget Committee, Staff Director
- Alfredo Kemm, Joint Budget Committee, Staff
- Erick Scheminske, Office of State Planning and Budgeting, Deputy Director
- Cassie Rutter, Office of State Planning and Budgeting, Staff



Appendix D: SMART Act Annual Performance Report

Pursuant to Section 2-7-205 (1) (a) (I), C.R.S., the Office of State Planning and Budgeting is required to publish an Annual Performance Report for the Department of Personnel by November 1 of each year. This report is to include a summary of the Department's performance plan and most recent performance evaluation. The FY 2014-15 report can be found at the following link:

<https://sites.google.com/a/state.co.us/colorado-performance-management/department-performance-plans/personnel-and-administration/fy-2014-15-performance-plan-and-evaluation-reports>

Pursuant to Section 2-7-204 (3) (a) (I), C.R.S., the Department of Personnel is required to develop a performance plan and submit that plan to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year. The FY 2015-16 plan, dated July 1, 2015, can be found at the following link:

<https://sites.google.com/a/state.co.us/colorado-performance-management/department-performance-plans/personnel-and-administration/fy-2015-16-performance-plan-and-evaluation-reports>